



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 or  
2 remote retailer using a certified automated system shall be  
3 subject to a class action brought on behalf of customers and  
4 arising from, or in any way related to, an overpayment of  
5 retailers' occupation tax collected by the certified service  
6 provider if, at the time of the sale, they relied on  
7 information provided by the Department, regardless of whether  
8 that claim is characterized as a tax refund claim. Nothing in  
9 this Section affects a customer's right to seek a refund from  
10 the remote retailer as provided in this Act.

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

13 Article 10. Parking Excise Tax Act

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

17 Section 10-5. Definitions.

18 "Booking intermediary" means any person or entity that  
19 facilitates the processing and fulfillment of reservation  
20 transactions between an operator and a person or entity  
21 desiring parking in a parking lot or garage of that operator.

22 "Charge or fee paid for parking" means the gross amount of

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

15 "Department" means the Department of Revenue.

16 "Operator" means any person who engages in the business of  
17 operating a parking area or garage, or who, directly or through  
18 an agreement or arrangement with another party, collects the  
19 consideration for parking or storage of motor vehicles,  
20 recreational vehicles, or other self-propelled vehicles, at  
21 that parking place. This includes, but is not limited to, any  
22 facilitator or aggregator that collects from the purchaser the  
23 charge or fee paid for parking. "Operator" does not include a  
24 bank, credit card company, payment processor, booking  
25 intermediary, or person whose involvement is limited to  
26 performing functions that are similar to those performed by a



1 bank, credit card company, payment processor, or booking  
2 intermediary.

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

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

21 "Purchase price" means the consideration paid for the  
22 purchase of a parking space in a parking area or garage, valued  
23 in money, whether received in money or otherwise, including  
24 cash, gift cards, credits, and property, and shall be  
25 determined without any deduction on account of the cost of  
26 materials used, labor or service costs, or any other expense

1 whatsoever.

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

10 (1) optional, separately stated charges not for the use  
11 or privilege of using a parking space in the parking area  
12 or garage;

13 (2) any charge for a dishonored check;

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

16 (4) any purchase by a purchaser if the operator is  
17 prohibited by federal or State Constitution, treaty,  
18 convention, statute or court decision from collecting the  
19 tax from such purchaser;

20 (5) the isolated or occasional sale of parking spaces  
21 subject to tax under this Act by a person who does not hold  
22 himself out as being engaged (or who does not habitually  
23 engage) in selling of parking spaces; and

24 (6) any amounts added to a purchaser's bills because of  
25 charges made pursuant to the tax imposed by this Act. If  
26 credit is extended, then the amount thereof shall be

1 included only as and when payments are made.

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

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

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

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

13 (1) 6% of the purchase price for a parking space paid  
14 for on an hourly, daily, or weekly basis; and

15 (2) 9% of the purchase price for a parking space paid  
16 for on a monthly or annual basis.

17 (b) The tax shall be collected from the purchaser by the  
18 operator.

19 (c) An operator that has paid or remitted the tax imposed  
20 by this Act to another operator in connection with the same  
21 parking transaction, or the use of the same parking space, that  
22 is subject to tax under this Act, shall be entitled to a credit  
23 for such tax paid or remitted against the amount of tax owed  
24 under this Act, provided that the other operator is registered  
25 under this Act. The operator claiming the credit shall have the

1 burden of proving it is entitled to claim a credit.

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

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

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

19 (1) the name of the operator;

20 (2) the address of its principal place of business and  
21 the address of the principal place of business from which  
22 it provides parking areas and garages in this State;

23 (3) the total amount of receipts received by the  
24 operator during the preceding calendar month or quarter, as  
25 the case may be, from sales of parking spaces to purchasers

1 in parking areas or garages during the preceding calendar  
2 month or quarter;

3 (4) deductions allowed by law;

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

7 (6) the amount of tax due; and

8 (7) such other reasonable information as the  
9 Department may require.

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

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

23 If the same person has more than one business registered  
24 with the Department under separate registrations under this  
25 Act, that person shall not file each return that is due as a  
26 single return covering all such registered businesses but shall

1 file separate returns for each such registered business.

2 If the operator is a corporation, the return filed on  
3 behalf of that corporation shall be signed by the president,  
4 vice-president, secretary, or treasurer, or by a properly  
5 accredited agent of such corporation.

6 The operator filing the return under this Act shall, at the  
7 time of filing the return, pay to the Department the amount of  
8 tax imposed by this Act less a discount of 1.75%, not to exceed  
9 \$1,000 per month, which is allowed to reimburse the operator  
10 for the expenses incurred in keeping records, preparing and  
11 filing returns, remitting the tax, and supplying data to the  
12 Department on request.

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

25 Section 10-20. Exemptions. The tax imposed by this Act

1 shall not apply to:

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

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

21 (3) parking by hospital employees in a parking space  
22 that is owned and operated by the hospital for which they  
23 work; and

24 (4) parking in a parking area or garage where 3 or  
25 fewer motor vehicles are stored, housed, or parked for  
26 hire, charge, fee or other valuable consideration, if the

1 operator of the parking area or garage does not act as the  
2 operator of more than a total of 3 parking spaces located  
3 in the State; if any operator of parking areas or garages,  
4 including any facilitator or aggregator, acts as an  
5 operator of more than 3 parking spaces in total that are  
6 located in the State, then this exemption shall not apply  
7 to any of those spaces.

8 Section 10-25. Collection of tax.

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



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

9           Section 10-30. Registration of operators.

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

23           (b) The Department may refuse to issue or reissue a  
24 certificate of registration to any applicant for the reasons  
25 set forth in Section 2505-380 of the Department of Revenue Law

1 of the Civil Administrative Code of Illinois.

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

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

13 (a) The Department may, after notice and a hearing as  
14 provided in this Act, revoke the certificate of registration of  
15 any operator who violates any of the provisions of this Act or  
16 any rule adopted pursuant to this Act. Before revocation of a  
17 certificate of registration, the Department shall, within 90  
18 days after non-compliance and at least 7 days prior to the date  
19 of the hearing, give the operator so accused notice in writing  
20 of the charge against him or her, and on the date designated  
21 shall conduct a hearing upon this matter. The lapse of such  
22 90-day period shall not preclude the Department from conducting  
23 revocation proceedings at a later date if necessary. Any  
24 hearing held under this Section shall be conducted by the  
25 Director or by any officer or employee of the Department

1 designated in writing by the Director.

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

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

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

24 Section 10-40. Valet services.

25 (a) Persons engaged in the business of providing valet

1 services are subject to the tax imposed by this Act on the  
2 purchase price received in connection with their valet parking  
3 operations.

4 (b) Persons engaged in the business of providing valet  
5 services are entitled to take the credit in subsection (c) of  
6 Section 10-10.

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

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

17 Section 10-50. Incorporation by reference. All of the  
18 provisions of Sections 1, 2a, 2b, 3 (except provisions relating  
19 to transaction returns and except for provisions that are  
20 inconsistent with this Act), in respect to all provisions  
21 therein other than the State rate of tax) 4, 5, 5a, 5b, 5c, 5d,  
22 5e, 5f, 5g, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and  
23 13 of the Retailers' Occupation Tax Act that are not  
24 inconsistent with this Act, and all provisions of the Uniform

1 Penalty and Interest Act shall apply, as far as practicable, to  
2 the subject matter of this Act to the same extent as if such  
3 provisions were included in this Act.

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

7 Article 15. Amendatory Provisions

8 Section 15-5. The Illinois Administrative Procedure Act is  
9 amended by changing Section 5-45 as follows:

10 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

11 Sec. 5-45. Emergency rulemaking.

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

15 (b) If any agency finds that an emergency exists that  
16 requires adoption of a rule upon fewer days than is required by  
17 Section 5-40 and states in writing its reasons for that  
18 finding, the agency may adopt an emergency rule without prior  
19 notice or hearing upon filing a notice of emergency rulemaking  
20 with the Secretary of State under Section 5-70. The notice  
21 shall include the text of the emergency rule and shall be  
22 published in the Illinois Register. Consent orders or other

1 court orders adopting settlements negotiated by an agency may  
2 be adopted under this Section. Subject to applicable  
3 constitutional or statutory provisions, an emergency rule  
4 becomes effective immediately upon filing under Section 5-65 or  
5 at a stated date less than 10 days thereafter. The agency's  
6 finding and a statement of the specific reasons for the finding  
7 shall be filed with the rule. The agency shall take reasonable  
8 and appropriate measures to make emergency rules known to the  
9 persons who may be affected by them.

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

1 emergency rules adopted pursuant to subsection (o) of this  
2 Section, or (vi) emergency rules adopted pursuant to subsection  
3 (c-5) of this Section. Two or more emergency rules having  
4 substantially the same purpose and effect shall be deemed to be  
5 a single rule for purposes of this Section.

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

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

1           (e) In order to provide for the expeditious and timely  
2 implementation of the State's fiscal year 2000 budget,  
3 emergency rules to implement any provision of Public Act 91-24  
4 or any other budget initiative for fiscal year 2000 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 (e). The adoption of  
10 emergency rules authorized by this subsection (e) shall be  
11 deemed to be necessary for the public interest, safety, and  
12 welfare.

13           (f) In order to provide for the expeditious and timely  
14 implementation of the State's fiscal year 2001 budget,  
15 emergency rules to implement any provision of Public Act 91-712  
16 or any other budget initiative for fiscal year 2001 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 (f). The adoption of  
22 emergency rules authorized by this subsection (f) shall be  
23 deemed to be necessary for the public interest, safety, and  
24 welfare.

25           (g) In order to provide for the expeditious and timely  
26 implementation of the State's fiscal year 2002 budget,



1 emergency rules to implement any provision of Public Act 92-10  
2 or any other budget initiative for fiscal year 2002 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 (g). The adoption of  
8 emergency rules authorized by this subsection (g) shall be  
9 deemed to be necessary for the public interest, safety, and  
10 welfare.

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

23 (i) In order to provide for the expeditious and timely  
24 implementation of the State's fiscal year 2004 budget,  
25 emergency rules to implement any provision of Public Act 93-20  
26 or any other budget initiative for fiscal year 2004 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 (i). The adoption of  
6 emergency rules authorized by this subsection (i) shall be  
7 deemed to be necessary for the public interest, safety, and  
8 welfare.

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

25 (k) In order to provide for the expeditious and timely  
26 implementation of the provisions of the State's fiscal year

1 2006 budget, emergency rules to implement any provision of  
2 Public Act 94-48 or any other budget initiative for fiscal year  
3 2006 may be adopted in accordance with this Section by the  
4 agency charged with administering that provision or  
5 initiative, except that the 24-month limitation on the adoption  
6 of emergency rules and the provisions of Sections 5-115 and  
7 5-125 do not apply to rules adopted under this subsection (k).  
8 The Department of Healthcare and Family Services may also adopt  
9 rules under this subsection (k) necessary to administer the  
10 Illinois Public Aid Code, the Senior Citizens and Persons with  
11 Disabilities Property Tax Relief Act, the Senior Citizens and  
12 Disabled Persons Prescription Drug Discount Program Act (now  
13 the Illinois Prescription Drug Discount Program Act), and the  
14 Children's Health Insurance Program Act. The adoption of  
15 emergency rules authorized by this subsection (k) shall be  
16 deemed to be necessary for the public interest, safety, and  
17 welfare.

18 (1) In order to provide for the expeditious and timely  
19 implementation of the provisions of the State's fiscal year  
20 2007 budget, the Department of Healthcare and Family Services  
21 may adopt emergency rules during fiscal year 2007, including  
22 rules effective July 1, 2007, in accordance with this  
23 subsection to the extent necessary to administer the  
24 Department's responsibilities with respect to amendments to  
25 the State plans and Illinois waivers approved by the federal  
26 Centers for Medicare and Medicaid Services necessitated by the

1 requirements of Title XIX and Title XXI of the federal Social  
2 Security Act. The adoption of emergency rules authorized by  
3 this subsection (l) shall be deemed to be necessary for the  
4 public interest, safety, and welfare.

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

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

1 welfare. The rulemaking authority granted in this subsection  
2 (n) shall apply only to rules promulgated during Fiscal Year  
3 2010.

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

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

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

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

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

23 (s) In order to provide for the expeditious and timely  
24 implementation of the provisions of Sections 5-5b.1 and 5A-2 of  
25 the Illinois Public Aid Code, emergency rules to implement any  
26 provision of Section 5-5b.1 or Section 5A-2 of the Illinois

1 Public Aid Code may be adopted in accordance with this  
2 subsection (s) by the Department of Healthcare and Family  
3 Services. The rulemaking authority granted in this subsection  
4 (s) shall apply only to those rules adopted prior to July 1,  
5 2015. Notwithstanding any other provision of this Section, any  
6 emergency rule adopted under this subsection (s) shall only  
7 apply to payments made for State fiscal year 2015. The adoption  
8 of emergency rules authorized by this subsection (s) is deemed  
9 to be necessary for the public interest, safety, and welfare.

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

22 (u) In order to provide for the expeditious and timely  
23 implementation of the provisions of the Burn Victims Relief  
24 Act, emergency rules to implement any provision of the Act may  
25 be adopted in accordance with this subsection (u) by the  
26 Department of Insurance. The rulemaking authority granted in

1 this subsection (u) shall apply only to those rules adopted  
2 prior to December 31, 2015. The adoption of emergency rules  
3 authorized by this subsection (u) is deemed to be necessary for  
4 the public interest, safety, and welfare.

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

14 (w) In order to provide for the expeditious and timely  
15 implementation of the provisions of Public Act 99-796,  
16 emergency rules to implement the changes made by Public Act  
17 99-796 may be adopted in accordance with this subsection (w) by  
18 the Adjutant General. The adoption of emergency rules  
19 authorized by this subsection (w) is deemed to be necessary for  
20 the public interest, safety, and welfare.

21 (x) In order to provide for the expeditious and timely  
22 implementation of the provisions of Public Act 99-906,  
23 emergency rules to implement subsection (i) of Section 16-115D,  
24 subsection (g) of Section 16-128A, and subsection (a) of  
25 Section 16-128B of the Public Utilities Act may be adopted in  
26 accordance with this subsection (x) by the Illinois Commerce



1 Commission. The rulemaking authority granted in this  
2 subsection (x) shall apply only to those rules adopted within  
3 180 days after June 1, 2017 (the effective date of Public Act  
4 99-906). The adoption of emergency rules authorized by this  
5 subsection (x) is deemed to be necessary for the public  
6 interest, safety, and welfare.

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

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

1           (aa) In order to provide for the expeditious and timely  
2 initial implementation of the changes made to Articles 5, 5A,  
3 12, and 14 of the Illinois Public Aid Code under the provisions  
4 of Public Act 100-581, the Department of Healthcare and Family  
5 Services may adopt emergency rules in accordance with this  
6 subsection (aa). The 24-month limitation on the adoption of  
7 emergency rules does not apply to rules to initially implement  
8 the changes made to Articles 5, 5A, 12, and 14 of the Illinois  
9 Public Aid Code adopted under this subsection (aa). The  
10 adoption of emergency rules authorized by this subsection (aa)  
11 is deemed to be necessary for the public interest, safety, and  
12 welfare.

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

1           (cc) In order to provide for the expeditious and timely  
2 implementation of the provisions of Public Act 100-587,  
3 emergency rules may be adopted in accordance with this  
4 subsection (cc) to implement the changes made by Public Act  
5 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois  
6 Pension Code by the Board created under Article 14 of the Code;  
7 Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by  
8 the Board created under Article 15 of the Code; and Sections  
9 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board  
10 created under Article 16 of the Code. The adoption of emergency  
11 rules authorized by this subsection (cc) is deemed to be  
12 necessary for the public interest, safety, and welfare.

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

21           (ee) In order to provide for the expeditious and timely  
22 implementation of the provisions of Public Act 100-1172 ~~this~~  
23 ~~amendatory Act of the 100th General Assembly~~, emergency rules  
24 implementing the Illinois Underground Natural Gas Storage  
25 Safety Act may be adopted in accordance with this subsection by  
26 the Department of Natural Resources. The adoption of emergency

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

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

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

25 (hh) In order to provide for the expeditious and timely  
26 implementation of the provisions of the Leveling the Playing

1 Field for Illinois Retail Act, emergency rules may be adopted  
2 in accordance with this subsection (hh) to implement the  
3 changes made by the Leveling the Playing Field for Illinois  
4 Retail Act. The adoption of emergency rules authorized by this  
5 subsection (hh) is deemed to be necessary for the public  
6 interest, safety, and welfare.

7 (Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17;  
8 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff.  
9 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18;  
10 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff.  
11 3-8-19; 101-1, eff. 2-19-19; revised 4-2-19.)

12 Section 15-10. The Department of Commerce and Economic  
13 Opportunity Law of the Civil Administrative Code of Illinois is  
14 amended by adding Section 605-1025 as follows:

15 (20 ILCS 605/605-1025 new)

16 Sec. 605-1025. Data center investment.

17 (a) The Department shall issue certificates of exemption  
18 from the Retailers' Occupation Tax Act, the Use Tax Act, the  
19 Service Use Tax Act, and the Service Occupation Tax Act, all  
20 locally-imposed retailers' occupation taxes administered and  
21 collected by the Department, the Chicago non-titled Use Tax,  
22 the Electricity Excise Tax Act, and a credit certification  
23 against the taxes imposed under subsections (a) and (b) of  
24 Section 201 of the Illinois Income Tax Act to qualifying

1 Illinois data centers.

2 (b) For taxable years beginning on or after January 1,  
3 2019, the Department shall award credits against the taxes  
4 imposed under subsections (a) and (b) of Section 201 of the  
5 Illinois Income Tax Act as provided in Section 229 of the  
6 Illinois Income Tax Act.

7 (c) For purposes of this Section:

8 "Data center" means a facility: (1) whose primary  
9 services are the storage, management, and processing of  
10 digital data; and (2) that is used to house (i) computer  
11 and network systems, including associated components such  
12 as servers, network equipment and appliances,  
13 telecommunications, and data storage systems, (ii) systems  
14 for monitoring and managing infrastructure performance,  
15 (iii) Internet-related equipment and services, (iv) data  
16 communications connections, (v) environmental controls,  
17 (vi) fire protection systems, and (vii) security systems  
18 and services.

19 "Qualifying Illinois data center" means a new or  
20 existing data center that:

21 (1) is located in the State of Illinois;

22 (2) in the case of an existing data center, made a  
23 capital investment of at least \$250,000,000  
24 collectively by the data center operator and the  
25 tenants of all of its data centers over the 60-month  
26 period immediately prior to January 1, 2020 or

1 committed to make a capital investment of at least  
2 \$250,000,000 over a 60-month period commencing before  
3 January 1, 2020 and ending after January 1, 2020; or

4 (3) in the case of a new data center, makes a  
5 capital investment of at least \$250,000,000 over a  
6 60-month period; and

7 (4) in the case of both existing and new data  
8 centers, results in the creation of at least 20  
9 full-time or full-time equivalent new jobs over a  
10 period of 60 months by the data center operator and the  
11 tenants of the data center, collectively, associated  
12 with the operation or maintenance of the data center;  
13 those jobs must have a total compensation equal to or  
14 greater than 120% of the median wage paid to full-time  
15 employees in the county where the data center is  
16 located, as determined by the U.S. Bureau of Labor  
17 Statistics; and

18 (5) is carbon neutral or attains certification  
19 under one or more of the following green building  
20 standards:

21 (A) BREEAM for New Construction or BREEAM  
22 In-Use;

23 (B) ENERGY STAR;

24 (C) Envision;

25 (D) ISO 50001-energy management;

26 (E) LEED for Building Design and Construction

1           or LEED for Operations and Maintenance;

2           (F) Green Globes for New Construction or Green  
3           Globes for Existing Buildings;

4           (G) UL 3223; or

5           (H) an equivalent program approved by the  
6           Department of Commerce and Economic Opportunity.

7           "Full-time equivalent job" means a job in which the new  
8           employee works for the owner, operator, contractor, or  
9           tenant of a data center or for a corporation under contract  
10           with the owner, operator or tenant of a data center at a  
11           rate of at least 35 hours per week. An owner, operator or  
12           tenant who employs labor or services at a specific site or  
13           facility under contract with another may declare one  
14           full-time, permanent job for every 1,820 man hours worked  
15           per year under that contract. Vacations, paid holidays, and  
16           sick time are included in this computation. Overtime is not  
17           considered a part of regular hours.

18           "Qualified tangible personal property" means:  
19           electrical systems and equipment; climate control and  
20           chilling equipment and systems; mechanical systems and  
21           equipment; monitoring and secure systems; emergency  
22           generators; hardware; computers; servers; data storage  
23           devices; network connectivity equipment; racks; cabinets;  
24           telecommunications cabling infrastructure; raised floor  
25           systems; peripheral components or systems; software;  
26           mechanical, electrical, or plumbing systems; battery



1 systems; cooling systems and towers; temperature control  
2 systems; other cabling; and other data center  
3 infrastructure equipment and systems necessary to operate  
4 qualified tangible personal property, including fixtures;  
5 and component parts of any of the foregoing, including  
6 installation, maintenance, repair, refurbishment, and  
7 replacement of qualified tangible personal property to  
8 generate, transform, transmit, distribute, or manage  
9 electricity necessary to operate qualified tangible  
10 personal property; and all other tangible personal  
11 property that is essential to the operations of a computer  
12 data center. "Qualified tangible personal property" also  
13 includes building materials physically incorporated in to  
14 the qualifying data center.

15 To document the exemption allowed under this Section, the  
16 retailer must obtain from the purchaser a copy of the  
17 certificate of eligibility issued by the Department.

18 (d) New and existing data centers seeking a certificate of  
19 exemption for new or existing facilities shall apply to the  
20 Department in the manner specified by the Department. The  
21 Department shall determine the duration of the certificate of  
22 exemption awarded under this Act. The duration of the  
23 certificate of exemption may not exceed 20 calendar years. The  
24 Department and any data center seeking the exemption, including  
25 a data center operator on behalf of itself and its tenants,  
26 must enter into a memorandum of understanding that at a minimum

1 provides:

2 (1) the details for determining the amount of capital  
3 investment to be made;

4 (2) the number of new jobs created;

5 (3) the timeline for achieving the capital investment  
6 and new job goals;

7 (4) the repayment obligation should those goals not be  
8 achieved and any conditions under which repayment by the  
9 qualifying data center or data center tenant claiming the  
10 exemption will be required;

11 (5) the duration of the exemption; and

12 (6) other provisions as deemed necessary by the  
13 Department.

14 (e) Beginning July 1, 2021, and each year thereafter, the  
15 Department shall annually report to the Governor and the  
16 General Assembly on the outcomes and effectiveness of this  
17 amendatory Act of the 101st General Assembly that shall include  
18 the following:

19 (1) the name of each recipient business;

20 (2) the location of the project;

21 (3) the estimated value of the credit;

22 (4) the number of new jobs and, if applicable, retained  
23 jobs pledged as a result of the project; and

24 (5) whether or not the project is located in an  
25 underserved area.

26 (f) New and existing data centers seeking a certificate of

1 exemption related to the rehabilitation or construction of data  
2 centers in the State shall require the contractor and all  
3 subcontractors to comply with the requirements of Section 30-22  
4 of the Illinois Procurement Code as they apply to responsible  
5 bidders and to present satisfactory evidence of that compliance  
6 to the Department.

7 (g) New and existing data centers seeking a certificate of  
8 exemption for the rehabilitation or construction of data  
9 centers in the State shall require the contractor to enter into  
10 a project labor agreement approved by the Department.

11 (h) Any qualifying data center issued a certificate of  
12 exemption under this Section must annually report to the  
13 Department the total data center tax benefits that are received  
14 by the business. Reports are due no later than May 31 of each  
15 year and shall cover the previous calendar year. The first  
16 report is for the 2019 calendar year and is due no later than  
17 May 31, 2020.

18 To the extent that a business issued a certificate of  
19 exemption under this Section has obtained an Enterprise Zone  
20 Building Materials Exemption Certificate or a High Impact  
21 Business Building Materials Exemption Certificate, no  
22 additional reporting for those building materials exemption  
23 benefits is required under this Section.

24 Failure to file a report under this subsection (h) may  
25 result in suspension or revocation of the certificate of  
26 exemption. The Department shall adopt rules governing

1 suspension or revocation of the certificate of exemption,  
2 including the length of suspension. Factors to be considered in  
3 determining whether a data center certificate of exemption  
4 shall be suspended or revoked include, but are not limited to,  
5 prior compliance with the reporting requirements, cooperation  
6 in discontinuing and correcting violations, the extent of the  
7 violation, and whether the violation was willful or  
8 inadvertent.

9 (i) The Department shall not issue any new certificates of  
10 exemption under the provisions of this Section after July 1,  
11 2029. This sunset shall not affect any existing certificates of  
12 exemption in effect on July 1, 2029.

13 Section 15-20. The State Finance Act is amended by adding  
14 Sections 5.891, 5.893, and 5.894 as follows:

15 (30 ILCS 105/5.891 new)

16 Sec. 5.891. The Transportation Renewal Fund.

17 (30 ILCS 105/5.893 new)

18 Sec. 5.893. The Regional Transportation Authority Capital  
19 Improvement Fund.

20 (30 ILCS 105/5.894 new)

21 Sec. 5.894. The Downstate Mass Transportation Capital  
22 Improvement Fund.

1 Section 15-25. The Illinois Income Tax Act is amended by  
2 adding Section 229 as follows:

3 (35 ILCS 5/229 new)

4 Sec. 229. Data center construction employment tax credit.

5 (a) A taxpayer who has been awarded a credit by the  
6 Department of Commerce and Economic Opportunity under Section  
7 605-1025 of the Department of Commerce and Economic Opportunity  
8 Law of the Civil Administrative Code of Illinois is entitled to  
9 a credit against the taxes imposed under subsections (a) and  
10 (b) of Section 201 of this Act. The amount of the credit shall  
11 be 20% of the wages paid during the taxable year to a full-time  
12 or part-time employee of a construction contractor employed by  
13 a certified data center if those wages are paid for the  
14 construction of a new data center in a geographic area that  
15 meets any one of the following criteria:

16 (1) the area has a poverty rate of at least 20%,  
17 according to the latest federal decennial census;

18 (2) 75% or more of the children in the area participate  
19 in the federal free lunch program, according to reported  
20 statistics from the State Board of Education;

21 (3) 20% or more of the households in the area receive  
22 assistance under the Supplemental Nutrition Assistance  
23 Program (SNAP); or

24 (4) the area has an average unemployment rate, as

1 determined by the Department of Employment Security, that  
2 is more than 120% of the national unemployment average, as  
3 determined by the U.S. Department of Labor, for a period of  
4 at least 2 consecutive calendar years preceding the date of  
5 the application.

6 If the taxpayer is a partnership, a Subchapter S  
7 corporation, or a limited liability company that has elected  
8 partnership tax treatment, the credit shall be allowed to the  
9 partners, shareholders, or members in accordance with the  
10 determination of income and distributive share of income under  
11 Sections 702 and 704 and subchapter S of the Internal Revenue  
12 Code, as applicable. The Department, in cooperation with the  
13 Department of Commerce and Economic Opportunity, shall adopt  
14 rules to enforce and administer this Section. This Section is  
15 exempt from the provisions of Section 250 of this Act.

16 (b) In no event shall a credit under this Section reduce  
17 the taxpayer's liability to less than zero. If the amount of  
18 the credit exceeds the tax liability for the year, the excess  
19 may be carried forward and applied to the tax liability of the  
20 5 taxable years following the excess credit year. The tax  
21 credit shall be applied to the earliest year for which there is  
22 a tax liability. If there are credits for more than one year  
23 that are available to offset a liability, the earlier credit  
24 shall be applied first.

25 (c) No credit shall be allowed with respect to any  
26 certification for any taxable year ending after the revocation

1 of the certification by the Department of Commerce and Economic  
2 Opportunity. Upon receiving notification by the Department of  
3 Commerce and Economic Opportunity of the revocation of  
4 certification, the Department shall notify the taxpayer that no  
5 credit is allowed for any taxable year ending after the  
6 revocation date, as stated in such notification. If any credit  
7 has been allowed with respect to a certification for a taxable  
8 year ending after the revocation date, any refund paid to the  
9 taxpayer for that taxable year shall, to the extent of that  
10 credit allowed, be an erroneous refund within the meaning of  
11 Section 912 of this Act.

12 Section 15-30. The Use Tax Act is amended by changing  
13 Sections 2 and 3-5 as follows:

14 (35 ILCS 105/2) (from Ch. 120, par. 439.2)

15 Sec. 2. Definitions.

16 "Use" means the exercise by any person of any right or  
17 power over tangible personal property incident to the ownership  
18 of that property, except that it does not include the sale of  
19 such property in any form as tangible personal property in the  
20 regular course of business to the extent that such property is  
21 not first subjected to a use for which it was purchased, and  
22 does not include the use of such property by its owner for  
23 demonstration purposes: Provided that the property purchased  
24 is deemed to be purchased for the purpose of resale, despite

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

23 "Watercraft" means a Class 2, Class 3, or Class 4  
24 watercraft as defined in Section 3-2 of the Boat Registration  
25 and Safety Act, a personal watercraft, or any boat equipped  
26 with an inboard motor.



1 "Purchase at retail" means the acquisition of the ownership  
2 of or title to tangible personal property through a sale at  
3 retail.

4 "Purchaser" means anyone who, through a sale at retail,  
5 acquires the ownership of tangible personal property for a  
6 valuable consideration.

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

25 "Sale at retail" shall also be construed to include any  
26 Illinois florist's sales transaction in which the purchase

1 order is received in Illinois by a florist and the sale is for  
2 use or consumption, but the Illinois florist has a florist in  
3 another state deliver the property to the purchaser or the  
4 purchaser's donee in such other state.

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

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

22 "Selling price" means the consideration for a sale valued  
23 in money whether received in money or otherwise, including  
24 cash, credits, property other than as hereinafter provided, and  
25 services, but, prior to January 1, 2020, not including the  
26 value of or credit given for traded-in tangible personal

1 property where the item that is traded-in is of like kind and  
2 character as that which is being sold; beginning January 1,  
3 2020, "selling price" includes the portion of the value of or  
4 credit given for traded-in motor vehicles of the First Division  
5 as defined in Section 1-146 of the Illinois Vehicle Code of  
6 like kind and character as that which is being sold that  
7 exceeds \$10,000. "Selling price",~~and~~ shall be determined  
8 without any deduction on account of the cost of the property  
9 sold, the cost of materials used, labor or service cost or any  
10 other expense whatsoever, but does not include interest or  
11 finance charges which appear as separate items on the bill of  
12 sale or sales contract nor charges that are added to prices by  
13 sellers on account of the seller's tax liability under the  
14 "Retailers' Occupation Tax Act", or on account of the seller's  
15 duty to collect, from the purchaser, the tax that is imposed by  
16 this Act, or, except as otherwise provided with respect to any  
17 cigarette tax imposed by a home rule unit, on account of the  
18 seller's tax liability under any local occupation tax  
19 administered by the Department, or, except as otherwise  
20 provided with respect to any cigarette tax imposed by a home  
21 rule unit on account of the seller's duty to collect, from the  
22 purchasers, the tax that is imposed under any local use tax  
23 administered by the Department. Effective December 1, 1985,  
24 "selling price" shall include charges that are added to prices  
25 by sellers on account of the seller's tax liability under the  
26 Cigarette Tax Act, on account of the seller's duty to collect,

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

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

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

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

1 lease is not a defined period, including leases with a defined  
2 initial period with the option to continue the lease on a  
3 month-to-month or other basis beyond the initial defined  
4 period.

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

13 "Department" means the Department of Revenue.

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

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

21 A person who holds himself or herself out as being engaged  
22 (or who habitually engages) in selling tangible personal  
23 property at retail is a retailer hereunder with respect to such  
24 sales (and not primarily in a service occupation)  
25 notwithstanding the fact that such person designs and produces  
26 such tangible personal property on special order for the

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

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

25 A person who is the recipient of a grant or contract under  
26 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and



1 serves meals to participants in the federal Nutrition Program  
2 for the Elderly in return for contributions established in  
3 amount by the individual participant pursuant to a schedule of  
4 suggested fees as provided for in the federal Act is not a  
5 retailer under this Act with respect to such transactions.

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

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

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

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

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

1           (1.1) (Blank). ~~A retailer having a contract with a~~  
2 ~~person located in this State under which the person, for a~~  
3 ~~commission or other consideration based upon the sale of~~  
4 ~~tangible personal property by the retailer, directly or~~  
5 ~~indirectly refers potential customers to the retailer by~~  
6 ~~providing to the potential customers a promotional code or~~  
7 ~~other mechanism that allows the retailer to track purchases~~  
8 ~~referred by such persons. Examples of mechanisms that allow~~  
9 ~~the retailer to track purchases referred by such persons~~  
10 ~~include but are not limited to the use of a link on the~~  
11 ~~person's Internet website, promotional codes distributed~~  
12 ~~through the person's hand-delivered or mailed material,~~  
13 ~~and promotional codes distributed by the person through~~  
14 ~~radio or other broadcast media. The provisions of this~~  
15 ~~paragraph (1.1) shall apply only if the cumulative gross~~  
16 ~~receipts from sales of tangible personal property by the~~  
17 ~~retailer to customers who are referred to the retailer by~~  
18 ~~all persons in this State under such contracts exceed~~  
19 ~~\$10,000 during the preceding 4 quarterly periods ending on~~  
20 ~~the last day of March, June, September, and December. A~~  
21 ~~retailer meeting the requirements of this paragraph (1.1)~~  
22 ~~shall be presumed to be maintaining a place of business in~~  
23 ~~this State but may rebut this presumption by submitting~~  
24 ~~proof that the referrals or other activities pursued within~~  
25 ~~this State by such persons were not sufficient to meet the~~  
26 ~~nexus standards of the United States Constitution during~~

1 ~~the preceding 4 quarterly periods.~~

2 (1.2) (Blank). ~~Beginning July 1, 2011, a retailer~~  
3 ~~having a contract with a person located in this State under~~  
4 ~~which:~~

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

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

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

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

26 (3) (Blank). ~~A retailer, pursuant to a contract with a~~

1 ~~broadcaster or publisher located in this State, soliciting~~  
2 ~~orders for tangible personal property by means of~~  
3 ~~advertising which is disseminated primarily to consumers~~  
4 ~~located in this State and only secondarily to bordering~~  
5 ~~jurisdictions.~~

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

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

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

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

25 (8) (Blank). ~~A retailer engaging in activities in~~  
26 ~~Illinois, which activities in the state in which the retail~~

1 ~~business engaging in such activities is located would~~  
2 ~~constitute maintaining a place of business in that state.~~

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

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

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

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

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

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

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

20 (35 ILCS 105/3-5)

21 Sec. 3-5. Exemptions. Use of the following tangible  
22 personal property is exempt from the tax imposed by this Act:

23 (1) Personal property purchased from a corporation,  
24 society, association, foundation, institution, or  
25 organization, other than a limited liability company, that is

1 organized and operated as a not-for-profit service enterprise  
2 for the benefit of persons 65 years of age or older if the  
3 personal property was not purchased by the enterprise for the  
4 purpose of resale by the enterprise.

5 (2) Personal property purchased by a not-for-profit  
6 Illinois county fair association for use in conducting,  
7 operating, or promoting the county fair.

8 (3) Personal property purchased by a not-for-profit arts or  
9 cultural organization that establishes, by proof required by  
10 the Department by rule, that it has received an exemption under  
11 Section 501(c)(3) of the Internal Revenue Code and that is  
12 organized and operated primarily for the presentation or  
13 support of arts or cultural programming, activities, or  
14 services. These organizations include, but are not limited to,  
15 music and dramatic arts organizations such as symphony  
16 orchestras and theatrical groups, arts and cultural service  
17 organizations, local arts councils, visual arts organizations,  
18 and media arts organizations. On and after July 1, 2001 (the  
19 effective date of Public Act 92-35), however, an entity  
20 otherwise eligible for this exemption shall not make tax-free  
21 purchases unless it has an active identification number issued  
22 by the Department.

23 (4) Personal property purchased by a governmental body, by  
24 a corporation, society, association, foundation, or  
25 institution organized and operated exclusively for charitable,  
26 religious, or educational purposes, or by a not-for-profit



1 corporation, society, association, foundation, institution, or  
2 organization that has no compensated officers or employees and  
3 that is organized and operated primarily for the recreation of  
4 persons 55 years of age or older. A limited liability company  
5 may qualify for the exemption under this paragraph only if the  
6 limited liability company is organized and operated  
7 exclusively for educational purposes. On and after July 1,  
8 1987, however, no entity otherwise eligible for this exemption  
9 shall make tax-free purchases unless it has an active exemption  
10 identification number issued by the Department.

11 (5) Until July 1, 2003, a passenger car that is a  
12 replacement vehicle to the extent that the purchase price of  
13 the car is subject to the Replacement Vehicle Tax.

14 (6) Until July 1, 2003 and beginning again on September 1,  
15 2004 through August 30, 2014, graphic arts machinery and  
16 equipment, including repair and replacement parts, both new and  
17 used, and including that manufactured on special order,  
18 certified by the purchaser to be used primarily for graphic  
19 arts production, and including machinery and equipment  
20 purchased for lease. Equipment includes chemicals or chemicals  
21 acting as catalysts but only if the chemicals or chemicals  
22 acting as catalysts effect a direct and immediate change upon a  
23 graphic arts product. Beginning on July 1, 2017, graphic arts  
24 machinery and equipment is included in the manufacturing and  
25 assembling machinery and equipment exemption under paragraph  
26 (18).

1 (7) Farm chemicals.

2 (8) Legal tender, currency, medallions, or gold or silver  
3 coinage issued by the State of Illinois, the government of the  
4 United States of America, or the government of any foreign  
5 country, and bullion.

6 (9) Personal property purchased from a teacher-sponsored  
7 student organization affiliated with an elementary or  
8 secondary school located in Illinois.

9 (10) A motor vehicle that is used for automobile renting,  
10 as defined in the Automobile Renting Occupation and Use Tax  
11 Act.

12 (11) Farm machinery and equipment, both new and used,  
13 including that manufactured on special order, certified by the  
14 purchaser to be used primarily for production agriculture or  
15 State or federal agricultural programs, including individual  
16 replacement parts for the machinery and equipment, including  
17 machinery and equipment purchased for lease, and including  
18 implements of husbandry defined in Section 1-130 of the  
19 Illinois Vehicle Code, farm machinery and agricultural  
20 chemical and fertilizer spreaders, and nurse wagons required to  
21 be registered under Section 3-809 of the Illinois Vehicle Code,  
22 but excluding other motor vehicles required to be registered  
23 under the Illinois Vehicle Code. Horticultural polyhouses or  
24 hoop houses used for propagating, growing, or overwintering  
25 plants shall be considered farm machinery and equipment under  
26 this item (11). Agricultural chemical tender tanks and dry

1 boxes shall include units sold separately from a motor vehicle  
2 required to be licensed and units sold mounted on a motor  
3 vehicle required to be licensed if the selling price of the  
4 tender is separately stated.

5 Farm machinery and equipment shall include precision  
6 farming equipment that is installed or purchased to be  
7 installed on farm machinery and equipment including, but not  
8 limited to, tractors, harvesters, sprayers, planters, seeders,  
9 or spreaders. Precision farming equipment includes, but is not  
10 limited to, soil testing sensors, computers, monitors,  
11 software, global positioning and mapping systems, and other  
12 such equipment.

13 Farm machinery and equipment also includes computers,  
14 sensors, software, and related equipment used primarily in the  
15 computer-assisted operation of production agriculture  
16 facilities, equipment, and activities such as, but not limited  
17 to, the collection, monitoring, and correlation of animal and  
18 crop data for the purpose of formulating animal diets and  
19 agricultural chemicals. This item (11) is exempt from the  
20 provisions of Section 3-90.

21 (12) Until June 30, 2013, fuel and petroleum products sold  
22 to or used by an air common carrier, certified by the carrier  
23 to be used for consumption, shipment, or storage in the conduct  
24 of its business as an air common carrier, for a flight destined  
25 for or returning from a location or locations outside the  
26 United States without regard to previous or subsequent domestic

1 stopovers.

2 Beginning July 1, 2013, fuel and petroleum products sold to  
3 or used by an air carrier, certified by the carrier to be used  
4 for consumption, shipment, or storage in the conduct of its  
5 business as an air common carrier, for a flight that (i) is  
6 engaged in foreign trade or is engaged in trade between the  
7 United States and any of its possessions and (ii) transports at  
8 least one individual or package for hire from the city of  
9 origination to the city of final destination on the same  
10 aircraft, without regard to a change in the flight number of  
11 that aircraft.

12 (13) Proceeds of mandatory service charges separately  
13 stated on customers' bills for the purchase and consumption of  
14 food and beverages purchased at retail from a retailer, to the  
15 extent that the proceeds of the service charge are in fact  
16 turned over as tips or as a substitute for tips to the  
17 employees who participate directly in preparing, serving,  
18 hosting or cleaning up the food or beverage function with  
19 respect to which the service charge is imposed.

20 (14) Until July 1, 2003, oil field exploration, drilling,  
21 and production equipment, including (i) rigs and parts of rigs,  
22 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
23 tubular goods, including casing and drill strings, (iii) pumps  
24 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
25 individual replacement part for oil field exploration,  
26 drilling, and production equipment, and (vi) machinery and

1 equipment purchased for lease; but excluding motor vehicles  
2 required to be registered under the Illinois Vehicle Code.

3 (15) Photoprocessing machinery and equipment, including  
4 repair and replacement parts, both new and used, including that  
5 manufactured on special order, certified by the purchaser to be  
6 used primarily for photoprocessing, and including  
7 photoprocessing machinery and equipment purchased for lease.

8 (16) Until July 1, 2023, coal and aggregate exploration,  
9 mining, off-highway hauling, processing, maintenance, and  
10 reclamation equipment, including replacement parts and  
11 equipment, and including equipment purchased for lease, but  
12 excluding motor vehicles required to be registered under the  
13 Illinois Vehicle Code. The changes made to this Section by  
14 Public Act 97-767 apply on and after July 1, 2003, but no claim  
15 for credit or refund is allowed on or after August 16, 2013  
16 (the effective date of Public Act 98-456) for such taxes paid  
17 during the period beginning July 1, 2003 and ending on August  
18 16, 2013 (the effective date of Public Act 98-456).

19 (17) Until July 1, 2003, distillation machinery and  
20 equipment, sold as a unit or kit, assembled or installed by the  
21 retailer, certified by the user to be used only for the  
22 production of ethyl alcohol that will be used for consumption  
23 as motor fuel or as a component of motor fuel for the personal  
24 use of the user, and not subject to sale or resale.

25 (18) Manufacturing and assembling machinery and equipment  
26 used primarily in the process of manufacturing or assembling

1 tangible personal property for wholesale or retail sale or  
2 lease, whether that sale or lease is made directly by the  
3 manufacturer or by some other person, whether the materials  
4 used in the process are owned by the manufacturer or some other  
5 person, or whether that sale or lease is made apart from or as  
6 an incident to the seller's engaging in the service occupation  
7 of producing machines, tools, dies, jigs, patterns, gauges, or  
8 other similar items of no commercial value on special order for  
9 a particular purchaser. The exemption provided by this  
10 paragraph (18) does not include machinery and equipment used in  
11 (i) the generation of electricity for wholesale or retail sale;  
12 (ii) the generation or treatment of natural or artificial gas  
13 for wholesale or retail sale that is delivered to customers  
14 through pipes, pipelines, or mains; or (iii) the treatment of  
15 water for wholesale or retail sale that is delivered to  
16 customers through pipes, pipelines, or mains. The provisions of  
17 Public Act 98-583 are declaratory of existing law as to the  
18 meaning and scope of this exemption. Beginning on July 1, 2017,  
19 the exemption provided by this paragraph (18) includes, but is  
20 not limited to, graphic arts machinery and equipment, as  
21 defined in paragraph (6) of this Section.

22 (19) Personal property delivered to a purchaser or  
23 purchaser's donee inside Illinois when the purchase order for  
24 that personal property was received by a florist located  
25 outside Illinois who has a florist located inside Illinois  
26 deliver the personal property.

1           (20) Semen used for artificial insemination of livestock  
2 for direct agricultural production.

3           (21) Horses, or interests in horses, registered with and  
4 meeting the requirements of any of the Arabian Horse Club  
5 Registry of America, Appaloosa Horse Club, American Quarter  
6 Horse Association, United States Trotting Association, or  
7 Jockey Club, as appropriate, used for purposes of breeding or  
8 racing for prizes. This item (21) is exempt from the provisions  
9 of Section 3-90, and the exemption provided for under this item  
10 (21) applies for all periods beginning May 30, 1995, but no  
11 claim for credit or refund is allowed on or after January 1,  
12 2008 for such taxes paid during the period beginning May 30,  
13 2000 and ending on January 1, 2008.

14           (22) Computers and communications equipment utilized for  
15 any hospital purpose and equipment used in the diagnosis,  
16 analysis, or treatment of hospital patients purchased by a  
17 lessor who leases the equipment, under a lease of one year or  
18 longer executed or in effect at the time the lessor would  
19 otherwise be subject to the tax imposed by this Act, to a  
20 hospital that has been issued an active tax exemption  
21 identification number by the Department under Section 1g of the  
22 Retailers' Occupation Tax Act. If the equipment is leased in a  
23 manner that does not qualify for this exemption or is used in  
24 any other non-exempt manner, the lessor shall be liable for the  
25 tax imposed under this Act or the Service Use Tax Act, as the  
26 case may be, based on the fair market value of the property at

1 the time the non-qualifying use occurs. No lessor shall collect  
2 or attempt to collect an amount (however designated) that  
3 purports to reimburse that lessor for the tax imposed by this  
4 Act or the Service Use Tax Act, as the case may be, if the tax  
5 has not been paid by the lessor. If a lessor improperly  
6 collects any such amount from the lessee, the lessee shall have  
7 a legal right to claim a refund of that amount from the lessor.  
8 If, however, that amount is not refunded to the lessee for any  
9 reason, the lessor is liable to pay that amount to the  
10 Department.

11 (23) Personal property purchased by a lessor who leases the  
12 property, under a lease of one year or longer executed or in  
13 effect at the time the lessor would otherwise be subject to the  
14 tax imposed by this Act, to a governmental body that has been  
15 issued an active sales tax exemption identification number by  
16 the Department under Section 1g of the Retailers' Occupation  
17 Tax Act. If the property is leased in a manner that does not  
18 qualify for this exemption or used in any other non-exempt  
19 manner, the lessor shall be liable for the tax imposed under  
20 this Act or the Service Use Tax Act, as the case may be, based  
21 on the fair market value of the property at the time the  
22 non-qualifying use occurs. No lessor shall collect or attempt  
23 to collect an amount (however designated) that purports to  
24 reimburse that lessor for the tax imposed by this Act or the  
25 Service Use Tax Act, as the case may be, if the tax has not been  
26 paid by the lessor. If a lessor improperly collects any such



1 amount from the lessee, the lessee shall have a legal right to  
2 claim a refund of that amount from the lessor. If, however,  
3 that amount is not refunded to the lessee for any reason, the  
4 lessor is liable to pay that amount to the Department.

5 (24) Beginning with taxable years ending on or after  
6 December 31, 1995 and ending with taxable years ending on or  
7 before December 31, 2004, personal property that is donated for  
8 disaster relief to be used in a State or federally declared  
9 disaster area in Illinois or bordering Illinois by a  
10 manufacturer or retailer that is registered in this State to a  
11 corporation, society, association, foundation, or institution  
12 that has been issued a sales tax exemption identification  
13 number by the Department that assists victims of the disaster  
14 who reside within the declared disaster area.

15 (25) Beginning with taxable years ending on or after  
16 December 31, 1995 and ending with taxable years ending on or  
17 before December 31, 2004, personal property that is used in the  
18 performance of infrastructure repairs in this State, including  
19 but not limited to municipal roads and streets, access roads,  
20 bridges, sidewalks, waste disposal systems, water and sewer  
21 line extensions, water distribution and purification  
22 facilities, storm water drainage and retention facilities, and  
23 sewage treatment facilities, resulting from a State or  
24 federally declared disaster in Illinois or bordering Illinois  
25 when such repairs are initiated on facilities located in the  
26 declared disaster area within 6 months after the disaster.

1           (26) Beginning July 1, 1999, game or game birds purchased  
2 at a "game breeding and hunting preserve area" as that term is  
3 used in the Wildlife Code. This paragraph is exempt from the  
4 provisions of Section 3-90.

5           (27) A motor vehicle, as that term is defined in Section  
6 1-146 of the Illinois Vehicle Code, that is donated to a  
7 corporation, limited liability company, society, association,  
8 foundation, or institution that is determined by the Department  
9 to be organized and operated exclusively for educational  
10 purposes. For purposes of this exemption, "a corporation,  
11 limited liability company, society, association, foundation,  
12 or institution organized and operated exclusively for  
13 educational purposes" means all tax-supported public schools,  
14 private schools that offer systematic instruction in useful  
15 branches of learning by methods common to public schools and  
16 that compare favorably in their scope and intensity with the  
17 course of study presented in tax-supported schools, and  
18 vocational or technical schools or institutes organized and  
19 operated exclusively to provide a course of study of not less  
20 than 6 weeks duration and designed to prepare individuals to  
21 follow a trade or to pursue a manual, technical, mechanical,  
22 industrial, business, or commercial occupation.

23           (28) Beginning January 1, 2000, personal property,  
24 including food, purchased through fundraising events for the  
25 benefit of a public or private elementary or secondary school,  
26 a group of those schools, or one or more school districts if

1 the events are sponsored by an entity recognized by the school  
2 district that consists primarily of volunteers and includes  
3 parents and teachers of the school children. This paragraph  
4 does not apply to fundraising events (i) for the benefit of  
5 private home instruction or (ii) for which the fundraising  
6 entity purchases the personal property sold at the events from  
7 another individual or entity that sold the property for the  
8 purpose of resale by the fundraising entity and that profits  
9 from the sale to the fundraising entity. This paragraph is  
10 exempt from the provisions of Section 3-90.

11 (29) Beginning January 1, 2000 and through December 31,  
12 2001, new or used automatic vending machines that prepare and  
13 serve hot food and beverages, including coffee, soup, and other  
14 items, and replacement parts for these machines. Beginning  
15 January 1, 2002 and through June 30, 2003, machines and parts  
16 for machines used in commercial, coin-operated amusement and  
17 vending business if a use or occupation tax is paid on the  
18 gross receipts derived from the use of the commercial,  
19 coin-operated amusement and vending machines. This paragraph  
20 is exempt from the provisions of Section 3-90.

21 (30) Beginning January 1, 2001 and through June 30, 2016,  
22 food for human consumption that is to be consumed off the  
23 premises where it is sold (other than alcoholic beverages, soft  
24 drinks, and food that has been prepared for immediate  
25 consumption) and prescription and nonprescription medicines,  
26 drugs, medical appliances, and insulin, urine testing

1 materials, syringes, and needles used by diabetics, for human  
2 use, when purchased for use by a person receiving medical  
3 assistance under Article V of the Illinois Public Aid Code who  
4 resides in a licensed long-term care facility, as defined in  
5 the Nursing Home Care Act, or in a licensed facility as defined  
6 in the ID/DD Community Care Act, the MC/DD Act, or the  
7 Specialized Mental Health Rehabilitation Act of 2013.

8 (31) Beginning on August 2, 2001 (the effective date of  
9 Public Act 92-227), computers and communications equipment  
10 utilized for any hospital purpose and equipment used in the  
11 diagnosis, analysis, or treatment of hospital patients  
12 purchased by a lessor who leases the equipment, under a lease  
13 of one year or longer executed or in effect at the time the  
14 lessor would otherwise be subject to the tax imposed by this  
15 Act, to a hospital that has been issued an active tax exemption  
16 identification number by the Department under Section 1g of the  
17 Retailers' Occupation Tax Act. If the equipment is leased in a  
18 manner that does not qualify for this exemption or is used in  
19 any other nonexempt manner, the lessor shall be liable for the  
20 tax imposed under this Act or the Service Use Tax Act, as the  
21 case may be, based on the fair market value of the property at  
22 the time the nonqualifying use occurs. No lessor shall collect  
23 or attempt to collect an amount (however designated) that  
24 purports to reimburse that lessor for the tax imposed by this  
25 Act or the Service Use Tax Act, as the case may be, if the tax  
26 has not been paid by the lessor. If a lessor improperly

1 collects any such amount from the lessee, the lessee shall have  
2 a legal right to claim a refund of that amount from the lessor.  
3 If, however, that amount is not refunded to the lessee for any  
4 reason, the lessor is liable to pay that amount to the  
5 Department. This paragraph is exempt from the provisions of  
6 Section 3-90.

7 (32) Beginning on August 2, 2001 (the effective date of  
8 Public Act 92-227), personal property purchased by a lessor who  
9 leases the property, under a lease of one year or longer  
10 executed or in effect at the time the lessor would otherwise be  
11 subject to the tax imposed by this Act, to a governmental body  
12 that has been issued an active sales tax exemption  
13 identification number by the Department under Section 1g of the  
14 Retailers' Occupation Tax Act. If the property is leased in a  
15 manner that does not qualify for this exemption or used in any  
16 other nonexempt manner, the lessor shall be liable for the tax  
17 imposed under this Act or the Service Use Tax Act, as the case  
18 may be, based on the fair market value of the property at the  
19 time the nonqualifying use occurs. No lessor shall collect or  
20 attempt to collect an amount (however designated) that purports  
21 to reimburse that lessor for the tax imposed by this Act or the  
22 Service Use Tax Act, as the case may be, if the tax has not been  
23 paid by the lessor. If a lessor improperly collects any such  
24 amount from the lessee, the lessee shall have a legal right to  
25 claim a refund of that amount from the lessor. If, however,  
26 that amount is not refunded to the lessee for any reason, the

1 lessor is liable to pay that amount to the Department. This  
2 paragraph is exempt from the provisions of Section 3-90.

3 (33) On and after July 1, 2003 and through June 30, 2004,  
4 the use in this State of motor vehicles of the second division  
5 with a gross vehicle weight in excess of 8,000 pounds and that  
6 are subject to the commercial distribution fee imposed under  
7 Section 3-815.1 of the Illinois Vehicle Code. Beginning on July  
8 1, 2004 and through June 30, 2005, the use in this State of  
9 motor vehicles of the second division: (i) with a gross vehicle  
10 weight rating in excess of 8,000 pounds; (ii) that are subject  
11 to the commercial distribution fee imposed under Section  
12 3-815.1 of the Illinois Vehicle Code; and (iii) that are  
13 primarily used for commercial purposes. Through June 30, 2005,  
14 this exemption applies to repair and replacement parts added  
15 after the initial purchase of such a motor vehicle if that  
16 motor vehicle is used in a manner that would qualify for the  
17 rolling stock exemption otherwise provided for in this Act. For  
18 purposes of this paragraph, the term "used for commercial  
19 purposes" means the transportation of persons or property in  
20 furtherance of any commercial or industrial enterprise,  
21 whether for-hire or not.

22 (34) Beginning January 1, 2008, tangible personal property  
23 used in the construction or maintenance of a community water  
24 supply, as defined under Section 3.145 of the Environmental  
25 Protection Act, that is operated by a not-for-profit  
26 corporation that holds a valid water supply permit issued under

1 Title IV of the Environmental Protection Act. This paragraph is  
2 exempt from the provisions of Section 3-90.

3 (35) Beginning January 1, 2010, materials, parts,  
4 equipment, components, and furnishings incorporated into or  
5 upon an aircraft as part of the modification, refurbishment,  
6 completion, replacement, repair, or maintenance of the  
7 aircraft. This exemption includes consumable supplies used in  
8 the modification, refurbishment, completion, replacement,  
9 repair, and maintenance of aircraft, but excludes any  
10 materials, parts, equipment, components, and consumable  
11 supplies used in the modification, replacement, repair, and  
12 maintenance of aircraft engines or power plants, whether such  
13 engines or power plants are installed or uninstalled upon any  
14 such aircraft. "Consumable supplies" include, but are not  
15 limited to, adhesive, tape, sandpaper, general purpose  
16 lubricants, cleaning solution, latex gloves, and protective  
17 films. This exemption applies only to the use of qualifying  
18 tangible personal property by persons who modify, refurbish,  
19 complete, repair, replace, or maintain aircraft and who (i)  
20 hold an Air Agency Certificate and are empowered to operate an  
21 approved repair station by the Federal Aviation  
22 Administration, (ii) have a Class IV Rating, and (iii) conduct  
23 operations in accordance with Part 145 of the Federal Aviation  
24 Regulations. The exemption does not include aircraft operated  
25 by a commercial air carrier providing scheduled passenger air  
26 service pursuant to authority issued under Part 121 or Part 129

1 of the Federal Aviation Regulations. The changes made to this  
2 paragraph (35) by Public Act 98-534 are declarative of existing  
3 law.

4 (36) Tangible personal property purchased by a  
5 public-facilities corporation, as described in Section  
6 11-65-10 of the Illinois Municipal Code, for purposes of  
7 constructing or furnishing a municipal convention hall, but  
8 only if the legal title to the municipal convention hall is  
9 transferred to the municipality without any further  
10 consideration by or on behalf of the municipality at the time  
11 of the completion of the municipal convention hall or upon the  
12 retirement or redemption of any bonds or other debt instruments  
13 issued by the public-facilities corporation in connection with  
14 the development of the municipal convention hall. This  
15 exemption includes existing public-facilities corporations as  
16 provided in Section 11-65-25 of the Illinois Municipal Code.  
17 This paragraph is exempt from the provisions of Section 3-90.

18 (37) Beginning January 1, 2017, menstrual pads, tampons,  
19 and menstrual cups.

20 (38) Merchandise that is subject to the Rental Purchase  
21 Agreement Occupation and Use Tax. The purchaser must certify  
22 that the item is purchased to be rented subject to a rental  
23 purchase agreement, as defined in the Rental Purchase Agreement  
24 Act, and provide proof of registration under the Rental  
25 Purchase Agreement Occupation and Use Tax Act. This paragraph  
26 is exempt from the provisions of Section 3-90.



1           (39) Tangible personal property purchased by a purchaser  
2 who is exempt from the tax imposed by this Act by operation of  
3 federal law. This paragraph is exempt from the provisions of  
4 Section 3-90.

5           (40) Qualified tangible personal property used in the  
6 construction or operation of a data center that has been  
7 granted a certificate of exemption by the Department of  
8 Commerce and Economic Opportunity, whether that tangible  
9 personal property is purchased by the owner, operator, or  
10 tenant of the data center or by a contractor or subcontractor  
11 of the owner, operator, or tenant. Data centers that would have  
12 qualified for a certificate of exemption prior to January 1,  
13 2020 had this amendatory Act of the 101st General Assembly been  
14 in effect, may apply for and obtain an exemption for subsequent  
15 purchases of computer equipment or enabling software purchased  
16 or leased to upgrade, supplement, or replace computer equipment  
17 or enabling software purchased or leased in the original  
18 investment that would have qualified.

19           The Department of Commerce and Economic Opportunity shall  
20 grant a certificate of exemption under this item (40) to  
21 qualified data centers as defined by Section 605-1025 of the  
22 Department of Commerce and Economic Opportunity Law of the  
23 Civil Administrative Code of Illinois.

24           For the purposes of this item (40):

25           "Data center" means a building or a series of buildings  
26 rehabilitated or constructed to house working servers in

1 one physical location or multiple sites within the State of  
2 Illinois.

3 "Qualified tangible personal property" means:  
4 electrical systems and equipment; climate control and  
5 chilling equipment and systems; mechanical systems and  
6 equipment; monitoring and secure systems; emergency  
7 generators; hardware; computers; servers; data storage  
8 devices; network connectivity equipment; racks; cabinets;  
9 telecommunications cabling infrastructure; raised floor  
10 systems; peripheral components or systems; software;  
11 mechanical, electrical, or plumbing systems; battery  
12 systems; cooling systems and towers; temperature control  
13 systems; other cabling; and other data center  
14 infrastructure equipment and systems necessary to operate  
15 qualified tangible personal property, including fixtures;  
16 and component parts of any of the foregoing, including  
17 installation, maintenance, repair, refurbishment, and  
18 replacement of qualified tangible personal property to  
19 generate, transform, transmit, distribute, or manage  
20 electricity necessary to operate qualified tangible  
21 personal property; and all other tangible personal  
22 property that is essential to the operations of a computer  
23 data center. The term "qualified tangible personal  
24 property" also includes building materials physically  
25 incorporated in to the qualifying data center. To document  
26 the exemption allowed under this Section, the retailer must

1       obtain from the purchaser a copy of the certificate of  
2       eligibility issued by the Department of Commerce and  
3       Economic Opportunity.

4       This item (40) is exempt from the provisions of Section  
5       3-90.

6       (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;  
7       100-22, eff. 7-6-17; 100-437, eff. 1-1-18; 100-594, eff.  
8       6-29-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; revised  
9       1-8-19.)

10       Section 15-35. The Service Use Tax Act is amended by  
11       changing Section 3-5 as follows:

12       (35 ILCS 110/3-5)

13       Sec. 3-5. Exemptions. Use of the following tangible  
14       personal property is exempt from the tax imposed by this Act:

15       (1) Personal property purchased from a corporation,  
16       society, association, foundation, institution, or  
17       organization, other than a limited liability company, that is  
18       organized and operated as a not-for-profit service enterprise  
19       for the benefit of persons 65 years of age or older if the  
20       personal property was not purchased by the enterprise for the  
21       purpose of resale by the enterprise.

22       (2) Personal property purchased by a non-profit Illinois  
23       county fair association for use in conducting, operating, or  
24       promoting the county fair.

1           (3) Personal property purchased by a not-for-profit arts or  
2 cultural organization that establishes, by proof required by  
3 the Department by rule, that it has received an exemption under  
4 Section 501(c)(3) of the Internal Revenue Code and that is  
5 organized and operated primarily for the presentation or  
6 support of arts or cultural programming, activities, or  
7 services. These organizations include, but are not limited to,  
8 music and dramatic arts organizations such as symphony  
9 orchestras and theatrical groups, arts and cultural service  
10 organizations, local arts councils, visual arts organizations,  
11 and media arts organizations. On and after July 1, 2001 (the  
12 effective date of Public Act 92-35) ~~this amendatory Act of the~~  
13 ~~92nd General Assembly~~, however, an entity otherwise eligible  
14 for this exemption shall not make tax-free purchases unless it  
15 has an active identification number issued by the Department.

16           (4) Legal tender, currency, medallions, or gold or silver  
17 coinage issued by the State of Illinois, the government of the  
18 United States of America, or the government of any foreign  
19 country, and bullion.

20           (5) Until July 1, 2003 and beginning again on September 1,  
21 2004 through August 30, 2014, graphic arts machinery and  
22 equipment, including repair and replacement parts, both new and  
23 used, and including that manufactured on special order or  
24 purchased for lease, certified by the purchaser to be used  
25 primarily for graphic arts production. Equipment includes  
26 chemicals or chemicals acting as catalysts but only if the

1 chemicals or chemicals acting as catalysts effect a direct and  
2 immediate change upon a graphic arts product. Beginning on July  
3 1, 2017, graphic arts machinery and equipment is included in  
4 the manufacturing and assembling machinery and equipment  
5 exemption under Section 2 of this Act.

6 (6) Personal property purchased from a teacher-sponsored  
7 student organization affiliated with an elementary or  
8 secondary school located in Illinois.

9 (7) Farm machinery and equipment, both new and used,  
10 including that manufactured on special order, certified by the  
11 purchaser to be used primarily for production agriculture or  
12 State or federal agricultural programs, including individual  
13 replacement parts for the machinery and equipment, including  
14 machinery and equipment purchased for lease, and including  
15 implements of husbandry defined in Section 1-130 of the  
16 Illinois Vehicle Code, farm machinery and agricultural  
17 chemical and fertilizer spreaders, and nurse wagons required to  
18 be registered under Section 3-809 of the Illinois Vehicle Code,  
19 but excluding other motor vehicles required to be registered  
20 under the Illinois Vehicle Code. Horticultural polyhouses or  
21 hoop houses used for propagating, growing, or overwintering  
22 plants shall be considered farm machinery and equipment under  
23 this item (7). Agricultural chemical tender tanks and dry boxes  
24 shall include units sold separately from a motor vehicle  
25 required to be licensed and units sold mounted on a motor  
26 vehicle required to be licensed if the selling price of the

1 tender is separately stated.

2 Farm machinery and equipment shall include precision  
3 farming equipment that is installed or purchased to be  
4 installed on farm machinery and equipment including, but not  
5 limited to, tractors, harvesters, sprayers, planters, seeders,  
6 or spreaders. Precision farming equipment includes, but is not  
7 limited to, soil testing sensors, computers, monitors,  
8 software, global positioning and mapping systems, and other  
9 such equipment.

10 Farm machinery and equipment also includes computers,  
11 sensors, software, and related equipment used primarily in the  
12 computer-assisted operation of production agriculture  
13 facilities, equipment, and activities such as, but not limited  
14 to, the collection, monitoring, and correlation of animal and  
15 crop data for the purpose of formulating animal diets and  
16 agricultural chemicals. This item (7) is exempt from the  
17 provisions of Section 3-75.

18 (8) Until June 30, 2013, fuel and petroleum products sold  
19 to or used by an air common carrier, certified by the carrier  
20 to be used for consumption, shipment, or storage in the conduct  
21 of its business as an air common carrier, for a flight destined  
22 for or returning from a location or locations outside the  
23 United States without regard to previous or subsequent domestic  
24 stopovers.

25 Beginning July 1, 2013, fuel and petroleum products sold to  
26 or used by an air carrier, certified by the carrier to be used

1 for consumption, shipment, or storage in the conduct of its  
2 business as an air common carrier, for a flight that (i) is  
3 engaged in foreign trade or is engaged in trade between the  
4 United States and any of its possessions and (ii) transports at  
5 least one individual or package for hire from the city of  
6 origination to the city of final destination on the same  
7 aircraft, without regard to a change in the flight number of  
8 that aircraft.

9 (9) Proceeds of mandatory service charges separately  
10 stated on customers' bills for the purchase and consumption of  
11 food and beverages acquired as an incident to the purchase of a  
12 service from a serviceman, to the extent that the proceeds of  
13 the service charge are in fact turned over as tips or as a  
14 substitute for tips to the employees who participate directly  
15 in preparing, serving, hosting or cleaning up the food or  
16 beverage function with respect to which the service charge is  
17 imposed.

18 (10) Until July 1, 2003, oil field exploration, drilling,  
19 and production equipment, including (i) rigs and parts of rigs,  
20 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
21 tubular goods, including casing and drill strings, (iii) pumps  
22 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
23 individual replacement part for oil field exploration,  
24 drilling, and production equipment, and (vi) machinery and  
25 equipment purchased for lease; but excluding motor vehicles  
26 required to be registered under the Illinois Vehicle Code.

1           (11) Proceeds from the sale of photoprocessing machinery  
2 and equipment, including repair and replacement parts, both new  
3 and used, including that manufactured on special order,  
4 certified by the purchaser to be used primarily for  
5 photoprocessing, and including photoprocessing machinery and  
6 equipment purchased for lease.

7           (12) Until July 1, 2023, coal and aggregate exploration,  
8 mining, off-highway hauling, processing, maintenance, and  
9 reclamation equipment, including replacement parts and  
10 equipment, and including equipment purchased for lease, but  
11 excluding motor vehicles required to be registered under the  
12 Illinois Vehicle Code. The changes made to this Section by  
13 Public Act 97-767 apply on and after July 1, 2003, but no claim  
14 for credit or refund is allowed on or after August 16, 2013  
15 (the effective date of Public Act 98-456) for such taxes paid  
16 during the period beginning July 1, 2003 and ending on August  
17 16, 2013 (the effective date of Public Act 98-456).

18           (13) Semen used for artificial insemination of livestock  
19 for direct agricultural production.

20           (14) Horses, or interests in horses, registered with and  
21 meeting the requirements of any of the Arabian Horse Club  
22 Registry of America, Appaloosa Horse Club, American Quarter  
23 Horse Association, United States Trotting Association, or  
24 Jockey Club, as appropriate, used for purposes of breeding or  
25 racing for prizes. This item (14) is exempt from the provisions  
26 of Section 3-75, and the exemption provided for under this item



1 (14) applies for all periods beginning May 30, 1995, but no  
2 claim for credit or refund is allowed on or after January 1,  
3 2008 (the effective date of Public Act 95-88) ~~this amendatory~~  
4 ~~Act of the 95th General Assembly~~ for such taxes paid during the  
5 period beginning May 30, 2000 and ending on January 1, 2008  
6 ~~(the effective date of Public Act 95-88) this amendatory Act of~~  
7 ~~the 95th General Assembly.~~

8 (15) Computers and communications equipment utilized for  
9 any hospital purpose and equipment used in the diagnosis,  
10 analysis, or treatment of hospital patients purchased by a  
11 lessor who leases the equipment, under a lease of one year or  
12 longer executed or in effect at the time the lessor would  
13 otherwise be subject to the tax imposed by this Act, to a  
14 hospital that has been issued an active tax exemption  
15 identification number by the Department under Section 1g of the  
16 Retailers' Occupation Tax Act. If the equipment is leased in a  
17 manner that does not qualify for this exemption or is used in  
18 any other non-exempt manner, the lessor shall be liable for the  
19 tax imposed under this Act or the Use Tax Act, as the case may  
20 be, based on the fair market value of the property at the time  
21 the non-qualifying use occurs. No lessor shall collect or  
22 attempt to collect an amount (however designated) that purports  
23 to reimburse that lessor for the tax imposed by this Act or the  
24 Use Tax Act, as the case may be, if the tax has not been paid by  
25 the lessor. If a lessor improperly collects any such amount  
26 from the lessee, the lessee shall have a legal right to claim a

1 refund of that amount from the lessor. If, however, that amount  
2 is not refunded to the lessee for any reason, the lessor is  
3 liable to pay that amount to the Department.

4 (16) Personal property purchased by a lessor who leases the  
5 property, under a lease of one year or longer executed or in  
6 effect at the time the lessor would otherwise be subject to the  
7 tax imposed by this Act, to a governmental body that has been  
8 issued an active tax exemption identification number by the  
9 Department under Section 1g of the Retailers' Occupation Tax  
10 Act. If the property is leased in a manner that does not  
11 qualify for this exemption or is used in any other non-exempt  
12 manner, the lessor shall be liable for the tax imposed under  
13 this Act or the Use Tax Act, as the case may be, based on the  
14 fair market value of the property at the time the  
15 non-qualifying use occurs. No lessor shall collect or attempt  
16 to collect an amount (however designated) that purports to  
17 reimburse that lessor for the tax imposed by this Act or the  
18 Use Tax Act, as the case may be, if the tax has not been paid by  
19 the lessor. If a lessor improperly collects any such amount  
20 from the lessee, the lessee shall have a legal right to claim a  
21 refund of that amount from the lessor. If, however, that amount  
22 is not refunded to the lessee for any reason, the lessor is  
23 liable to pay that amount to the Department.

24 (17) Beginning with taxable years ending on or after  
25 December 31, 1995 and ending with taxable years ending on or  
26 before December 31, 2004, personal property that is donated for

1 disaster relief to be used in a State or federally declared  
2 disaster area in Illinois or bordering Illinois by a  
3 manufacturer or retailer that is registered in this State to a  
4 corporation, society, association, foundation, or institution  
5 that has been issued a sales tax exemption identification  
6 number by the Department that assists victims of the disaster  
7 who reside within the declared disaster area.

8 (18) Beginning with taxable years ending on or after  
9 December 31, 1995 and ending with taxable years ending on or  
10 before December 31, 2004, personal property that is used in the  
11 performance of infrastructure repairs in this State, including  
12 but not limited to municipal roads and streets, access roads,  
13 bridges, sidewalks, waste disposal systems, water and sewer  
14 line extensions, water distribution and purification  
15 facilities, storm water drainage and retention facilities, and  
16 sewage treatment facilities, resulting from a State or  
17 federally declared disaster in Illinois or bordering Illinois  
18 when such repairs are initiated on facilities located in the  
19 declared disaster area within 6 months after the disaster.

20 (19) Beginning July 1, 1999, game or game birds purchased  
21 at a "game breeding and hunting preserve area" as that term is  
22 used in the Wildlife Code. This paragraph is exempt from the  
23 provisions of Section 3-75.

24 (20) A motor vehicle, as that term is defined in Section  
25 1-146 of the Illinois Vehicle Code, that is donated to a  
26 corporation, limited liability company, society, association,

1 foundation, or institution that is determined by the Department  
2 to be organized and operated exclusively for educational  
3 purposes. For purposes of this exemption, "a corporation,  
4 limited liability company, society, association, foundation,  
5 or institution organized and operated exclusively for  
6 educational purposes" means all tax-supported public schools,  
7 private schools that offer systematic instruction in useful  
8 branches of learning by methods common to public schools and  
9 that compare favorably in their scope and intensity with the  
10 course of study presented in tax-supported schools, and  
11 vocational or technical schools or institutes organized and  
12 operated exclusively to provide a course of study of not less  
13 than 6 weeks duration and designed to prepare individuals to  
14 follow a trade or to pursue a manual, technical, mechanical,  
15 industrial, business, or commercial occupation.

16 (21) Beginning January 1, 2000, personal property,  
17 including food, purchased through fundraising events for the  
18 benefit of a public or private elementary or secondary school,  
19 a group of those schools, or one or more school districts if  
20 the events are sponsored by an entity recognized by the school  
21 district that consists primarily of volunteers and includes  
22 parents and teachers of the school children. This paragraph  
23 does not apply to fundraising events (i) for the benefit of  
24 private home instruction or (ii) for which the fundraising  
25 entity purchases the personal property sold at the events from  
26 another individual or entity that sold the property for the

1 purpose of resale by the fundraising entity and that profits  
2 from the sale to the fundraising entity. This paragraph is  
3 exempt from the provisions of Section 3-75.

4 (22) Beginning January 1, 2000 and through December 31,  
5 2001, new or used automatic vending machines that prepare and  
6 serve hot food and beverages, including coffee, soup, and other  
7 items, and replacement parts for these machines. Beginning  
8 January 1, 2002 and through June 30, 2003, machines and parts  
9 for machines used in commercial, coin-operated amusement and  
10 vending business if a use or occupation tax is paid on the  
11 gross receipts derived from the use of the commercial,  
12 coin-operated amusement and vending machines. This paragraph  
13 is exempt from the provisions of Section 3-75.

14 (23) Beginning August 23, 2001 and through June 30, 2016,  
15 food for human consumption that is to be consumed off the  
16 premises where it is sold (other than alcoholic beverages, soft  
17 drinks, and food that has been prepared for immediate  
18 consumption) and prescription and nonprescription medicines,  
19 drugs, medical appliances, and insulin, urine testing  
20 materials, syringes, and needles used by diabetics, for human  
21 use, when purchased for use by a person receiving medical  
22 assistance under Article V of the Illinois Public Aid Code who  
23 resides in a licensed long-term care facility, as defined in  
24 the Nursing Home Care Act, or in a licensed facility as defined  
25 in the ID/DD Community Care Act, the MC/DD Act, or the  
26 Specialized Mental Health Rehabilitation Act of 2013.

1           (24) Beginning on August 2, 2001 (the effective date of  
2 Public Act 92-227) ~~this amendatory Act of the 92nd General~~  
3 ~~Assembly~~, computers and communications equipment utilized for  
4 any hospital purpose and equipment used in the diagnosis,  
5 analysis, or treatment of hospital patients purchased by a  
6 lessor who leases the equipment, under a lease of one year or  
7 longer executed or in effect at the time the lessor would  
8 otherwise be subject to the tax imposed by this Act, to a  
9 hospital that has been issued an active tax exemption  
10 identification number by the Department under Section 1g of the  
11 Retailers' Occupation Tax Act. If the equipment is leased in a  
12 manner that does not qualify for this exemption or is used in  
13 any other nonexempt manner, the lessor shall be liable for the  
14 tax imposed under this Act or the Use Tax Act, as the case may  
15 be, based on the fair market value of the property at the time  
16 the nonqualifying use occurs. No lessor shall collect or  
17 attempt to collect an amount (however designated) that purports  
18 to reimburse that lessor for the tax imposed by this Act or the  
19 Use Tax Act, as the case may be, if the tax has not been paid by  
20 the lessor. If a lessor improperly collects any such amount  
21 from the lessee, the lessee shall have a legal right to claim a  
22 refund of that amount from the lessor. If, however, that amount  
23 is not refunded to the lessee for any reason, the lessor is  
24 liable to pay that amount to the Department. This paragraph is  
25 exempt from the provisions of Section 3-75.

26           (25) Beginning on August 2, 2001 (the effective date of

1 Public Act 92-227) ~~this amendatory Act of the 92nd General~~  
2 ~~Assembly,~~ personal property purchased by a lessor who leases  
3 the property, under a lease of one year or longer executed or  
4 in effect at the time the lessor would otherwise be subject to  
5 the tax imposed by this Act, to a governmental body that has  
6 been issued an active tax exemption identification number by  
7 the Department under Section 1g of the Retailers' Occupation  
8 Tax Act. If the property is leased in a manner that does not  
9 qualify for this exemption or is used in any other nonexempt  
10 manner, the lessor shall be liable for the tax imposed under  
11 this Act or the Use Tax Act, as the case may be, based on the  
12 fair market value of the property at the time the nonqualifying  
13 use occurs. No lessor shall collect or attempt to collect an  
14 amount (however designated) that purports to reimburse that  
15 lessor for the tax imposed by this Act or the Use Tax Act, as  
16 the case may be, if the tax has not been paid by the lessor. If  
17 a lessor improperly collects any such amount from the lessee,  
18 the lessee shall have a legal right to claim a refund of that  
19 amount from the lessor. If, however, that amount is not  
20 refunded to the lessee for any reason, the lessor is liable to  
21 pay that amount to the Department. This paragraph is exempt  
22 from the provisions of Section 3-75.

23 (26) Beginning January 1, 2008, tangible personal property  
24 used in the construction or maintenance of a community water  
25 supply, as defined under Section 3.145 of the Environmental  
26 Protection Act, that is operated by a not-for-profit

1 corporation that holds a valid water supply permit issued under  
2 Title IV of the Environmental Protection Act. This paragraph is  
3 exempt from the provisions of Section 3-75.

4 (27) Beginning January 1, 2010, materials, parts,  
5 equipment, components, and furnishings incorporated into or  
6 upon an aircraft as part of the modification, refurbishment,  
7 completion, replacement, repair, or maintenance of the  
8 aircraft. This exemption includes consumable supplies used in  
9 the modification, refurbishment, completion, replacement,  
10 repair, and maintenance of aircraft, but excludes any  
11 materials, parts, equipment, components, and consumable  
12 supplies used in the modification, replacement, repair, and  
13 maintenance of aircraft engines or power plants, whether such  
14 engines or power plants are installed or uninstalled upon any  
15 such aircraft. "Consumable supplies" include, but are not  
16 limited to, adhesive, tape, sandpaper, general purpose  
17 lubricants, cleaning solution, latex gloves, and protective  
18 films. This exemption applies only to the use of qualifying  
19 tangible personal property transferred incident to the  
20 modification, refurbishment, completion, replacement, repair,  
21 or maintenance of aircraft by persons who (i) hold an Air  
22 Agency Certificate and are empowered to operate an approved  
23 repair station by the Federal Aviation Administration, (ii)  
24 have a Class IV Rating, and (iii) conduct operations in  
25 accordance with Part 145 of the Federal Aviation Regulations.  
26 The exemption does not include aircraft operated by a



1 commercial air carrier providing scheduled passenger air  
2 service pursuant to authority issued under Part 121 or Part 129  
3 of the Federal Aviation Regulations. The changes made to this  
4 paragraph (27) by Public Act 98-534 are declarative of existing  
5 law.

6 (28) Tangible personal property purchased by a  
7 public-facilities corporation, as described in Section  
8 11-65-10 of the Illinois Municipal Code, for purposes of  
9 constructing or furnishing a municipal convention hall, but  
10 only if the legal title to the municipal convention hall is  
11 transferred to the municipality without any further  
12 consideration by or on behalf of the municipality at the time  
13 of the completion of the municipal convention hall or upon the  
14 retirement or redemption of any bonds or other debt instruments  
15 issued by the public-facilities corporation in connection with  
16 the development of the municipal convention hall. This  
17 exemption includes existing public-facilities corporations as  
18 provided in Section 11-65-25 of the Illinois Municipal Code.  
19 This paragraph is exempt from the provisions of Section 3-75.

20 (29) Beginning January 1, 2017, menstrual pads, tampons,  
21 and menstrual cups.

22 (30) Tangible personal property transferred to a purchaser  
23 who is exempt from the tax imposed by this Act by operation of  
24 federal law. This paragraph is exempt from the provisions of  
25 Section 3-75.

26 (31) Qualified tangible personal property used in the

1 construction or operation of a data center that has been  
2 granted a certificate of exemption by the Department of  
3 Commerce and Economic Opportunity, whether that tangible  
4 personal property is purchased by the owner, operator, or  
5 tenant of the data center or by a contractor or subcontractor  
6 of the owner, operator, or tenant. Data centers that would have  
7 qualified for a certificate of exemption prior to January 1,  
8 2020 had this amendatory Act of the 101st General Assembly been  
9 in effect, may apply for and obtain an exemption for subsequent  
10 purchases of computer equipment or enabling software purchased  
11 or leased to upgrade, supplement, or replace computer equipment  
12 or enabling software purchased or leased in the original  
13 investment that would have qualified.

14 The Department of Commerce and Economic Opportunity shall  
15 grant a certificate of exemption under this item (31) to  
16 qualified data centers as defined by Section 605-1025 of the  
17 Department of Commerce and Economic Opportunity Law of the  
18 Civil Administrative Code of Illinois.

19 For the purposes of this item (31):

20 "Data center" means a building or a series of buildings  
21 rehabilitated or constructed to house working servers in  
22 one physical location or multiple sites within the State of  
23 Illinois.

24 "Qualified tangible personal property" means:  
25 electrical systems and equipment; climate control and  
26 chilling equipment and systems; mechanical systems and

1 equipment; monitoring and secure systems; emergency  
2 generators; hardware; computers; servers; data storage  
3 devices; network connectivity equipment; racks; cabinets;  
4 telecommunications cabling infrastructure; raised floor  
5 systems; peripheral components or systems; software;  
6 mechanical, electrical, or plumbing systems; battery  
7 systems; cooling systems and towers; temperature control  
8 systems; other cabling; and other data center  
9 infrastructure equipment and systems necessary to operate  
10 qualified tangible personal property, including fixtures;  
11 and component parts of any of the foregoing, including  
12 installation, maintenance, repair, refurbishment, and  
13 replacement of qualified tangible personal property to  
14 generate, transform, transmit, distribute, or manage  
15 electricity necessary to operate qualified tangible  
16 personal property; and all other tangible personal  
17 property that is essential to the operations of a computer  
18 data center. The term "qualified tangible personal  
19 property" also includes building materials physically  
20 incorporated in to the qualifying data center. To document  
21 the exemption allowed under this Section, the retailer must  
22 obtain from the purchaser a copy of the certificate of  
23 eligibility issued by the Department of Commerce and  
24 Economic Opportunity.

25 This item (31) is exempt from the provisions of Section

1 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;  
2 100-22, eff. 7-6-17; 100-594, eff. 6-29-18; 100-1171, eff.  
3 1-4-19; revised 1-8-19.)

4 Section 15-40. The Service Occupation Tax Act is amended by  
5 changing Section 3-5 as follows:

6 (35 ILCS 115/3-5)

7 Sec. 3-5. Exemptions. The following tangible personal  
8 property is exempt from the tax imposed by this Act:

9 (1) Personal property sold by a corporation, society,  
10 association, foundation, institution, or organization, other  
11 than a limited liability company, that is organized and  
12 operated as a not-for-profit service enterprise for the benefit  
13 of persons 65 years of age or older if the personal property  
14 was not purchased by the enterprise for the purpose of resale  
15 by the enterprise.

16 (2) Personal property purchased by a not-for-profit  
17 Illinois county fair association for use in conducting,  
18 operating, or promoting the county fair.

19 (3) Personal property purchased by any not-for-profit arts  
20 or cultural organization that establishes, by proof required by  
21 the Department by rule, that it has received an exemption under  
22 Section 501(c)(3) of the Internal Revenue Code and that is  
23 organized and operated primarily for the presentation or  
24 support of arts or cultural programming, activities, or

1 services. These organizations include, but are not limited to,  
2 music and dramatic arts organizations such as symphony  
3 orchestras and theatrical groups, arts and cultural service  
4 organizations, local arts councils, visual arts organizations,  
5 and media arts organizations. On and after July 1, 2001 (the  
6 effective date of Public Act 92-35) ~~this amendatory Act of the~~  
7 ~~92nd General Assembly~~, however, an entity otherwise eligible  
8 for this exemption shall not make tax-free purchases unless it  
9 has an active identification number issued by the Department.

10 (4) Legal tender, currency, medallions, or gold or silver  
11 coinage issued by the State of Illinois, the government of the  
12 United States of America, or the government of any foreign  
13 country, and bullion.

14 (5) Until July 1, 2003 and beginning again on September 1,  
15 2004 through August 30, 2014, graphic arts machinery and  
16 equipment, including repair and replacement parts, both new and  
17 used, and including that manufactured on special order or  
18 purchased for lease, certified by the purchaser to be used  
19 primarily for graphic arts production. Equipment includes  
20 chemicals or chemicals acting as catalysts but only if the  
21 chemicals or chemicals acting as catalysts effect a direct and  
22 immediate change upon a graphic arts product. Beginning on July  
23 1, 2017, graphic arts machinery and equipment is included in  
24 the manufacturing and assembling machinery and equipment  
25 exemption under Section 2 of this Act.

26 (6) Personal property sold by a teacher-sponsored student

1 organization affiliated with an elementary or secondary school  
2 located in Illinois.

3 (7) Farm machinery and equipment, both new and used,  
4 including that manufactured on special order, certified by the  
5 purchaser to be used primarily for production agriculture or  
6 State or federal agricultural programs, including individual  
7 replacement parts for the machinery and equipment, including  
8 machinery and equipment purchased for lease, and including  
9 implements of husbandry defined in Section 1-130 of the  
10 Illinois Vehicle Code, farm machinery and agricultural  
11 chemical and fertilizer spreaders, and nurse wagons required to  
12 be registered under Section 3-809 of the Illinois Vehicle Code,  
13 but excluding other motor vehicles required to be registered  
14 under the Illinois Vehicle Code. Horticultural polyhouses or  
15 hoop houses used for propagating, growing, or overwintering  
16 plants shall be considered farm machinery and equipment under  
17 this item (7). Agricultural chemical tender tanks and dry boxes  
18 shall include units sold separately from a motor vehicle  
19 required to be licensed and units sold mounted on a motor  
20 vehicle required to be licensed if the selling price of the  
21 tender is separately stated.

22 Farm machinery and equipment shall include precision  
23 farming equipment that is installed or purchased to be  
24 installed on farm machinery and equipment including, but not  
25 limited to, tractors, harvesters, sprayers, planters, seeders,  
26 or spreaders. Precision farming equipment includes, but is not

1 limited to, soil testing sensors, computers, monitors,  
2 software, global positioning and mapping systems, and other  
3 such equipment.

4 Farm machinery and equipment also includes computers,  
5 sensors, software, and related equipment used primarily in the  
6 computer-assisted operation of production agriculture  
7 facilities, equipment, and activities such as, but not limited  
8 to, the collection, monitoring, and correlation of animal and  
9 crop data for the purpose of formulating animal diets and  
10 agricultural chemicals. This item (7) is exempt from the  
11 provisions of Section 3-55.

12 (8) Until June 30, 2013, fuel and petroleum products sold  
13 to or used by an air common carrier, certified by the carrier  
14 to be used for consumption, shipment, or storage in the conduct  
15 of its business as an air common carrier, for a flight destined  
16 for or returning from a location or locations outside the  
17 United States without regard to previous or subsequent domestic  
18 stopovers.

19 Beginning July 1, 2013, fuel and petroleum products sold to  
20 or used by an air carrier, certified by the carrier to be used  
21 for consumption, shipment, or storage in the conduct of its  
22 business as an air common carrier, for a flight that (i) is  
23 engaged in foreign trade or is engaged in trade between the  
24 United States and any of its possessions and (ii) transports at  
25 least one individual or package for hire from the city of  
26 origination to the city of final destination on the same

1 aircraft, without regard to a change in the flight number of  
2 that aircraft.

3 (9) Proceeds of mandatory service charges separately  
4 stated on customers' bills for the purchase and consumption of  
5 food and beverages, to the extent that the proceeds of the  
6 service charge are in fact turned over as tips or as a  
7 substitute for tips to the employees who participate directly  
8 in preparing, serving, hosting or cleaning up the food or  
9 beverage function with respect to which the service charge is  
10 imposed.

11 (10) Until July 1, 2003, oil field exploration, drilling,  
12 and production equipment, including (i) rigs and parts of rigs,  
13 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
14 tubular goods, including casing and drill strings, (iii) pumps  
15 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
16 individual replacement part for oil field exploration,  
17 drilling, and production equipment, and (vi) machinery and  
18 equipment purchased for lease; but excluding motor vehicles  
19 required to be registered under the Illinois Vehicle Code.

20 (11) Photoprocessing machinery and equipment, including  
21 repair and replacement parts, both new and used, including that  
22 manufactured on special order, certified by the purchaser to be  
23 used primarily for photoprocessing, and including  
24 photoprocessing machinery and equipment purchased for lease.

25 (12) Until July 1, 2023, coal and aggregate exploration,  
26 mining, off-highway hauling, processing, maintenance, and



1 reclamation equipment, including replacement parts and  
2 equipment, and including equipment purchased for lease, but  
3 excluding motor vehicles required to be registered under the  
4 Illinois Vehicle Code. The changes made to this Section by  
5 Public Act 97-767 apply on and after July 1, 2003, but no claim  
6 for credit or refund is allowed on or after August 16, 2013  
7 (the effective date of Public Act 98-456) for such taxes paid  
8 during the period beginning July 1, 2003 and ending on August  
9 16, 2013 (the effective date of Public Act 98-456).

10 (13) Beginning January 1, 1992 and through June 30, 2016,  
11 food for human consumption that is to be consumed off the  
12 premises where it is sold (other than alcoholic beverages, soft  
13 drinks and food that has been prepared for immediate  
14 consumption) and prescription and non-prescription medicines,  
15 drugs, medical appliances, and insulin, urine testing  
16 materials, syringes, and needles used by diabetics, for human  
17 use, when purchased for use by a person receiving medical  
18 assistance under Article V of the Illinois Public Aid Code who  
19 resides in a licensed long-term care facility, as defined in  
20 the Nursing Home Care Act, or in a licensed facility as defined  
21 in the ID/DD Community Care Act, the MC/DD Act, or the  
22 Specialized Mental Health Rehabilitation Act of 2013.

23 (14) Semen used for artificial insemination of livestock  
24 for direct agricultural production.

25 (15) Horses, or interests in horses, registered with and  
26 meeting the requirements of any of the Arabian Horse Club

1 Registry of America, Appaloosa Horse Club, American Quarter  
2 Horse Association, United States Trotting Association, or  
3 Jockey Club, as appropriate, used for purposes of breeding or  
4 racing for prizes. This item (15) is exempt from the provisions  
5 of Section 3-55, and the exemption provided for under this item  
6 (15) applies for all periods beginning May 30, 1995, but no  
7 claim for credit or refund is allowed on or after January 1,  
8 2008 (the effective date of Public Act 95-88) for such taxes  
9 paid during the period beginning May 30, 2000 and ending on  
10 January 1, 2008 (the effective date of Public Act 95-88).

11 (16) Computers and communications equipment utilized for  
12 any hospital purpose and equipment used in the diagnosis,  
13 analysis, or treatment of hospital patients sold to a lessor  
14 who leases the equipment, under a lease of one year or longer  
15 executed or in effect at the time of the purchase, to a  
16 hospital that has been issued an active tax exemption  
17 identification number by the Department under Section 1g of the  
18 Retailers' Occupation Tax Act.

19 (17) Personal property sold to a lessor who leases the  
20 property, under a lease of one year or longer executed or in  
21 effect at the time of the purchase, to a governmental body that  
22 has been issued an active tax exemption identification number  
23 by the Department under Section 1g of the Retailers' Occupation  
24 Tax Act.

25 (18) Beginning with taxable years ending on or after  
26 December 31, 1995 and ending with taxable years ending on or

1 before December 31, 2004, personal property that is donated for  
2 disaster relief to be used in a State or federally declared  
3 disaster area in Illinois or bordering Illinois by a  
4 manufacturer or retailer that is registered in this State to a  
5 corporation, society, association, foundation, or institution  
6 that has been issued a sales tax exemption identification  
7 number by the Department that assists victims of the disaster  
8 who reside within the declared disaster area.

9 (19) Beginning with taxable years ending on or after  
10 December 31, 1995 and ending with taxable years ending on or  
11 before December 31, 2004, personal property that is used in the  
12 performance of infrastructure repairs in this State, including  
13 but not limited to municipal roads and streets, access roads,  
14 bridges, sidewalks, waste disposal systems, water and sewer  
15 line extensions, water distribution and purification  
16 facilities, storm water drainage and retention facilities, and  
17 sewage treatment facilities, resulting from a State or  
18 federally declared disaster in Illinois or bordering Illinois  
19 when such repairs are initiated on facilities located in the  
20 declared disaster area within 6 months after the disaster.

21 (20) Beginning July 1, 1999, game or game birds sold at a  
22 "game breeding and hunting preserve area" as that term is used  
23 in the Wildlife Code. This paragraph is exempt from the  
24 provisions of Section 3-55.

25 (21) A motor vehicle, as that term is defined in Section  
26 1-146 of the Illinois Vehicle Code, that is donated to a

1 corporation, limited liability company, society, association,  
2 foundation, or institution that is determined by the Department  
3 to be organized and operated exclusively for educational  
4 purposes. For purposes of this exemption, "a corporation,  
5 limited liability company, society, association, foundation,  
6 or institution organized and operated exclusively for  
7 educational purposes" means all tax-supported public schools,  
8 private schools that offer systematic instruction in useful  
9 branches of learning by methods common to public schools and  
10 that compare favorably in their scope and intensity with the  
11 course of study presented in tax-supported schools, and  
12 vocational or technical schools or institutes organized and  
13 operated exclusively to provide a course of study of not less  
14 than 6 weeks duration and designed to prepare individuals to  
15 follow a trade or to pursue a manual, technical, mechanical,  
16 industrial, business, or commercial occupation.

17 (22) Beginning January 1, 2000, personal property,  
18 including food, purchased through fundraising events for the  
19 benefit of a public or private elementary or secondary school,  
20 a group of those schools, or one or more school districts if  
21 the events are sponsored by an entity recognized by the school  
22 district that consists primarily of volunteers and includes  
23 parents and teachers of the school children. This paragraph  
24 does not apply to fundraising events (i) for the benefit of  
25 private home instruction or (ii) for which the fundraising  
26 entity purchases the personal property sold at the events from

1 another individual or entity that sold the property for the  
2 purpose of resale by the fundraising entity and that profits  
3 from the sale to the fundraising entity. This paragraph is  
4 exempt from the provisions of Section 3-55.

5 (23) Beginning January 1, 2000 and through December 31,  
6 2001, new or used automatic vending machines that prepare and  
7 serve hot food and beverages, including coffee, soup, and other  
8 items, and replacement parts for these machines. Beginning  
9 January 1, 2002 and through June 30, 2003, machines and parts  
10 for machines used in commercial, coin-operated amusement and  
11 vending business if a use or occupation tax is paid on the  
12 gross receipts derived from the use of the commercial,  
13 coin-operated amusement and vending machines. This paragraph  
14 is exempt from the provisions of Section 3-55.

15 (24) Beginning on August 2, 2001 (the effective date of  
16 Public Act 92-227) ~~this amendatory Act of the 92nd General~~  
17 ~~Assembly~~, computers and communications equipment utilized for  
18 any hospital purpose and equipment used in the diagnosis,  
19 analysis, or treatment of hospital patients sold to a lessor  
20 who leases the equipment, under a lease of one year or longer  
21 executed or in effect at the time of the purchase, to a  
22 hospital that has been issued an active tax exemption  
23 identification number by the Department under Section 1g of the  
24 Retailers' Occupation Tax Act. This paragraph is exempt from  
25 the provisions of Section 3-55.

26 (25) Beginning on August 2, 2001 (the effective date of

1 Public Act 92-227) ~~this amendatory Act of the 92nd General~~  
2 ~~Assembly,~~ personal property sold to a lessor who leases the  
3 property, under a lease of one year or longer executed or in  
4 effect at the time of the purchase, to a governmental body that  
5 has been issued an active tax exemption identification number  
6 by the Department under Section 1g of the Retailers' Occupation  
7 Tax Act. This paragraph is exempt from the provisions of  
8 Section 3-55.

9 (26) Beginning on January 1, 2002 and through June 30,  
10 2016, tangible personal property purchased from an Illinois  
11 retailer by a taxpayer engaged in centralized purchasing  
12 activities in Illinois who will, upon receipt of the property  
13 in Illinois, temporarily store the property in Illinois (i) for  
14 the purpose of subsequently transporting it outside this State  
15 for use or consumption thereafter solely outside this State or  
16 (ii) for the purpose of being processed, fabricated, or  
17 manufactured into, attached to, or incorporated into other  
18 tangible personal property to be transported outside this State  
19 and thereafter used or consumed solely outside this State. The  
20 Director of Revenue shall, pursuant to rules adopted in  
21 accordance with the Illinois Administrative Procedure Act,  
22 issue a permit to any taxpayer in good standing with the  
23 Department who is eligible for the exemption under this  
24 paragraph (26). The permit issued under this paragraph (26)  
25 shall authorize the holder, to the extent and in the manner  
26 specified in the rules adopted under this Act, to purchase

1 tangible personal property from a retailer exempt from the  
2 taxes imposed by this Act. Taxpayers shall maintain all  
3 necessary books and records to substantiate the use and  
4 consumption of all such tangible personal property outside of  
5 the State of Illinois.

6 (27) Beginning January 1, 2008, tangible personal property  
7 used in the construction or maintenance of a community water  
8 supply, as defined under Section 3.145 of the Environmental  
9 Protection Act, that is operated by a not-for-profit  
10 corporation that holds a valid water supply permit issued under  
11 Title IV of the Environmental Protection Act. This paragraph is  
12 exempt from the provisions of Section 3-55.

13 (28) Tangible personal property sold to a  
14 public-facilities corporation, as described in Section  
15 11-65-10 of the Illinois Municipal Code, for purposes of  
16 constructing or furnishing a municipal convention hall, but  
17 only if the legal title to the municipal convention hall is  
18 transferred to the municipality without any further  
19 consideration by or on behalf of the municipality at the time  
20 of the completion of the municipal convention hall or upon the  
21 retirement or redemption of any bonds or other debt instruments  
22 issued by the public-facilities corporation in connection with  
23 the development of the municipal convention hall. This  
24 exemption includes existing public-facilities corporations as  
25 provided in Section 11-65-25 of the Illinois Municipal Code.  
26 This paragraph is exempt from the provisions of Section 3-55.

1           (29) Beginning January 1, 2010, materials, parts,  
2 equipment, components, and furnishings incorporated into or  
3 upon an aircraft as part of the modification, refurbishment,  
4 completion, replacement, repair, or maintenance of the  
5 aircraft. This exemption includes consumable supplies used in  
6 the modification, refurbishment, completion, replacement,  
7 repair, and maintenance of aircraft, but excludes any  
8 materials, parts, equipment, components, and consumable  
9 supplies used in the modification, replacement, repair, and  
10 maintenance of aircraft engines or power plants, whether such  
11 engines or power plants are installed or uninstalled upon any  
12 such aircraft. "Consumable supplies" include, but are not  
13 limited to, adhesive, tape, sandpaper, general purpose  
14 lubricants, cleaning solution, latex gloves, and protective  
15 films. This exemption applies only to the transfer of  
16 qualifying tangible personal property incident to the  
17 modification, refurbishment, completion, replacement, repair,  
18 or maintenance of an aircraft by persons who (i) hold an Air  
19 Agency Certificate and are empowered to operate an approved  
20 repair station by the Federal Aviation Administration, (ii)  
21 have a Class IV Rating, and (iii) conduct operations in  
22 accordance with Part 145 of the Federal Aviation Regulations.  
23 The exemption does not include aircraft operated by a  
24 commercial air carrier providing scheduled passenger air  
25 service pursuant to authority issued under Part 121 or Part 129  
26 of the Federal Aviation Regulations. The changes made to this



1 paragraph (29) by Public Act 98-534 are declarative of existing  
2 law.

3 (30) Beginning January 1, 2017, menstrual pads, tampons,  
4 and menstrual cups.

5 (31) Tangible personal property transferred to a purchaser  
6 who is exempt from tax by operation of federal law. This  
7 paragraph is exempt from the provisions of Section 3-55.

8 (32) Qualified tangible personal property used in the  
9 construction or operation of a data center that has been  
10 granted a certificate of exemption by the Department of  
11 Commerce and Economic Opportunity, whether that tangible  
12 personal property is purchased by the owner, operator, or  
13 tenant of the data center or by a contractor or subcontractor  
14 of the owner, operator, or tenant. Data centers that would have  
15 qualified for a certificate of exemption prior to January 1,  
16 2020 had this amendatory Act of the 101st General Assembly been  
17 in effect, may apply for and obtain an exemption for subsequent  
18 purchases of computer equipment or enabling software purchased  
19 or leased to upgrade, supplement, or replace computer equipment  
20 or enabling software purchased or leased in the original  
21 investment that would have qualified.

22 The Department of Commerce and Economic Opportunity shall  
23 grant a certificate of exemption under this item (32) to  
24 qualified data centers as defined by Section 605-1025 of the  
25 Department of Commerce and Economic Opportunity Law of the  
26 Civil Administrative Code of Illinois.

1       For the purposes of this item (32):

2           "Data center" means a building or a series of buildings  
3           rehabilitated or constructed to house working servers in  
4           one physical location or multiple sites within the State of  
5           Illinois.

6           "Qualified tangible personal property" means:  
7           electrical systems and equipment; climate control and  
8           chilling equipment and systems; mechanical systems and  
9           equipment; monitoring and secure systems; emergency  
10           generators; hardware; computers; servers; data storage  
11           devices; network connectivity equipment; racks; cabinets;  
12           telecommunications cabling infrastructure; raised floor  
13           systems; peripheral components or systems; software;  
14           mechanical, electrical, or plumbing systems; battery  
15           systems; cooling systems and towers; temperature control  
16           systems; other cabling; and other data center  
17           infrastructure equipment and systems necessary to operate  
18           qualified tangible personal property, including fixtures;  
19           and component parts of any of the foregoing, including  
20           installation, maintenance, repair, refurbishment, and  
21           replacement of qualified tangible personal property to  
22           generate, transform, transmit, distribute, or manage  
23           electricity necessary to operate qualified tangible  
24           personal property; and all other tangible personal  
25           property that is essential to the operations of a computer  
26           data center. The term "qualified tangible personal

1 property" also includes building materials physically  
2 incorporated in to the qualifying data center. To document  
3 the exemption allowed under this Section, the retailer must  
4 obtain from the purchaser a copy of the certificate of  
5 eligibility issued by the Department of Commerce and  
6 Economic Opportunity.

7 This item (32) is exempt from the provisions of Section  
8 3-55.

9 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;  
10 100-22, eff. 7-6-17; 100-594, eff. 6-29-18; 100-1171, eff.  
11 1-4-19; revised 1-8-19.)

12 Section 15-45. The Retailers' Occupation Tax Act is amended  
13 by changing Sections 1, 2, 2-5, 2-12, and 2a as follows:

14 (35 ILCS 120/1) (from Ch. 120, par. 440)

15 Sec. 1. Definitions. "Sale at retail" means any transfer of  
16 the ownership of or title to tangible personal property to a  
17 purchaser, for the purpose of use or consumption, and not for  
18 the purpose of resale in any form as tangible personal property  
19 to the extent not first subjected to a use for which it was  
20 purchased, for a valuable consideration: Provided that the  
21 property purchased is deemed to be purchased for the purpose of  
22 resale, despite first being used, to the extent to which it is  
23 resold as an ingredient of an intentionally produced product or  
24 byproduct of manufacturing. For this purpose, slag produced as

1 an incident to manufacturing pig iron or steel and sold is  
2 considered to be an intentionally produced byproduct of  
3 manufacturing. Transactions whereby the possession of the  
4 property is transferred but the seller retains the title as  
5 security for payment of the selling price shall be deemed to be  
6 sales.

7 "Sale at retail" shall be construed to include any transfer  
8 of the ownership of or title to tangible personal property to a  
9 purchaser, for use or consumption by any other person to whom  
10 such purchaser may transfer the tangible personal property  
11 without a valuable consideration, and to include any transfer,  
12 whether made for or without a valuable consideration, for  
13 resale in any form as tangible personal property unless made in  
14 compliance with Section 2c of this Act.

15 Sales of tangible personal property, which property, to the  
16 extent not first subjected to a use for which it was purchased,  
17 as an ingredient or constituent, goes into and forms a part of  
18 tangible personal property subsequently the subject of a "Sale  
19 at retail", are not sales at retail as defined in this Act:  
20 Provided that the property purchased is deemed to be purchased  
21 for the purpose of resale, despite first being used, to the  
22 extent to which it is resold as an ingredient of an  
23 intentionally produced product or byproduct of manufacturing.

24 "Sale at retail" shall be construed to include any Illinois  
25 florist's sales transaction in which the purchase order is  
26 received in Illinois by a florist and the sale is for use or

1 consumption, but the Illinois florist has a florist in another  
2 state deliver the property to the purchaser or the purchaser's  
3 donee in such other state.

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

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

21 A person whose activities are organized and conducted  
22 primarily as a not-for-profit service enterprise, and who  
23 engages in selling tangible personal property at retail  
24 (whether to the public or merely to members and their guests)  
25 is engaged in the business of selling tangible personal  
26 property at retail with respect to such transactions, excepting

1 only a person organized and operated exclusively for  
2 charitable, religious or educational purposes either (1), to  
3 the extent of sales by such person to its members, students,  
4 patients or inmates of tangible personal property to be used  
5 primarily for the purposes of such person, or (2), to the  
6 extent of sales by such person of tangible personal property  
7 which is not sold or offered for sale by persons organized for  
8 profit. The selling of school books and school supplies by  
9 schools at retail to students is not "primarily for the  
10 purposes of" the school which does such selling. The provisions  
11 of this paragraph shall not apply to nor subject to taxation  
12 occasional dinners, socials or similar activities of a person  
13 organized and operated exclusively for charitable, religious  
14 or educational purposes, whether or not such activities are  
15 open to the public.

16 A person who is the recipient of a grant or contract under  
17 Title VII of the Older Americans Act of 1965 (P.L. 92-258) and  
18 serves meals to participants in the federal Nutrition Program  
19 for the Elderly in return for contributions established in  
20 amount by the individual participant pursuant to a schedule of  
21 suggested fees as provided for in the federal Act is not  
22 engaged in the business of selling tangible personal property  
23 at retail with respect to such transactions.

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

1 "Reseller of motor fuel" means any person engaged in the  
2 business of selling or delivering or transferring title of  
3 motor fuel to another person other than for use or consumption.  
4 No person shall act as a reseller of motor fuel within this  
5 State without first being registered as a reseller pursuant to  
6 Section 2c or a retailer pursuant to Section 2a.

7 "Selling price" or the "amount of sale" means the  
8 consideration for a sale valued in money whether received in  
9 money or otherwise, including cash, credits, property, other  
10 than as hereinafter provided, and services, but, prior to  
11 January 1, 2020, not including the value of or credit given for  
12 traded-in tangible personal property where the item that is  
13 traded-in is of like kind and character as that which is being  
14 sold; beginning January 1, 2020, "selling price" includes the  
15 portion of the value of or credit given for traded-in motor  
16 vehicles of the First Division as defined in Section 1-146 of  
17 the Illinois Vehicle Code of like kind and character as that  
18 which is being sold that exceeds \$10,000. "Selling price",~~and~~  
19 shall be determined without any deduction on account of the  
20 cost of the property sold, the cost of materials used, labor or  
21 service cost or any other expense whatsoever, but does not  
22 include charges that are added to prices by sellers on account  
23 of the seller's tax liability under this Act, or on account of  
24 the seller's duty to collect, from the purchaser, the tax that  
25 is imposed by the Use Tax Act, or, except as otherwise provided  
26 with respect to any cigarette tax imposed by a home rule unit,

1 on account of the seller's tax liability under any local  
2 occupation tax administered by the Department, or, except as  
3 otherwise provided with respect to any cigarette tax imposed by  
4 a home rule unit on account of the seller's duty to collect,  
5 from the purchasers, the tax that is imposed under any local  
6 use tax administered by the Department. Effective December 1,  
7 1985, "selling price" shall include charges that are added to  
8 prices by sellers on account of the seller's tax liability  
9 under the Cigarette Tax Act, on account of the sellers' duty to  
10 collect, from the purchaser, the tax imposed under the  
11 Cigarette Use Tax Act, and on account of the seller's duty to  
12 collect, from the purchaser, any cigarette tax imposed by a  
13 home rule unit.

14 Notwithstanding any law to the contrary, for any motor  
15 vehicle, as defined in Section 1-146 of the Vehicle Code, that  
16 is sold on or after January 1, 2015 for the purpose of leasing  
17 the vehicle for a defined period that is longer than one year  
18 and (1) is a motor vehicle of the second division that: (A) is  
19 a self-contained motor vehicle designed or permanently  
20 converted to provide living quarters for recreational,  
21 camping, or travel use, with direct walk through access to the  
22 living quarters from the driver's seat; (B) is of the van  
23 configuration designed for the transportation of not less than  
24 7 nor more than 16 passengers; or (C) has a gross vehicle  
25 weight rating of 8,000 pounds or less or (2) is a motor vehicle  
26 of the first division, "selling price" or "amount of sale"



1 means the consideration received by the lessor pursuant to the  
2 lease contract, including amounts due at lease signing and all  
3 monthly or other regular payments charged over the term of the  
4 lease. Also included in the selling price is any amount  
5 received by the lessor from the lessee for the leased vehicle  
6 that is not calculated at the time the lease is executed,  
7 including, but not limited to, excess mileage charges and  
8 charges for excess wear and tear. For sales that occur in  
9 Illinois, with respect to any amount received by the lessor  
10 from the lessee for the leased vehicle that is not calculated  
11 at the time the lease is executed, the lessor who purchased the  
12 motor vehicle does not incur the tax imposed by the Use Tax Act  
13 on those amounts, and the retailer who makes the retail sale of  
14 the motor vehicle to the lessor is not required to collect the  
15 tax imposed by the Use Tax Act or to pay the tax imposed by this  
16 Act on those amounts. However, the lessor who purchased the  
17 motor vehicle assumes the liability for reporting and paying  
18 the tax on those amounts directly to the Department in the same  
19 form (Illinois Retailers' Occupation Tax, and local retailers'  
20 occupation taxes, if applicable) in which the retailer would  
21 have reported and paid such tax if the retailer had accounted  
22 for the tax to the Department. For amounts received by the  
23 lessor from the lessee that are not calculated at the time the  
24 lease is executed, the lessor must file the return and pay the  
25 tax to the Department by the due date otherwise required by  
26 this Act for returns other than transaction returns. If the

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

1 leased vehicle that was not calculated at the time the lease  
2 was executed) if the selling price of the motor vehicle at the  
3 time of purchase was calculated using the definition of  
4 "selling price" as defined in this paragraph. Notwithstanding  
5 any other provision of this Act to the contrary, lessors shall  
6 file all returns and make all payments required under this  
7 paragraph to the Department by electronic means in the manner  
8 and form as required by the Department. This paragraph does not  
9 apply to leases of motor vehicles for which, at the time the  
10 lease is entered into, the term of the lease is not a defined  
11 period, including leases with a defined initial period with the  
12 option to continue the lease on a month-to-month or other basis  
13 beyond the initial defined period.

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

22 "Gross receipts" from the sales of tangible personal  
23 property at retail means the total selling price or the amount  
24 of such sales, as hereinbefore defined. In the case of charge  
25 and time sales, the amount thereof shall be included only as  
26 and when payments are received by the seller. Receipts or other

1 consideration derived by a seller from the sale, transfer or  
2 assignment of accounts receivable to a wholly owned subsidiary  
3 will not be deemed payments prior to the time the purchaser  
4 makes payment on such accounts.

5 "Department" means the Department of Revenue.

6 "Person" means any natural individual, firm, partnership,  
7 association, joint stock company, joint adventure, public or  
8 private corporation, limited liability company, or a receiver,  
9 executor, trustee, guardian or other representative appointed  
10 by order of any court.

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 constitute engaging in a  
16 business of selling such tangible personal property at retail  
17 within the meaning of this Act; provided that any person who is  
18 engaged in a business which is not subject to the tax imposed  
19 by this Act because of involving the sale of or a contract to  
20 sell real estate or a construction contract to improve real  
21 estate or a construction contract to engineer, install, and  
22 maintain an integrated system of products, but who, in the  
23 course of conducting such business, transfers tangible  
24 personal property to users or consumers in the finished form in  
25 which it was purchased, and which does not become real estate  
26 or was not engineered and installed, under any provision of a

1 construction contract or real estate sale or real estate sales  
2 agreement entered into with some other person arising out of or  
3 because of such nontaxable business, is engaged in the business  
4 of selling tangible personal property at retail to the extent  
5 of the value of the tangible personal property so transferred.  
6 If, in such a transaction, a separate charge is made for the  
7 tangible personal property so transferred, the value of such  
8 property, for the purpose of this Act, shall be the amount so  
9 separately charged, but not less than the cost of such property  
10 to the transferor; if no separate charge is made, the value of  
11 such property, for the purposes of this Act, is the cost to the  
12 transferor of such tangible personal property. Construction  
13 contracts for the improvement of real estate consisting of  
14 engineering, installation, and maintenance of voice, data,  
15 video, security, and all telecommunication systems do not  
16 constitute engaging in a business of selling tangible personal  
17 property at retail within the meaning of this Act if they are  
18 sold at one specified contract price.

19 A person who holds himself or herself out as being engaged  
20 (or who habitually engages) in selling tangible personal  
21 property at retail is a person engaged in the business of  
22 selling tangible personal property at retail hereunder with  
23 respect to such sales (and not primarily in a service  
24 occupation) notwithstanding the fact that such person designs  
25 and produces such tangible personal property on special order  
26 for the purchaser and in such a way as to render the property

1 of value only to such purchaser, if such tangible personal  
2 property so produced on special order serves substantially the  
3 same function as stock or standard items of tangible personal  
4 property that are sold at retail.

5 Persons who engage in the business of transferring tangible  
6 personal property upon the redemption of trading stamps are  
7 engaged in the business of selling such property at retail and  
8 shall be liable for and shall pay the tax imposed by this Act  
9 on the basis of the retail value of the property transferred  
10 upon redemption of such stamps.

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

17 "Remote retailer" means a retailer located outside of this  
18 State that does not maintain within this State, directly or by  
19 a subsidiary, an office, distribution house, sales house,  
20 warehouse or other place of business, or any agent or other  
21 representative operating within this State under the authority  
22 of the retailer or its subsidiary, irrespective of whether such  
23 place of business or agent is located here permanently or  
24 temporarily or whether such retailer or subsidiary is licensed  
25 to do business in this State.

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

1 (35 ILCS 120/2) (from Ch. 120, par. 441)

2 Sec. 2. Tax imposed.

3 (a) A tax is imposed upon persons engaged in the business  
4 of selling at retail tangible personal property, including  
5 computer software, and including photographs, negatives, and  
6 positives that are the product of photoprocessing, but not  
7 including products of photoprocessing produced for use in  
8 motion pictures for public commercial exhibition. Beginning  
9 January 1, 2001, prepaid telephone calling arrangements shall  
10 be considered tangible personal property subject to the tax  
11 imposed under this Act regardless of the form in which those  
12 arrangements may be embodied, transmitted, or fixed by any  
13 method now known or hereafter developed. Sales of (1)  
14 electricity delivered to customers by wire; (2) natural or  
15 artificial gas that is delivered to customers through pipes,  
16 pipelines, or mains; and (3) water that is delivered to  
17 customers through pipes, pipelines, or mains are not subject to  
18 tax under this Act. The provisions of this amendatory Act of  
19 the 98th General Assembly are declaratory of existing law as to  
20 the meaning and scope of this Act.

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

24 (1) the cumulative gross receipts from sales of  
25 tangible personal property to purchasers in Illinois are

1       \$100,000 or more; or

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

5       Remote retailers that meet or exceed the threshold in  
6       either paragraph (1) or (2) above shall be liable for all  
7       applicable State and locally imposed retailers' occupation  
8       taxes on all retail sales to Illinois purchasers.

9       The remote retailer shall determine on a quarterly basis,  
10      ending on the last day of March, June, September, and December,  
11      whether he or she meets the criteria of either paragraph (1) or  
12      (2) of this subsection for the preceding 12-month period. If  
13      the retailer meets the criteria of either paragraph (1) or (2)  
14      for a 12-month period, he or she is considered a retailer  
15      maintaining a place of business in this State and is required  
16      to collect and remit the tax imposed under this Act and all  
17      retailers' occupation tax imposed by local taxing  
18      jurisdictions in Illinois, provided such local taxes are  
19      administered by the Department, and to file all applicable  
20      returns for one year. At the end of that one-year period, the  
21      retailer shall determine whether the retailer met the criteria  
22      of either paragraph (1) or (2) for the preceding 12-month  
23      period. If the retailer met the criteria in either paragraph  
24      (1) or (2) for the preceding 12-month period, he or she is  
25      considered a retailer maintaining a place of business in this  
26      State and is required to collect and remit all applicable State



1 and local retailers' occupation taxes and file returns for the  
2 subsequent year. If, at the end of a one-year period, a  
3 retailer that was required to collect and remit the tax imposed  
4 under this Act determines that he or she did not meet the  
5 criteria in either paragraph (1) or (2) during the preceding  
6 12-month period, then the retailer shall subsequently  
7 determine on a quarterly basis, ending on the last day of  
8 March, June, September, and December, whether he or she meets  
9 the criteria of either paragraph (1) or (2) for the preceding  
10 12-month period.

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

12 (35 ILCS 120/2-5)

13 Sec. 2-5. Exemptions. Gross receipts from proceeds from the  
14 sale of the following tangible personal property are exempt  
15 from the tax imposed by this Act:

16 (1) Farm chemicals.

17 (2) Farm machinery and equipment, both new and used,  
18 including that manufactured on special order, certified by  
19 the purchaser to be used primarily for production  
20 agriculture or State or federal agricultural programs,  
21 including individual replacement parts for the machinery  
22 and equipment, including machinery and equipment purchased  
23 for lease, and including implements of husbandry defined in  
24 Section 1-130 of the Illinois Vehicle Code, farm machinery  
25 and agricultural chemical and fertilizer spreaders, and

1 nurse wagons required to be registered under Section 3-809  
2 of the Illinois Vehicle Code, but excluding other motor  
3 vehicles required to be registered under the Illinois  
4 Vehicle Code. Horticultural polyhouses or hoop houses used  
5 for propagating, growing, or overwintering plants shall be  
6 considered farm machinery and equipment under this item  
7 (2). Agricultural chemical tender tanks and dry boxes shall  
8 include units sold separately from a motor vehicle required  
9 to be licensed and units sold mounted on a motor vehicle  
10 required to be licensed, if the selling price of the tender  
11 is separately stated.

12 Farm machinery and equipment shall include precision  
13 farming equipment that is installed or purchased to be  
14 installed on farm machinery and equipment including, but  
15 not limited to, tractors, harvesters, sprayers, planters,  
16 seeders, or spreaders. Precision farming equipment  
17 includes, but is not limited to, soil testing sensors,  
18 computers, monitors, software, global positioning and  
19 mapping systems, and other such equipment.

20 Farm machinery and equipment also includes computers,  
21 sensors, software, and related equipment used primarily in  
22 the computer-assisted operation of production agriculture  
23 facilities, equipment, and activities such as, but not  
24 limited to, the collection, monitoring, and correlation of  
25 animal and crop data for the purpose of formulating animal  
26 diets and agricultural chemicals. This item (2) is exempt

1 from the provisions of Section 2-70.

2 (3) Until July 1, 2003, distillation machinery and  
3 equipment, sold as a unit or kit, assembled or installed by  
4 the retailer, certified by the user to be used only for the  
5 production of ethyl alcohol that will be used for  
6 consumption as motor fuel or as a component of motor fuel  
7 for the personal use of the user, and not subject to sale  
8 or resale.

9 (4) Until July 1, 2003 and beginning again September 1,  
10 2004 through August 30, 2014, graphic arts machinery and  
11 equipment, including repair and replacement parts, both  
12 new and used, and including that manufactured on special  
13 order or purchased for lease, certified by the purchaser to  
14 be used primarily for graphic arts production. Equipment  
15 includes chemicals or chemicals acting as catalysts but  
16 only if the chemicals or chemicals acting as catalysts  
17 effect a direct and immediate change upon a graphic arts  
18 product. Beginning on July 1, 2017, graphic arts machinery  
19 and equipment is included in the manufacturing and  
20 assembling machinery and equipment exemption under  
21 paragraph (14).

22 (5) A motor vehicle that is used for automobile  
23 renting, as defined in the Automobile Renting Occupation  
24 and Use Tax Act. This paragraph is exempt from the  
25 provisions of Section 2-70.

26 (6) Personal property sold by a teacher-sponsored

1 student organization affiliated with an elementary or  
2 secondary school located in Illinois.

3 (7) Until July 1, 2003, proceeds of that portion of the  
4 selling price of a passenger car the sale of which is  
5 subject to the Replacement Vehicle Tax.

6 (8) Personal property sold to an Illinois county fair  
7 association for use in conducting, operating, or promoting  
8 the county fair.

9 (9) Personal property sold to a not-for-profit arts or  
10 cultural organization that establishes, by proof required  
11 by the Department by rule, that it has received an  
12 exemption under Section 501(c)(3) of the Internal Revenue  
13 Code and that is organized and operated primarily for the  
14 presentation or support of arts or cultural programming,  
15 activities, or services. These organizations include, but  
16 are not limited to, music and dramatic arts organizations  
17 such as symphony orchestras and theatrical groups, arts and  
18 cultural service organizations, local arts councils,  
19 visual arts organizations, and media arts organizations.  
20 On and after July 1, 2001 (the effective date of Public Act  
21 92-35), however, an entity otherwise eligible for this  
22 exemption shall not make tax-free purchases unless it has  
23 an active identification number issued by the Department.

24 (10) Personal property sold by a corporation, society,  
25 association, foundation, institution, or organization,  
26 other than a limited liability company, that is organized

1 and operated as a not-for-profit service enterprise for the  
2 benefit of persons 65 years of age or older if the personal  
3 property was not purchased by the enterprise for the  
4 purpose of resale by the enterprise.

5 (11) Personal property sold to a governmental body, to  
6 a corporation, society, association, foundation, or  
7 institution organized and operated exclusively for  
8 charitable, religious, or educational purposes, or to a  
9 not-for-profit corporation, society, association,  
10 foundation, institution, or organization that has no  
11 compensated officers or employees and that is organized and  
12 operated primarily for the recreation of persons 55 years  
13 of age or older. A limited liability company may qualify  
14 for the exemption under this paragraph only if the limited  
15 liability company is organized and operated exclusively  
16 for educational purposes. On and after July 1, 1987,  
17 however, no entity otherwise eligible for this exemption  
18 shall make tax-free purchases unless it has an active  
19 identification number issued by the Department.

20 (12) (Blank).

21 (12-5) On and after July 1, 2003 and through June 30,  
22 2004, motor vehicles of the second division with a gross  
23 vehicle weight in excess of 8,000 pounds that are subject  
24 to the commercial distribution fee imposed under Section  
25 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,  
26 2004 and through June 30, 2005, the use in this State of

1 motor vehicles of the second division: (i) with a gross  
2 vehicle weight rating in excess of 8,000 pounds; (ii) that  
3 are subject to the commercial distribution fee imposed  
4 under Section 3-815.1 of the Illinois Vehicle Code; and  
5 (iii) that are primarily used for commercial purposes.  
6 Through June 30, 2005, this exemption applies to repair and  
7 replacement parts added after the initial purchase of such  
8 a motor vehicle if that motor vehicle is used in a manner  
9 that would qualify for the rolling stock exemption  
10 otherwise provided for in this Act. For purposes of this  
11 paragraph, "used for commercial purposes" means the  
12 transportation of persons or property in furtherance of any  
13 commercial or industrial enterprise whether for-hire or  
14 not.

15 (13) Proceeds from sales to owners, lessors, or  
16 shippers of tangible personal property that is utilized by  
17 interstate carriers for hire for use as rolling stock  
18 moving in interstate commerce and equipment operated by a  
19 telecommunications provider, licensed as a common carrier  
20 by the Federal Communications Commission, which is  
21 permanently installed in or affixed to aircraft moving in  
22 interstate commerce.

23 (14) Machinery and equipment that will be used by the  
24 purchaser, or a lessee of the purchaser, primarily in the  
25 process of manufacturing or assembling tangible personal  
26 property for wholesale or retail sale or lease, whether the

1 sale or lease is made directly by the manufacturer or by  
2 some other person, whether the materials used in the  
3 process are owned by the manufacturer or some other person,  
4 or whether the sale or lease is made apart from or as an  
5 incident to the seller's engaging in the service occupation  
6 of producing machines, tools, dies, jigs, patterns,  
7 gauges, or other similar items of no commercial value on  
8 special order for a particular purchaser. The exemption  
9 provided by this paragraph (14) does not include machinery  
10 and equipment used in (i) the generation of electricity for  
11 wholesale or retail sale; (ii) the generation or treatment  
12 of natural or artificial gas for wholesale or retail sale  
13 that is delivered to customers through pipes, pipelines, or  
14 mains; or (iii) the treatment of water for wholesale or  
15 retail sale that is delivered to customers through pipes,  
16 pipelines, or mains. The provisions of Public Act 98-583  
17 are declaratory of existing law as to the meaning and scope  
18 of this exemption. Beginning on July 1, 2017, the exemption  
19 provided by this paragraph (14) includes, but is not  
20 limited to, graphic arts machinery and equipment, as  
21 defined in paragraph (4) of this Section.

22 (15) Proceeds of mandatory service charges separately  
23 stated on customers' bills for purchase and consumption of  
24 food and beverages, to the extent that the proceeds of the  
25 service charge are in fact turned over as tips or as a  
26 substitute for tips to the employees who participate

1 directly in preparing, serving, hosting or cleaning up the  
2 food or beverage function with respect to which the service  
3 charge is imposed.

4 (16) Tangible personal property sold to a purchaser if  
5 the purchaser is exempt from use tax by operation of  
6 federal law. This paragraph is exempt from the provisions  
7 of Section 2-70.

8 (17) Tangible personal property sold to a common  
9 carrier by rail or motor that receives the physical  
10 possession of the property in Illinois and that transports  
11 the property, or shares with another common carrier in the  
12 transportation of the property, out of Illinois on a  
13 standard uniform bill of lading showing the seller of the  
14 property as the shipper or consignor of the property to a  
15 destination outside Illinois, for use outside Illinois.

16 (18) Legal tender, currency, medallions, or gold or  
17 silver coinage issued by the State of Illinois, the  
18 government of the United States of America, or the  
19 government of any foreign country, and bullion.

20 (19) Until July 1, 2003, oil field exploration,  
21 drilling, and production equipment, including (i) rigs and  
22 parts of rigs, rotary rigs, cable tool rigs, and workover  
23 rigs, (ii) pipe and tubular goods, including casing and  
24 drill strings, (iii) pumps and pump-jack units, (iv)  
25 storage tanks and flow lines, (v) any individual  
26 replacement part for oil field exploration, drilling, and



1 production equipment, and (vi) machinery and equipment  
2 purchased for lease; but excluding motor vehicles required  
3 to be registered under the Illinois Vehicle Code.

4 (20) Photoprocessing machinery and equipment,  
5 including repair and replacement parts, both new and used,  
6 including that manufactured on special order, certified by  
7 the purchaser to be used primarily for photoprocessing, and  
8 including photoprocessing machinery and equipment  
9 purchased for lease.

10 (21) Until July 1, 2023, coal and aggregate  
11 exploration, mining, off-highway hauling, processing,  
12 maintenance, and reclamation equipment, including  
13 replacement parts and equipment, and including equipment  
14 purchased for lease, but excluding motor vehicles required  
15 to be registered under the Illinois Vehicle Code. The  
16 changes made to this Section by Public Act 97-767 apply on  
17 and after July 1, 2003, but no claim for credit or refund  
18 is allowed on or after August 16, 2013 (the effective date  
19 of Public Act 98-456) for such taxes paid during the period  
20 beginning July 1, 2003 and ending on August 16, 2013 (the  
21 effective date of Public Act 98-456).

22 (22) Until June 30, 2013, fuel and petroleum products  
23 sold to or used by an air carrier, certified by the carrier  
24 to be used for consumption, shipment, or storage in the  
25 conduct of its business as an air common carrier, for a  
26 flight destined for or returning from a location or

1 locations outside the United States without regard to  
2 previous or subsequent domestic stopovers.

3 Beginning July 1, 2013, fuel and petroleum products  
4 sold to or used by an air carrier, certified by the carrier  
5 to be used for consumption, shipment, or storage in the  
6 conduct of its business as an air common carrier, for a  
7 flight that (i) is engaged in foreign trade or is engaged  
8 in trade between the United States and any of its  
9 possessions and (ii) transports at least one individual or  
10 package for hire from the city of origination to the city  
11 of final destination on the same aircraft, without regard  
12 to a change in the flight number of that aircraft.

13 (23) A transaction in which the purchase order is  
14 received by a florist who is located outside Illinois, but  
15 who has a florist located in Illinois deliver the property  
16 to the purchaser or the purchaser's donee in Illinois.

17 (24) Fuel consumed or used in the operation of ships,  
18 barges, or vessels that are used primarily in or for the  
19 transportation of property or the conveyance of persons for  
20 hire on rivers bordering on this State if the fuel is  
21 delivered by the seller to the purchaser's barge, ship, or  
22 vessel while it is afloat upon that bordering river.

23 (25) Except as provided in item (25-5) of this Section,  
24 a motor vehicle sold in this State to a nonresident even  
25 though the motor vehicle is delivered to the nonresident in  
26 this State, if the motor vehicle is not to be titled in

1       this State, and if a drive-away permit is issued to the  
2       motor vehicle as provided in Section 3-603 of the Illinois  
3       Vehicle Code or if the nonresident purchaser has vehicle  
4       registration plates to transfer to the motor vehicle upon  
5       returning to his or her home state. The issuance of the  
6       drive-away permit or having the out-of-state registration  
7       plates to be transferred is prima facie evidence that the  
8       motor vehicle will not be titled in this State.

9           (25-5) The exemption under item (25) does not apply if  
10       the state in which the motor vehicle will be titled does  
11       not allow a reciprocal exemption for a motor vehicle sold  
12       and delivered in that state to an Illinois resident but  
13       titled in Illinois. The tax collected under this Act on the  
14       sale of a motor vehicle in this State to a resident of  
15       another state that does not allow a reciprocal exemption  
16       shall be imposed at a rate equal to the state's rate of tax  
17       on taxable property in the state in which the purchaser is  
18       a resident, except that the tax shall not exceed the tax  
19       that would otherwise be imposed under this Act. At the time  
20       of the sale, the purchaser shall execute a statement,  
21       signed under penalty of perjury, of his or her intent to  
22       title the vehicle in the state in which the purchaser is a  
23       resident within 30 days after the sale and of the fact of  
24       the payment to the State of Illinois of tax in an amount  
25       equivalent to the state's rate of tax on taxable property  
26       in his or her state of residence and shall submit the

1 statement to the appropriate tax collection agency in his  
2 or her state of residence. In addition, the retailer must  
3 retain a signed copy of the statement in his or her  
4 records. Nothing in this item shall be construed to require  
5 the removal of the vehicle from this state following the  
6 filing of an intent to title the vehicle in the purchaser's  
7 state of residence if the purchaser titles the vehicle in  
8 his or her state of residence within 30 days after the date  
9 of sale. The tax collected under this Act in accordance  
10 with this item (25-5) shall be proportionately distributed  
11 as if the tax were collected at the 6.25% general rate  
12 imposed under this Act.

13 (25-7) Beginning on July 1, 2007, no tax is imposed  
14 under this Act on the sale of an aircraft, as defined in  
15 Section 3 of the Illinois Aeronautics Act, if all of the  
16 following conditions are met:

17 (1) the aircraft leaves this State within 15 days  
18 after the later of either the issuance of the final  
19 billing for the sale of the aircraft, or the authorized  
20 approval for return to service, completion of the  
21 maintenance record entry, and completion of the test  
22 flight and ground test for inspection, as required by  
23 14 C.F.R. 91.407;

24 (2) the aircraft is not based or registered in this  
25 State after the sale of the aircraft; and

26 (3) the seller retains in his or her books and

1 records and provides to the Department a signed and  
2 dated certification from the purchaser, on a form  
3 prescribed by the Department, certifying that the  
4 requirements of this item (25-7) are met. The  
5 certificate must also include the name and address of  
6 the purchaser, the address of the location where the  
7 aircraft is to be titled or registered, the address of  
8 the primary physical location of the aircraft, and  
9 other information that the Department may reasonably  
10 require.

11 For purposes of this item (25-7):

12 "Based in this State" means hangared, stored, or  
13 otherwise used, excluding post-sale customizations as  
14 defined in this Section, for 10 or more days in each  
15 12-month period immediately following the date of the sale  
16 of the aircraft.

17 "Registered in this State" means an aircraft  
18 registered with the Department of Transportation,  
19 Aeronautics Division, or titled or registered with the  
20 Federal Aviation Administration to an address located in  
21 this State.

22 This paragraph (25-7) is exempt from the provisions of  
23 Section 2-70.

24 (26) Semen used for artificial insemination of  
25 livestock for direct agricultural production.

26 (27) Horses, or interests in horses, registered with

1 and meeting the requirements of any of the Arabian Horse  
2 Club Registry of America, Appaloosa Horse Club, American  
3 Quarter Horse Association, United States Trotting  
4 Association, or Jockey Club, as appropriate, used for  
5 purposes of breeding or racing for prizes. This item (27)  
6 is exempt from the provisions of Section 2-70, and the  
7 exemption provided for under this item (27) applies for all  
8 periods beginning May 30, 1995, but no claim for credit or  
9 refund is allowed on or after January 1, 2008 (the  
10 effective date of Public Act 95-88) for such taxes paid  
11 during the period beginning May 30, 2000 and ending on  
12 January 1, 2008 (the effective date of Public Act 95-88).

13 (28) Computers and communications equipment utilized  
14 for any hospital purpose and equipment used in the  
15 diagnosis, analysis, or treatment of hospital patients  
16 sold to a lessor who leases the equipment, under a lease of  
17 one year or longer executed or in effect at the time of the  
18 purchase, to a hospital that has been issued an active tax  
19 exemption identification number by the Department under  
20 Section 1g of this Act.

21 (29) Personal property sold to a lessor who leases the  
22 property, under a lease of one year or longer executed or  
23 in effect at the time of the purchase, to a governmental  
24 body that has been issued an active tax exemption  
25 identification number by the Department under Section 1g of  
26 this Act.

1           (30) Beginning with taxable years ending on or after  
2           December 31, 1995 and ending with taxable years ending on  
3           or before December 31, 2004, personal property that is  
4           donated for disaster relief to be used in a State or  
5           federally declared disaster area in Illinois or bordering  
6           Illinois by a manufacturer or retailer that is registered  
7           in this State to a corporation, society, association,  
8           foundation, or institution that has been issued a sales tax  
9           exemption identification number by the Department that  
10          assists victims of the disaster who reside within the  
11          declared disaster area.

12          (31) Beginning with taxable years ending on or after  
13          December 31, 1995 and ending with taxable years ending on  
14          or before December 31, 2004, personal property that is used  
15          in the performance of infrastructure repairs in this State,  
16          including but not limited to municipal roads and streets,  
17          access roads, bridges, sidewalks, waste disposal systems,  
18          water and sewer line extensions, water distribution and  
19          purification facilities, storm water drainage and  
20          retention facilities, and sewage treatment facilities,  
21          resulting from a State or federally declared disaster in  
22          Illinois or bordering Illinois when such repairs are  
23          initiated on facilities located in the declared disaster  
24          area within 6 months after the disaster.

25          (32) Beginning July 1, 1999, game or game birds sold at  
26          a "game breeding and hunting preserve area" as that term is

1 used in the Wildlife Code. This paragraph is exempt from  
2 the provisions of Section 2-70.

3 (33) A motor vehicle, as that term is defined in  
4 Section 1-146 of the Illinois Vehicle Code, that is donated  
5 to a corporation, limited liability company, society,  
6 association, foundation, or institution that is determined  
7 by the Department to be organized and operated exclusively  
8 for educational purposes. For purposes of this exemption,  
9 "a corporation, limited liability company, society,  
10 association, foundation, or institution organized and  
11 operated exclusively for educational purposes" means all  
12 tax-supported public schools, private schools that offer  
13 systematic instruction in useful branches of learning by  
14 methods common to public schools and that compare favorably  
15 in their scope and intensity with the course of study  
16 presented in tax-supported schools, and vocational or  
17 technical schools or institutes organized and operated  
18 exclusively to provide a course of study of not less than 6  
19 weeks duration and designed to prepare individuals to  
20 follow a trade or to pursue a manual, technical,  
21 mechanical, industrial, business, or commercial  
22 occupation.

23 (34) Beginning January 1, 2000, personal property,  
24 including food, purchased through fundraising events for  
25 the benefit of a public or private elementary or secondary  
26 school, a group of those schools, or one or more school



1 districts if the events are sponsored by an entity  
2 recognized by the school district that consists primarily  
3 of volunteers and includes parents and teachers of the  
4 school children. This paragraph does not apply to  
5 fundraising events (i) for the benefit of private home  
6 instruction or (ii) for which the fundraising entity  
7 purchases the personal property sold at the events from  
8 another individual or entity that sold the property for the  
9 purpose of resale by the fundraising entity and that  
10 profits from the sale to the fundraising entity. This  
11 paragraph is exempt from the provisions of Section 2-70.

12 (35) Beginning January 1, 2000 and through December 31,  
13 2001, new or used automatic vending machines that prepare  
14 and serve hot food and beverages, including coffee, soup,  
15 and other items, and replacement parts for these machines.  
16 Beginning January 1, 2002 and through June 30, 2003,  
17 machines and parts for machines used in commercial,  
18 coin-operated amusement and vending business if a use or  
19 occupation tax is paid on the gross receipts derived from  
20 the use of the commercial, coin-operated amusement and  
21 vending machines. This paragraph is exempt from the  
22 provisions of Section 2-70.

23 (35-5) Beginning August 23, 2001 and through June 30,  
24 2016, food for human consumption that is to be consumed off  
25 the premises where it is sold (other than alcoholic  
26 beverages, soft drinks, and food that has been prepared for

1 immediate consumption) and prescription and  
2 nonprescription medicines, drugs, medical appliances, and  
3 insulin, urine testing materials, syringes, and needles  
4 used by diabetics, for human use, when purchased for use by  
5 a person receiving medical assistance under Article V of  
6 the Illinois Public Aid Code who resides in a licensed  
7 long-term care facility, as defined in the Nursing Home  
8 Care Act, or a licensed facility as defined in the ID/DD  
9 Community Care Act, the MC/DD Act, or the Specialized  
10 Mental Health Rehabilitation Act of 2013.

11 (36) Beginning August 2, 2001, computers and  
12 communications equipment utilized for any hospital purpose  
13 and equipment used in the diagnosis, analysis, or treatment  
14 of hospital patients sold to a lessor who leases the  
15 equipment, under a lease of one year or longer executed or  
16 in effect at the time of the purchase, to a hospital that  
17 has been issued an active tax exemption identification  
18 number by the Department under Section 1g of this Act. This  
19 paragraph is exempt from the provisions of Section 2-70.

20 (37) Beginning August 2, 2001, personal property sold  
21 to a lessor who leases the property, under a lease of one  
22 year or longer executed or in effect at the time of the  
23 purchase, to a governmental body that has been issued an  
24 active tax exemption identification number by the  
25 Department under Section 1g of this Act. This paragraph is  
26 exempt from the provisions of Section 2-70.

1           (38) Beginning on January 1, 2002 and through June 30,  
2           2016, tangible personal property purchased from an  
3           Illinois retailer by a taxpayer engaged in centralized  
4           purchasing activities in Illinois who will, upon receipt of  
5           the property in Illinois, temporarily store the property in  
6           Illinois (i) for the purpose of subsequently transporting  
7           it outside this State for use or consumption thereafter  
8           solely outside this State or (ii) for the purpose of being  
9           processed, fabricated, or manufactured into, attached to,  
10          or incorporated into other tangible personal property to be  
11          transported outside this State and thereafter used or  
12          consumed solely outside this State. The Director of Revenue  
13          shall, pursuant to rules adopted in accordance with the  
14          Illinois Administrative Procedure Act, issue a permit to  
15          any taxpayer in good standing with the Department who is  
16          eligible for the exemption under this paragraph (38). The  
17          permit issued under this paragraph (38) shall authorize the  
18          holder, to the extent and in the manner specified in the  
19          rules adopted under this Act, to purchase tangible personal  
20          property from a retailer exempt from the taxes imposed by  
21          this Act. Taxpayers shall maintain all necessary books and  
22          records to substantiate the use and consumption of all such  
23          tangible personal property outside of the State of  
24          Illinois.

25          (39) Beginning January 1, 2008, tangible personal  
26          property used in the construction or maintenance of a

1 community water supply, as defined under Section 3.145 of  
2 the Environmental Protection Act, that is operated by a  
3 not-for-profit corporation that holds a valid water supply  
4 permit issued under Title IV of the Environmental  
5 Protection Act. This paragraph is exempt from the  
6 provisions of Section 2-70.

7 (40) Beginning January 1, 2010, materials, parts,  
8 equipment, components, and furnishings incorporated into  
9 or upon an aircraft as part of the modification,  
10 refurbishment, completion, replacement, repair, or  
11 maintenance of the aircraft. This exemption includes  
12 consumable supplies used in the modification,  
13 refurbishment, completion, replacement, repair, and  
14 maintenance of aircraft, but excludes any materials,  
15 parts, equipment, components, and consumable supplies used  
16 in the modification, replacement, repair, and maintenance  
17 of aircraft engines or power plants, whether such engines  
18 or power plants are installed or uninstalled upon any such  
19 aircraft. "Consumable supplies" include, but are not  
20 limited to, adhesive, tape, sandpaper, general purpose  
21 lubricants, cleaning solution, latex gloves, and  
22 protective films. This exemption applies only to the sale  
23 of qualifying tangible personal property to persons who  
24 modify, refurbish, complete, replace, or maintain an  
25 aircraft and who (i) hold an Air Agency Certificate and are  
26 empowered to operate an approved repair station by the

1 Federal Aviation Administration, (ii) have a Class IV  
2 Rating, and (iii) conduct operations in accordance with  
3 Part 145 of the Federal Aviation Regulations. The exemption  
4 does not include aircraft operated by a commercial air  
5 carrier providing scheduled passenger air service pursuant  
6 to authority issued under Part 121 or Part 129 of the  
7 Federal Aviation Regulations. The changes made to this  
8 paragraph (40) by Public Act 98-534 are declarative of  
9 existing law.

10 (41) Tangible personal property sold to a  
11 public-facilities corporation, as described in Section  
12 11-65-10 of the Illinois Municipal Code, for purposes of  
13 constructing or furnishing a municipal convention hall,  
14 but only if the legal title to the municipal convention  
15 hall is transferred to the municipality without any further  
16 consideration by or on behalf of the municipality at the  
17 time of the completion of the municipal convention hall or  
18 upon the retirement or redemption of any bonds or other  
19 debt instruments issued by the public-facilities  
20 corporation in connection with the development of the  
21 municipal convention hall. This exemption includes  
22 existing public-facilities corporations as provided in  
23 Section 11-65-25 of the Illinois Municipal Code. This  
24 paragraph is exempt from the provisions of Section 2-70.

25 (42) Beginning January 1, 2017, menstrual pads,  
26 tampons, and menstrual cups.

1           (43) Merchandise that is subject to the Rental Purchase  
2 Agreement Occupation and Use Tax. The purchaser must  
3 certify that the item is purchased to be rented subject to  
4 a rental purchase agreement, as defined in the Rental  
5 Purchase Agreement Act, and provide proof of registration  
6 under the Rental Purchase Agreement Occupation and Use Tax  
7 Act. This paragraph is exempt from the provisions of  
8 Section 2-70.

9           (44) Qualified tangible personal property used in the  
10 construction or operation of a data center that has been  
11 granted a certificate of exemption by the Department of  
12 Commerce and Economic Opportunity, whether that tangible  
13 personal property is purchased by the owner, operator, or  
14 tenant of the data center or by a contractor or  
15 subcontractor of the owner, operator, or tenant. Data  
16 centers that would have qualified for a certificate of  
17 exemption prior to January 1, 2020 had this amendatory Act  
18 of the 101st General Assembly been in effect, may apply for  
19 and obtain an exemption for subsequent purchases of  
20 computer equipment or enabling software purchased or  
21 leased to upgrade, supplement, or replace computer  
22 equipment or enabling software purchased or leased in the  
23 original investment that would have qualified.

24           The Department of Commerce and Economic Opportunity  
25 shall grant a certificate of exemption under this item (44)  
26 to qualified data centers as defined by Section 605-1025 of

1 the Department of Commerce and Economic Opportunity Law of  
2 the Civil Administrative Code of Illinois.

3 For the purposes of this item (44):

4 "Data center" means a building or a series of  
5 buildings rehabilitated or constructed to house  
6 working servers in one physical location or multiple  
7 sites within the State of Illinois.

8 "Qualified tangible personal property" means:  
9 electrical systems and equipment; climate control and  
10 chilling equipment and systems; mechanical systems and  
11 equipment; monitoring and secure systems; emergency  
12 generators; hardware; computers; servers; data storage  
13 devices; network connectivity equipment; racks;  
14 cabinets; telecommunications cabling infrastructure;  
15 raised floor systems; peripheral components or  
16 systems; software; mechanical, electrical, or plumbing  
17 systems; battery systems; cooling systems and towers;  
18 temperature control systems; other cabling; and other  
19 data center infrastructure equipment and systems  
20 necessary to operate qualified tangible personal  
21 property, including fixtures; and component parts of  
22 any of the foregoing, including installation,  
23 maintenance, repair, refurbishment, and replacement of  
24 qualified tangible personal property to generate,  
25 transform, transmit, distribute, or manage electricity  
26 necessary to operate qualified tangible personal

1           property; and all other tangible personal property  
2           that is essential to the operations of a computer data  
3           center. The term "qualified tangible personal  
4           property" also includes building materials physically  
5           incorporated in to the qualifying data center. To  
6           document the exemption allowed under this Section, the  
7           retailer must obtain from the purchaser a copy of the  
8           certificate of eligibility issued by the Department of  
9           Commerce and Economic Opportunity.

10           This item (44) is exempt from the provisions of Section  
11           2-70.

12           (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;  
13           100-22, eff. 7-6-17; 100-321, eff. 8-24-17; 100-437, eff.  
14           1-1-18; 100-594, eff. 6-29-18; 100-863, eff. 8-14-18;  
15           100-1171, eff. 1-4-19; revised 1-8-19.)

16           (35 ILCS 120/2-12)

17           Sec. 2-12. Location where retailer is deemed to be engaged  
18           in the business of selling. The purpose of this Section is to  
19           specify where a retailer is deemed to be engaged in the  
20           business of selling tangible personal property for the purposes  
21           of this Act, the Use Tax Act, the Service Use Tax Act, and the  
22           Service Occupation Tax Act, and for the purpose of collecting  
23           any other local retailers' occupation tax administered by the  
24           Department. This Section applies only with respect to the  
25           particular selling activities described in the following



1 paragraphs. The provisions of this Section are not intended to,  
2 and shall not be interpreted to, affect where a retailer is  
3 deemed to be engaged in the business of selling with respect to  
4 any activity that is not specifically described in the  
5 following paragraphs.

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

21 (2) If a purchaser, having no prior commitment to the  
22 retailer, agrees to purchase tangible personal property  
23 and makes payment over the phone, in writing, or via the  
24 Internet and takes possession of the tangible personal  
25 property at the retailer's place of business, then the sale  
26 shall be deemed to have occurred at the retailer's place of

1 business where the purchaser takes possession of the  
2 property if the retailer regularly stocks the item or  
3 similar items in the quantity, or similar quantities,  
4 purchased by the purchaser.

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

16 (4) Minerals. A producer of coal or other mineral mined  
17 in Illinois is deemed to be engaged in the business of  
18 selling at the place where the coal or other mineral mined  
19 in Illinois is extracted from the earth. With respect to  
20 minerals (i) the term "extracted from the earth" means the  
21 location at which the coal or other mineral is extracted  
22 from the mouth of the mine, and (ii) a "mineral" includes  
23 not only coal, but also oil, sand, stone taken from a  
24 quarry, gravel and any other thing commonly regarded as a  
25 mineral and extracted from the earth. This paragraph does  
26 not apply to coal or another mineral when it is delivered

1 or shipped by the seller to the purchaser at a point  
2 outside Illinois so that the sale is exempt under the  
3 United States Constitution as a sale in interstate or  
4 foreign commerce.

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

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

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

20 (35 ILCS 120/2a) (from Ch. 120, par. 441a)

21 Sec. 2a. It is unlawful for any person to engage in the  
22 business of selling tangible personal property at retail in  
23 this State without a certificate of registration from the  
24 Department. Application for a certificate of registration  
25 shall be made to the Department upon forms furnished by it.

1 Each such application shall be signed and verified and shall  
2 state: (1) the name and social security number of the  
3 applicant; (2) the address of his principal place of business;  
4 (3) the address of the principal place of business from which  
5 he engages in the business of selling tangible personal  
6 property at retail in this State and the addresses of all other  
7 places of business, if any (enumerating such addresses, if any,  
8 in a separate list attached to and made a part of the  
9 application), from which he engages in the business of selling  
10 tangible personal property at retail in this State; (4) the  
11 name and address of the person or persons who will be  
12 responsible for filing returns and payment of taxes due under  
13 this Act; (5) in the case of a publicly traded corporation, the  
14 name and title of the Chief Financial Officer, Chief Operating  
15 Officer, and any other officer or employee with responsibility  
16 for preparing tax returns under this Act, and, in the case of  
17 all other corporations, the name, title, and social security  
18 number of each corporate officer; (6) in the case of a limited  
19 liability company, the name, social security number, and FEIN  
20 number of each manager and member; and (7) such other  
21 information as the Department may reasonably require. The  
22 application shall contain an acceptance of responsibility  
23 signed by the person or persons who will be responsible for  
24 filing returns and payment of the taxes due under this Act. If  
25 the applicant will sell tangible personal property at retail  
26 through vending machines, his application to register shall

1 indicate the number of vending machines to be so operated. If  
2 requested by the Department at any time, that person shall  
3 verify the total number of vending machines he or she uses in  
4 his or her business of selling tangible personal property at  
5 retail.

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

15 The Department may deny a certificate of registration to  
16 any applicant if a person who is named as the owner, a partner,  
17 a manager or member of a limited liability company, or a  
18 corporate officer of the applicant on the application for the  
19 certificate of registration is or has been named as the owner,  
20 a partner, a manager or member of a limited liability company,  
21 or a corporate officer on the application for the certificate  
22 of registration of another retailer that is in default for  
23 moneys due under this Act or any other tax or fee Act  
24 administered by the Department. For purposes of this paragraph  
25 only, in determining whether a person is in default for moneys  
26 due, the Department shall include only amounts established as a

1 final liability within the 20 years prior to the date of the  
2 Department's notice of denial of a certificate of registration.

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

1 whether the owner, any partner, any manager or member of a  
2 limited liability company, or a corporate officer of the  
3 applicant is or has been the owner, a partner, a manager or  
4 member of a limited liability company, or a corporate officer  
5 of another retailer whose certificate of registration has been  
6 revoked within the previous 5 years under this Act or any other  
7 tax or fee Act administered by the Department. If a bond or  
8 other security is required, the Department shall fix the amount  
9 of the bond or other security, taking into consideration the  
10 amount of money expected to become due from the applicant under  
11 this Act and under any other State tax law or municipal or  
12 county tax ordinance or resolution under which the certificate  
13 of registration that is issued to the applicant under this Act  
14 will permit the applicant to engage in business without  
15 registering separately under such other law, ordinance, or  
16 resolution. The amount of security required by the Department  
17 shall be such as, in its opinion, will protect the State of  
18 Illinois against failure to pay the amount which may become due  
19 from the applicant under this Act and under any other State tax  
20 law or municipal or county tax ordinance or resolution under  
21 which the certificate of registration that is issued to the  
22 applicant under this Act will permit the applicant to engage in  
23 business without registering separately under such other law,  
24 ordinance or resolution, but the amount of the security  
25 required by the Department shall not exceed three times the  
26 amount of the applicant's average monthly tax liability, or

1 \$50,000.00, whichever amount is lower.

2 No certificate of registration under this Act shall be  
3 issued by the Department until the applicant provides the  
4 Department with satisfactory security, if required, as herein  
5 provided for.

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

18 No certificate of registration issued prior to July 1, 2017  
19 to a taxpayer who files returns required by this Act on a  
20 monthly basis or renewed prior to July 1, 2017 by a taxpayer  
21 who files returns required by this Act on a monthly basis shall  
22 be valid after the expiration of 5 years from the date of its  
23 issuance or last renewal. No certificate of registration issued  
24 on or after July 1, 2017 to a taxpayer who files returns  
25 required by this Act on a monthly basis or renewed on or after  
26 July 1, 2017 by a taxpayer who files returns required by this



1 Act on a monthly basis shall be valid after the expiration of  
2 one year from the date of its issuance or last renewal. The  
3 expiration date of a sub-certificate of registration shall be  
4 that of the certificate of registration to which the  
5 sub-certificate relates. Prior to July 1, 2017, a certificate  
6 of registration shall automatically be renewed, subject to  
7 revocation as provided by this Act, for an additional 5 years  
8 from the date of its expiration unless otherwise notified by  
9 the Department as provided by this paragraph. On and after July  
10 1, 2017, a certificate of registration shall automatically be  
11 renewed, subject to revocation as provided by this Act, for an  
12 additional one year from the date of its expiration unless  
13 otherwise notified by the Department as provided by this  
14 paragraph.

15 Where a taxpayer to whom a certificate of registration is  
16 issued under this Act is in default to the State of Illinois  
17 for delinquent returns or for moneys due under this Act or any  
18 other State tax law or municipal or county ordinance  
19 administered or enforced by the Department, the Department  
20 shall, not less than 60 days before the expiration date of such  
21 certificate of registration, give notice to the taxpayer to  
22 whom the certificate was issued of the account period of the  
23 delinquent returns, the amount of tax, penalty and interest due  
24 and owing from the taxpayer, and that the certificate of  
25 registration shall not be automatically renewed upon its  
26 expiration date unless the taxpayer, on or before the date of

1 expiration, has filed and paid the delinquent returns or paid  
2 the defaulted amount in full. A taxpayer to whom such a notice  
3 is issued shall be deemed an applicant for renewal. The  
4 Department shall promulgate regulations establishing  
5 procedures for taxpayers who file returns on a monthly basis  
6 but desire and qualify to change to a quarterly or yearly  
7 filing basis and will no longer be subject to renewal under  
8 this Section, and for taxpayers who file returns on a yearly or  
9 quarterly basis but who desire or are required to change to a  
10 monthly filing basis and will be subject to renewal under this  
11 Section.

12 The Department may in its discretion approve renewal by an  
13 applicant who is in default if, at the time of application for  
14 renewal, the applicant files all of the delinquent returns or  
15 pays to the Department such percentage of the defaulted amount  
16 as may be determined by the Department and agrees in writing to  
17 waive all limitations upon the Department for collection of the  
18 remaining defaulted amount to the Department over a period not  
19 to exceed 5 years from the date of renewal of the certificate;  
20 however, no renewal application submitted by an applicant who  
21 is in default shall be approved if the immediately preceding  
22 renewal by the applicant was conditioned upon the installment  
23 payment agreement described in this Section. The payment  
24 agreement herein provided for shall be in addition to and not  
25 in lieu of the security that may be required by this Section of  
26 a taxpayer who is no longer considered a prior continuous

1 compliance taxpayer. The execution of the payment agreement as  
2 provided in this Act shall not toll the accrual of interest at  
3 the statutory rate.

4 The Department may suspend a certificate of registration if  
5 the Department finds that the person to whom the certificate of  
6 registration has been issued knowingly sold contraband  
7 cigarettes.

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

19 If the person so registered states that he operates other  
20 places of business from which he engages in the business of  
21 selling tangible personal property at retail in this State, the  
22 Department shall furnish him with a sub-certificate of  
23 registration for each such place of business, and the applicant  
24 shall display the appropriate sub-certificate of registration  
25 at each such place of business. All sub-certificates of  
26 registration shall bear the same registration number as that

1 appearing upon the certificate of registration to which such  
2 sub-certificates relate.

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

22 Where the same person engages in 2 or more businesses of  
23 selling tangible personal property at retail in this State,  
24 which businesses are substantially different in character or  
25 engaged in under different trade names or engaged in under  
26 other substantially dissimilar circumstances (so that it is

1 more practicable, from an accounting, auditing or bookkeeping  
2 standpoint, for such businesses to be separately registered),  
3 the Department may require or permit such person (subject to  
4 the same requirements concerning the furnishing of security as  
5 those that are provided for hereinbefore in this Section as to  
6 each application for a certificate of registration) to apply  
7 for and obtain a separate certificate of registration for each  
8 such business or for any of such businesses, under a single  
9 certificate of registration supplemented by related  
10 sub-certificates of registration.

11 Any person who is registered under the Retailers'  
12 Occupation Tax Act as of March 8, 1963, and who, during the  
13 3-year period immediately prior to March 8, 1963, or during a  
14 continuous 3-year period part of which passed immediately  
15 before and the remainder of which passes immediately after  
16 March 8, 1963, has been so registered continuously and who is  
17 determined by the Department not to have been either delinquent  
18 or deficient in the payment of tax liability during that period  
19 under this Act or under any other State tax law or municipal or  
20 county tax ordinance or resolution under which the certificate  
21 of registration that is issued to the registrant under this Act  
22 will permit the registrant to engage in business without  
23 registering separately under such other law, ordinance or  
24 resolution, shall be considered to be a Prior Continuous  
25 Compliance taxpayer. Also any taxpayer who has, as verified by  
26 the Department, faithfully and continuously complied with the

1 condition of his bond or other security under the provisions of  
2 this Act for a period of 3 consecutive years shall be  
3 considered to be a Prior Continuous Compliance taxpayer.

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

1 thereafter incur. Any taxpayer who fails to pay an admitted or  
2 established liability under this Act may also be required to  
3 post bond or other acceptable security with this Department  
4 guaranteeing the payment of such admitted or established  
5 liability.

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

14 Any person aggrieved by any decision of the Department  
15 under this Section may, within 20 days after notice of such  
16 decision, protest and request a hearing, whereupon the  
17 Department shall give notice to such person of the time and  
18 place fixed for such hearing and shall hold a hearing in  
19 conformity with the provisions of this Act and then issue its  
20 final administrative decision in the matter to such person. In  
21 the absence of such a protest within 20 days, the Department's  
22 decision shall become final without any further determination  
23 being made or notice given.

24 With respect to security other than bonds (upon which the  
25 Department may sue in the event of a forfeiture), if the  
26 taxpayer fails to pay, when due, any amount whose payment such

1 security guarantees, the Department shall, after such  
2 liability is admitted by the taxpayer or established by the  
3 Department through the issuance of a final assessment that has  
4 become final under the law, convert the security which that  
5 taxpayer has furnished into money for the State, after first  
6 giving the taxpayer at least 10 days' written notice, by  
7 registered or certified mail, to pay the liability or forfeit  
8 such security to the Department. If the security consists of  
9 stocks or bonds or other securities which are listed on a  
10 public exchange, the Department shall sell such securities  
11 through such public exchange. If the security consists of an  
12 irrevocable bank letter of credit, the Department shall convert  
13 the security in the manner provided for in the Uniform  
14 Commercial Code. If the security consists of a bank certificate  
15 of deposit, the Department shall convert the security into  
16 money by demanding and collecting the amount of such bank  
17 certificate of deposit from the bank which issued such  
18 certificate. If the security consists of a type of stocks or  
19 other securities which are not listed on a public exchange, the  
20 Department shall sell such security to the highest and best  
21 bidder after giving at least 10 days' notice of the date, time  
22 and place of the intended sale by publication in the "State  
23 Official Newspaper". If the Department realizes more than the  
24 amount of such liability from the security, plus the expenses  
25 incurred by the Department in converting the security into  
26 money, the Department shall pay such excess to the taxpayer who



1 furnished such security, and the balance shall be paid into the  
2 State Treasury.

3 The Department shall discharge any surety and shall release  
4 and return any security deposited, assigned, pledged or  
5 otherwise provided to it by a taxpayer under this Section  
6 within 30 days after:

7 (1) such taxpayer becomes a Prior Continuous  
8 Compliance taxpayer; or

9 (2) such taxpayer has ceased to collect receipts on  
10 which he is required to remit tax to the Department, has  
11 filed a final tax return, and has paid to the Department an  
12 amount sufficient to discharge his remaining tax  
13 liability, as determined by the Department, under this Act  
14 and under every other State tax law or municipal or county  
15 tax ordinance or resolution under which the certificate of  
16 registration issued under this Act permits the registrant  
17 to engage in business without registering separately under  
18 such other law, ordinance or resolution. The Department  
19 shall make a final determination of the taxpayer's  
20 outstanding tax liability as expeditiously as possible  
21 after his final tax return has been filed; if the  
22 Department cannot make such final determination within 45  
23 days after receiving the final tax return, within such  
24 period it shall so notify the taxpayer, stating its reasons  
25 therefor.

26 (Source: P.A. 100-302, eff. 8-24-17; 100-303, eff. 8-24-17;

1 100-863, eff. 8-14-18.)

2 Section 15-50. The Cigarette Tax Act is amended by changing  
3 Section 2 as follows:

4 (35 ILCS 130/2) (from Ch. 120, par. 453.2)

5 Sec. 2. Tax imposed; rate; collection, payment, and  
6 distribution; discount.

7 (a) Beginning on July 1, 2019, in place of the aggregate  
8 tax rate of 99 mills previously imposed by this Act, a tax is  
9 imposed upon any person engaged in business as a retailer of  
10 cigarettes at the rate of 149 mills per cigarette sold or  
11 otherwise disposed of in the course of such business in this  
12 State. A tax is imposed upon any person engaged in business as  
13 a retailer of cigarettes in this State at the rate of 5 1/2  
14 mills per cigarette sold, or otherwise disposed of in the  
15 course of such business in this State. In addition to any other  
16 tax imposed by this Act, a tax is imposed upon any person  
17 engaged in business as a retailer of cigarettes in this State  
18 at a rate of 1/2 mill per cigarette sold or otherwise disposed  
19 of in the course of such business in this State on and after  
20 January 1, 1947, and shall be paid into the Metropolitan Fair  
21 and Exposition Authority Reconstruction Fund or as otherwise  
22 provided in Section 29. On and after December 1, 1985, in  
23 addition to any other tax imposed by this Act, a tax is imposed  
24 upon any person engaged in business as a retailer of cigarettes

1 ~~in this State at a rate of 4 mills per cigarette sold or~~  
2 ~~otherwise disposed of in the course of such business in this~~  
3 ~~State. Of the additional tax imposed by this amendatory Act of~~  
4 ~~1985, \$9,000,000 of the moneys received by the Department of~~  
5 ~~Revenue pursuant to this Act shall be paid each month into the~~  
6 ~~Common School Fund. On and after the effective date of this~~  
7 ~~amendatory Act of 1989, in addition to any other tax imposed by~~  
8 ~~this Act, a tax is imposed upon any person engaged in business~~  
9 ~~as a retailer of cigarettes at the rate of 5 mills per~~  
10 ~~cigarette sold or otherwise disposed of in the course of such~~  
11 ~~business in this State. On and after the effective date of this~~  
12 ~~amendatory Act of 1993, 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 7 mills per~~  
15 ~~cigarette sold or otherwise disposed of in the course of such~~  
16 ~~business in this State. On and after December 15, 1997, in~~  
17 ~~addition to any other tax imposed by this Act, a tax is imposed~~  
18 ~~upon any person engaged in business as a retailer of cigarettes~~  
19 ~~at the rate of 7 mills per cigarette sold or otherwise disposed~~  
20 ~~of in the course of such business of this State. All of the~~  
21 ~~moneys received by the Department of Revenue pursuant to this~~  
22 ~~Act and the Cigarette Use Tax Act from the additional taxes~~  
23 ~~imposed by this amendatory Act of 1997, shall be paid each~~  
24 ~~month into the Common School Fund. On and after July 1, 2002,~~  
25 ~~in addition to any other tax imposed by this Act, a tax is~~  
26 ~~imposed upon any person engaged in business as a retailer of~~

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

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

21       ~~Beginning on the effective date of this amendatory Act of~~  
22 ~~the 92nd General Assembly and through June 30, 2006, all of the~~  
23 ~~moneys received by the Department of Revenue pursuant to this~~  
24 ~~Act and the Cigarette Use Tax Act, other than the moneys that~~  
25 ~~are dedicated to the Common School Fund, shall be distributed~~  
26 ~~each month as follows: first, there shall be paid into the~~

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

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

24           (c) Beginning on July 1, 2019, all of the moneys from the  
25 additional taxes imposed by this amendatory Act of the 101st  
26 General Assembly received by the Department of Revenue pursuant

1 to this Act and the Cigarette Use Tax Act shall be distributed  
2 each month into the Capital Projects Fund.

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

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

19 (f) The impact of the tax levied by this Act is imposed  
20 upon the retailer and shall be prepaid or pre-collected by the  
21 distributor for the purpose of convenience and facility only,  
22 and the amount of the tax shall be added to the price of the  
23 cigarettes sold by such distributor. Collection of the tax  
24 shall be evidenced by a stamp or stamps affixed to each  
25 original package of cigarettes, as hereinafter provided. Any  
26 distributor who purchases stamps may credit any excess payments

1 verified by the Department against amounts subsequently due for  
2 the purchase of additional stamps, until such time as no excess  
3 payment remains.

4 (g) Each distributor shall collect the tax from the  
5 retailer at or before the time of the sale, shall affix the  
6 stamps as hereinafter required, and shall remit the tax  
7 collected from retailers to the Department, as hereinafter  
8 provided. Any distributor who fails to properly collect and pay  
9 the tax imposed by this Act shall be liable for the tax. ~~Any~~  
10 ~~distributor having cigarettes to which stamps have been affixed~~  
11 ~~in his possession for sale on the effective date of this~~  
12 ~~amendatory Act of 1989 shall not be required to pay the~~  
13 ~~additional tax imposed by this amendatory Act of 1989 on such~~  
14 ~~stamped cigarettes. Any distributor having cigarettes to which~~  
15 ~~stamps have been affixed in his or her possession for sale at~~  
16 ~~12:01 a.m. on the effective date of this amendatory Act of~~  
17 ~~1993, is required to pay the additional tax imposed by this~~  
18 ~~amendatory Act of 1993 on such stamped cigarettes. This~~  
19 ~~payment, less the discount provided in subsection (b), shall be~~  
20 ~~due when the distributor first makes a purchase of cigarette~~  
21 ~~tax stamps after the effective date of this amendatory Act of~~  
22 ~~1993, or on the first due date of a return under this Act after~~  
23 ~~the effective date of this amendatory Act of 1993, whichever~~  
24 ~~occurs first. Any distributor having cigarettes to which stamps~~  
25 ~~have been affixed in his possession for sale on December 15,~~  
26 ~~1997 shall not be required to pay the additional tax imposed by~~



1 ~~this amendatory Act of 1997 on such stamped cigarettes.~~

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

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

1 by notifying the Department in writing. The first payment for  
2 distributors making such election is due when the distributor  
3 first makes a purchase of cigarette tax stamps on or after July  
4 1, 2019 or on the first due date of a return under this Act  
5 occurring on or after July 1, 2019, whichever occurs first.  
6 Distributors making such an election are not entitled to take  
7 the discount provided in subsection (1) on such payments.

8 (i) Any retailer having cigarettes in its ~~his or her~~  
9 possession on July 1, 2019 ~~June 24, 2012~~ to which tax stamps  
10 have been affixed is not required to pay the additional tax  
11 that begins on July 1, 2019 ~~June 24, 2012~~ imposed by this  
12 amendatory Act of the 101st General Assembly ~~this amendatory~~  
13 ~~Act of the 97th General Assembly~~ on those stamped cigarettes.  
14 ~~Any distributor having cigarettes in his or her possession on~~  
15 ~~June 24, 2012 to which tax stamps have been affixed, and any~~  
16 ~~distributor having stamps in his or her possession on June 24,~~  
17 ~~2012 that have not been affixed to packages of cigarettes~~  
18 ~~before June 24, 2012, is required to pay the additional tax~~  
19 ~~that begins on June 24, 2012 imposed by this amendatory Act of~~  
20 ~~the 97th General Assembly to the extent the calendar year 2012~~  
21 ~~average monthly volume of cigarette stamps in the distributor's~~  
22 ~~possession exceeds the average monthly volume of cigarette~~  
23 ~~stamps purchased by the distributor in calendar year 2011. This~~  
24 ~~payment, less the discount provided in subsection (b), is due~~  
25 ~~when the distributor first makes a purchase of cigarette stamps~~  
26 ~~on or after June 24, 2012 or on the first due date of a return~~

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

15       (j) Distributors making sales of cigarettes to secondary  
16 distributors shall add the amount of the tax to the price of  
17 the cigarettes sold by the distributors. Secondary  
18 distributors making sales of cigarettes to retailers shall  
19 include the amount of the tax in the price of the cigarettes  
20 sold to retailers. The amount of tax shall not be less than the  
21 amount of taxes imposed by the State and all local  
22 jurisdictions. The amount of local taxes shall be calculated  
23 based on the location of the retailer's place of business shown  
24 on the retailer's certificate of registration or  
25 sub-registration issued to the retailer pursuant to Section 2a  
26 of the Retailers' Occupation Tax Act. The original packages of

1 cigarettes sold to the retailer shall bear all the required  
2 stamps, or other indicia, for the taxes included in the price  
3 of cigarettes.

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

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

1 ~~apply.~~

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

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

12 (m) ~~(e)~~ The taxes herein imposed are in addition to all  
13 other occupation or privilege taxes imposed by the State of  
14 Illinois, or by any political subdivision thereof, or by any  
15 municipal corporation.

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

17 (35 ILCS 130/29 rep.)

18 Section 15-55. The Cigarette Tax Act is amended by  
19 repealing Section 29.

20 Section 15-60. The Cigarette Use Tax Act is amended by  
21 changing Sections 2 and 35 as follows:

22 (35 ILCS 135/2) (from Ch. 120, par. 453.32)

23 Sec. 2. Beginning on July 1, 2019, in place of the

1 aggregate tax rate of 99 mills previously imposed by this Act,  
2 a tax is imposed upon the privilege of using cigarettes in this  
3 State at the rate of 149 mills per cigarette so used. A tax is  
4 ~~imposed upon the privilege of using cigarettes in this State,~~  
5 ~~at the rate of 6 mills per cigarette so used. On and after~~  
6 ~~December 1, 1985, in addition to any other tax imposed by this~~  
7 ~~Act, a tax is imposed upon the privilege of using cigarettes in~~  
8 ~~this State at a rate of 4 mills per cigarette so used. On and~~  
9 ~~after the effective date of this amendatory Act of 1989, in~~  
10 ~~addition to any other tax imposed by this Act, a tax is imposed~~  
11 ~~upon the privilege of using cigarettes in this State at the~~  
12 ~~rate of 5 mills per cigarette so used. On and after the~~  
13 ~~effective date of this amendatory Act of 1993, in addition to~~  
14 ~~any other tax imposed by this Act, a tax is imposed upon the~~  
15 ~~privilege of using cigarettes in this State at a rate of 7~~  
16 ~~mills per cigarette so used. On and after December 15, 1997, in~~  
17 ~~addition to any other tax imposed by this Act, a tax is imposed~~  
18 ~~upon the privilege of using cigarettes in this State at a rate~~  
19 ~~of 7 mills per cigarette so used. On and after July 1, 2002, in~~  
20 ~~addition to any other tax imposed by this Act, a tax is imposed~~  
21 ~~upon the privilege of using cigarettes in this State at a rate~~  
22 ~~of 20.0 mills per cigarette so used. Beginning on June 24,~~  
23 ~~2012, in addition to any other tax imposed by this Act, a tax~~  
24 ~~is imposed upon the privilege of using cigarettes in this State~~  
25 ~~at a rate of 50 mills per cigarette so used. The tax taxes~~  
26 herein imposed shall be in addition to all other occupation or

1 privilege taxes imposed by the State of Illinois or by any  
2 political subdivision thereof or by any municipal corporation.

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

12 When the word "tax" is used in this Act, it shall include  
13 any tax or tax rate imposed by this Act and shall mean the  
14 singular of "tax" or the plural "taxes" as the context may  
15 require.

16 Any retailer having cigarettes in its possession on July 1,  
17 2019 to which tax stamps have been affixed is not required to  
18 pay the additional tax that begins on July 1, 2019 imposed by  
19 this amendatory Act of the 101st General Assembly on those  
20 stamped cigarettes. Any distributor having cigarettes in his or  
21 her possession on July 1, 2019 to which tax stamps have been  
22 affixed, and any distributor having stamps in his or her  
23 possession on July 1, 2019 that have not been affixed to  
24 packages of cigarettes before July 1, 2019, is required to pay  
25 the additional tax that begins on July 1, 2019 imposed by this  
26 amendatory Act of the 101st General Assembly to the extent that

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

21 ~~Any distributor having cigarettes to which stamps have been~~  
22 ~~affixed in his possession for sale on the effective date of~~  
23 ~~this amendatory Act of 1989 shall not be required to pay the~~  
24 ~~additional tax imposed by this amendatory Act of 1989 on such~~  
25 ~~stamped cigarettes. Any distributor having cigarettes to which~~  
26 ~~stamps have been affixed in his or her possession for sale at~~



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

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

20 ~~Any retailer having cigarettes in his or her possession on~~  
21 ~~June 24, 2012 to which tax stamps have been affixed is not~~  
22 ~~required to pay the additional tax that begins on June 24, 2012~~  
23 ~~imposed by this amendatory Act of the 97th General Assembly on~~  
24 ~~those stamped cigarettes. Any distributor having cigarettes in~~  
25 ~~his or her possession on June 24, 2012 to which tax stamps have~~  
26 ~~been affixed, and any distributor having stamps in his or her~~

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

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

1 (35 ILCS 135/35) (from Ch. 120, par. 453.65)

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

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

6 Section 15-65. The Tobacco Products Tax Act of 1995 is  
7 amended by changing Sections 10-5 and 10-10 as follows:

8 (35 ILCS 143/10-5)

9 Sec. 10-5. Definitions. For purposes of this Act:

10 "Business" means any trade, occupation, activity, or  
11 enterprise engaged in, at any location whatsoever, for the  
12 purpose of selling tobacco products.

13 "Cigarette" has the meaning ascribed to the term in Section  
14 1 of the Cigarette Tax Act.

15 "Contraband little cigar" means:

16 (1) packages of little cigars containing 20 or 25  
17 little cigars that do not bear a required tax stamp under  
18 this Act;

19 (2) packages of little cigars containing 20 or 25  
20 little cigars that bear a fraudulent, imitation, or  
21 counterfeit tax stamp;

22 (3) packages of little cigars containing 20 or 25  
23 little cigars that are improperly tax stamped, including  
24 packages of little cigars that bear only a tax stamp of

1 another state or taxing jurisdiction; or

2 (4) packages of little cigars containing other than 20  
3 or 25 little cigars in the possession of a distributor,  
4 retailer or wholesaler, unless the distributor, retailer,  
5 or wholesaler possesses, or produces within the time frame  
6 provided in Section 10-27 or 10-28 of this Act, an invoice  
7 from a stamping distributor, distributor, or wholesaler  
8 showing that the tax on the packages has been or will be  
9 paid.

10 "Correctional Industries program" means a program run by a  
11 State penal institution in which residents of the penal  
12 institution produce tobacco products for sale to persons  
13 incarcerated in penal institutions or resident patients of a  
14 State operated mental health facility.

15 "Department" means the Illinois Department of Revenue.

16 "Distributor" means any of the following:

17 (1) Any manufacturer or wholesaler in this State  
18 engaged in the business of selling tobacco products who  
19 sells, exchanges, or distributes tobacco products to  
20 retailers or consumers in this State.

21 (2) Any manufacturer or wholesaler engaged in the  
22 business of selling tobacco products from without this  
23 State who sells, exchanges, distributes, ships, or  
24 transports tobacco products to retailers or consumers  
25 located in this State, so long as that manufacturer or  
26 wholesaler has or maintains within this State, directly or

1 by subsidiary, an office, sales house, or other place of  
2 business, or any agent or other representative operating  
3 within this State under the authority of the person or  
4 subsidiary, irrespective of whether the place of business  
5 or agent or other representative is located here  
6 permanently or temporarily.

7 (3) Any retailer who receives tobacco products on which  
8 the tax has not been or will not be paid by another  
9 distributor.

10 "Distributor" does not include any person, wherever  
11 resident or located, who makes, manufactures, or fabricates  
12 tobacco products as part of a Correctional Industries program  
13 for sale to residents incarcerated in penal institutions or  
14 resident patients of a State operated mental health facility.

15 "Electronic cigarette" means:

16 (1) any device that employs a battery or other  
17 mechanism to heat a solution or substance to produce a  
18 vapor or aerosol intended for inhalation;

19 (2) any cartridge or container of a solution or  
20 substance intended to be used with or in the device or to  
21 refill the device; or

22 (3) any solution or substance, whether or not it  
23 contains nicotine, intended for use in the device.

24 "Electronic cigarette" includes, but is not limited to, any  
25 electronic nicotine delivery system, electronic cigar,  
26 electronic cigarillo, electronic pipe, electronic hookah, vape

1 pen, or similar product or device, and any component or part  
2 that can be used to build the product or device. "Electronic  
3 cigarette" does not include: cigarettes, as defined in Section  
4 1 of the Cigarette Tax Act; any product approved by the United  
5 States Food and Drug Administration for sale as a tobacco  
6 cessation product, a tobacco dependence product, or for other  
7 medical purposes that is marketed and sold solely for that  
8 approved purpose; any asthma inhaler prescribed by a physician  
9 for that condition that is marketed and sold solely for that  
10 approved purpose; or any therapeutic product approved for use  
11 under the Compassionate Use of Medical Cannabis Pilot Program  
12 Act.

13 "Little cigar" means and includes any roll, made wholly or  
14 in part of tobacco, where such roll has an integrated cellulose  
15 acetate filter and weighs less than 4 pounds per thousand and  
16 the wrapper or cover of which is made in whole or in part of  
17 tobacco.

18 "Manufacturer" means any person, wherever resident or  
19 located, who manufactures and sells tobacco products, except a  
20 person who makes, manufactures, or fabricates tobacco products  
21 as a part of a Correctional Industries program for sale to  
22 persons incarcerated in penal institutions or resident  
23 patients of a State operated mental health facility.

24 Beginning on January 1, 2013, "moist snuff" means any  
25 finely cut, ground, or powdered tobacco that is not intended to  
26 be smoked, but shall not include any finely cut, ground, or

1 powdered tobacco that is intended to be placed in the nasal  
2 cavity.

3 "Person" means any natural individual, firm, partnership,  
4 association, joint stock company, joint venture, limited  
5 liability company, or public or private corporation, however  
6 formed, or a receiver, executor, administrator, trustee,  
7 conservator, or other representative appointed by order of any  
8 court.

9 "Place of business" means and includes any place where  
10 tobacco products are sold or where tobacco products are  
11 manufactured, stored, or kept for the purpose of sale or  
12 consumption, including any vessel, vehicle, airplane, train,  
13 or vending machine.

14 "Retailer" means any person in this State engaged in the  
15 business of selling tobacco products to consumers in this  
16 State, regardless of quantity or number of sales.

17 "Sale" means any transfer, exchange, or barter in any  
18 manner or by any means whatsoever for a consideration and  
19 includes all sales made by persons.

20 "Stamp" or "stamps" mean the indicia required to be affixed  
21 on a package of little cigars that evidence payment of the tax  
22 on packages of little cigars containing 20 or 25 little cigars  
23 under Section 10-10 of this Act. These stamps shall be the same  
24 stamps used for cigarettes under the Cigarette Tax Act.

25 "Stamping distributor" means a distributor licensed under  
26 this Act and also licensed as a distributor under the Cigarette

1 Tax Act or Cigarette Use Tax Act.

2 "Tobacco products" means any cigars, including little  
3 cigars; cheroots; stogies; periques; granulated, plug cut,  
4 crimp cut, ready rubbed, and other smoking tobacco; snuff  
5 (including moist snuff) or snuff flour; cavendish; plug and  
6 twist tobacco; fine-cut and other chewing tobaccos; shorts;  
7 refuse scraps, clippings, cuttings, and sweeping of tobacco;  
8 and other kinds and forms of tobacco, prepared in such manner  
9 as to be suitable for chewing or smoking in a pipe or  
10 otherwise, or both for chewing and smoking; but does not  
11 include cigarettes as defined in Section 1 of the Cigarette Tax  
12 Act or tobacco purchased for the manufacture of cigarettes by  
13 cigarette distributors and manufacturers defined in the  
14 Cigarette Tax Act and persons who make, manufacture, or  
15 fabricate cigarettes as a part of a Correctional Industries  
16 program for sale to residents incarcerated in penal  
17 institutions or resident patients of a State operated mental  
18 health facility.

19 Beginning on July 1, 2019, "tobacco products" also includes  
20 electronic cigarettes.

21 "Wholesale price" means the established list price for  
22 which a manufacturer sells tobacco products to a distributor,  
23 before the allowance of any discount, trade allowance, rebate,  
24 or other reduction. In the absence of such an established list  
25 price, the manufacturer's invoice price at which the  
26 manufacturer sells the tobacco product to unaffiliated



1 distributors, before any discounts, trade allowances, rebates,  
2 or other reductions, shall be presumed to be the wholesale  
3 price.

4 "Wholesaler" means any person, wherever resident or  
5 located, engaged in the business of selling tobacco products to  
6 others for the purpose of resale. "Wholesaler", when used in  
7 this Act, does not include a person licensed as a distributor  
8 under Section 10-20 of this Act unless expressly stated in this  
9 Act.

10 (Source: P.A. 97-688, eff. 6-14-12; 98-273, eff. 8-9-13;  
11 98-1055, eff. 1-1-16.)

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;  
24 except that, beginning on January 1, 2013, the tax on moist  
25 snuff shall be imposed at a rate of \$0.30 per ounce, and a

1 proportionate tax at the like rate on all fractional parts of  
2 an ounce, sold or otherwise disposed of to retailers or  
3 consumers located in this State; and except that, beginning  
4 July 1, 2019, the tax on electronic cigarettes shall be imposed  
5 at the rate of 15% of the wholesale price of electronic  
6 cigarettes sold or otherwise disposed of to retailers or  
7 consumers located in this State. The tax is in addition to all  
8 other occupation or privilege taxes imposed by the State of  
9 Illinois, by any political subdivision thereof, or by any  
10 municipal corporation. However, the tax is not imposed upon any  
11 activity in that business in interstate commerce or otherwise,  
12 to the extent to which that activity may not, under the  
13 Constitution and Statutes of the United States, be made the  
14 subject of taxation by this State, and except that, beginning  
15 July 1, 2013, the tax on little cigars shall be imposed at the  
16 same rate, and the proceeds shall be distributed in the same  
17 manner, as the tax imposed on cigarettes under the Cigarette  
18 Tax Act. The tax is also not imposed on sales made to the  
19 United States or any entity thereof.

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

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

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

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

1 cigars containing 20 or 25 little cigars sold by such stamping  
2 distributors.

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

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

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

18 Section 15-75. The Motor Vehicle Retail Installment Sales  
19 Act is amended by changing Section 11.1 as follows:

20 (815 ILCS 375/11.1) (from Ch. 121 1/2, par. 571.1)

21 Sec. 11.1.

22 (a) A seller in a retail installment contract may add a  
23 "documentary fee" for processing documents and performing  
24 services related to closing of a sale. The maximum amount that

1 may be charged by a seller for a documentary fee is the base  
2 documentary fee beginning January 1, 2008 until January 1,  
3 2020, of \$150, which shall be subject to an annual rate  
4 adjustment equal to the percentage of change in the Bureau of  
5 Labor Statistics Consumer Price Index. Every retail  
6 installment contract under this Act shall contain or be  
7 accompanied by a notice containing the following information:

8 "DOCUMENTARY FEE. A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE.  
9 A DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO  
10 BUYERS FOR HANDLING DOCUMENTS AND PERFORMING SERVICES RELATED  
11 TO CLOSING OF A SALE. THE BASE DOCUMENTARY FEE BEGINNING  
12 JANUARY 1, 2008, WAS \$150. THE MAXIMUM AMOUNT THAT MAY BE  
13 CHARGED FOR A DOCUMENTARY FEE IS THE BASE DOCUMENTARY FEE OF  
14 \$150, WHICH SHALL BE SUBJECT TO AN ANNUAL RATE ADJUSTMENT EQUAL  
15 TO THE PERCENTAGE OF CHANGE IN THE BUREAU OF LABOR STATISTICS  
16 CONSUMER PRICE INDEX. THIS NOTICE IS REQUIRED BY LAW."

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

1           "DOCUMENTARY FEE. A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE.  
2           A DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO  
3           BUYERS FOR HANDLING DOCUMENTS AND PERFORMING SERVICES RELATED  
4           TO CLOSING OF A SALE. THE BASE DOCUMENTARY FEE BEGINNING  
5           JANUARY 1, 2020, WAS \$300. THE MAXIMUM AMOUNT THAT MAY BE  
6           CHARGED FOR A DOCUMENTARY FEE IS THE BASE DOCUMENTARY FEE OF  
7           \$300, WHICH SHALL BE SUBJECT TO AN ANNUAL RATE ADJUSTMENT EQUAL  
8           TO THE PERCENTAGE OF CHANGE IN THE BUREAU OF LABOR STATISTICS  
9           CONSUMER PRICE INDEX. THIS NOTICE IS REQUIRED BY LAW."

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

11                           Article 20. Illinois Works Jobs Program Act

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

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

1 Section 20-10. Definitions.

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

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

9 "Bid credit" means a virtual dollar for a contractor or  
10 subcontractor to use toward future bids for public works  
11 contracts.

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

17 (1) the ability to effectively serve diverse and  
18 underrepresented populations, including by providing  
19 employment services to such populations;

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

21 (3) the ability to recruit, prescreen, and provide  
22 preapprenticeship training to prepare workers for  
23 employment in the construction and building trades; and

24 (4) a plan to provide the following:

25 (A) preparatory classes;

26 (B) workplace readiness skills, such as resume

1 preparation and interviewing techniques;

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

4 (D) any prerequisites for acceptance into an  
5 apprenticeship program.

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

10 "Department" means the Department of Commerce and Economic  
11 Opportunity.

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

19 "Minorities" means minority persons as defined in the  
20 Business Enterprise for Minorities, Women, and Persons with  
21 Disabilities Act.

22 "Public works" means all projects that constitute public  
23 works under the Prevailing Wage Act.

24 "Subcontractor" means a person, corporation, partnership,  
25 limited liability company, or joint venture that has contracted  
26 with the contractor to perform all or part of the work to



1 construct a public work by a contractor.

2 "Underrepresented populations" means populations  
3 identified by the Department that historically have had  
4 barriers to entry or advancement in the workforce.

5 "Underrepresented populations" includes, but is not limited  
6 to, minorities, women, and veterans.

7 Section 20-15. Illinois Works Preapprenticeship Program;  
8 Illinois Works Bid Credit Program.

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

19 (b) There is created the Illinois Works Fund, a special  
20 fund in the State treasury. The Illinois Works Fund shall be  
21 administered by the Department. The Illinois Works Fund shall  
22 be used to provide funding for community-based organizations  
23 throughout the State. In addition to any other transfers that  
24 may be provided for by law, on and after July 1, 2019 and until  
25 June 30, 2020, at the direction of the Director of the

1 Governor's Office of Management and Budget, the State  
2 Comptroller shall direct and the State Treasurer shall transfer  
3 amounts not exceeding a total of \$25,000,000 from the Rebuild  
4 Illinois Projects Fund to the Illinois Works Fund.

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

10 (1) a description of the community-based  
11 organization's recruitment, screening, and training  
12 efforts;

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

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

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

1           The Illinois Works Bid Credit Program shall allow  
2 contractors and subcontractors to earn bid credits for use  
3 toward future bids for public works projects in order to  
4 increase the chances that the contractor and the subcontractors  
5 will be selected.

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

12           The Illinois Works Credit Bank is hereby created and shall  
13 be administered by the Department. The Illinois Works Credit  
14 Bank shall track the bid credits.

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

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

1 awards bid credits pursuant to the Illinois Works Credit Bank  
2 Program shall report to the Department the number of bid  
3 credits it accepted for the public works contract.

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

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

15 Section 20-20. Illinois Works Apprenticeship Initiative.

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

18 (1) Subject to the exceptions set forth in subsection

19 (b) of this Section, apprentices shall be utilized on all  
20 public works projects in accordance with this subsection

21 (a).

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

1 estimated labor hours in each prevailing wage  
2 classification, whichever is less.

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

13 (1) the contractor or subcontractor has demonstrated  
14 that insufficient apprentices are available;

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

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

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

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

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

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

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

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

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

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

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

26           (e) The Department shall adopt any rules deemed necessary

1 to implement the Illinois Works Apprenticeship Initiative.

2 (f) The Illinois Works Apprenticeship Initiative shall not  
3 interfere with any contracts or program in existence on the  
4 effective date of this Act.

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

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

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

23 (c) The Illinois Works Review Panel shall meet, at least  
24 quarterly, to review and evaluate (i) the Illinois Works  
25 Preapprenticeship Program and the Illinois Works

1 Apprenticeship Initiative, (ii) ideas to diversify the  
2 workforce in the construction industry in Illinois, and (iii)  
3 workforce demographic data collected by the Illinois  
4 Department of Labor.

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

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

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

17 (30 ILCS 105/5.895 new)

18 Sec. 5.895. The Illinois Works Fund.

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

21 (30 ILCS 500/20-10)

22 (Text of Section from P.A. 96-159, 96-588, 97-96, 97-895,



1 98-1076, 99-906 and 100-43)

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

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

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

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

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

23 (e) Bid acceptance and bid evaluation. Bids shall be  
24 unconditionally accepted without alteration or correction,  
25 except as authorized in this Code. Bids shall be evaluated  
26 based on the requirements set forth in the invitation for bids,

1 which may include criteria to determine acceptability such as  
2 inspection, testing, quality, workmanship, delivery, and  
3 suitability for a particular purpose. Those criteria that will  
4 affect the bid price and be considered in evaluation for award,  
5 such as discounts, transportation costs, and total or life  
6 cycle costs, shall be objectively measurable. The invitation  
7 for bids shall set forth the evaluation criteria to be used.

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

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

- 1 (1) a description of the agency's needs;
- 2 (2) a determination that the anticipated cost will be  
3 fair and reasonable;
- 4 (3) a listing of all responsible and responsive  
5 bidders; and
- 6 (4) the name of the bidder selected, the total contract  
7 price, and the reasons for selecting that bidder.

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

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

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

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

1 and Section 16-111.5(c) of the Public Utilities Act and to  
2 procure renewable energy resources under Section 1-56 of the  
3 Illinois Power Agency Act. These alternative procedures shall  
4 be set forth together with the other criteria contained in the  
5 invitation for bids, and shall appear in the appropriate volume  
6 of the Illinois Procurement Bulletin.

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

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

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

23 Bids shall be accepted electronically at the time and in  
24 the manner designated in the invitation for bids. During the  
25 auction, a bidder's price shall be disclosed to other bidders.  
26 Bidders shall have the opportunity to reduce their bid prices

1 during the auction. At the conclusion of the auction, the  
2 record of the bid prices received and the name of each bidder  
3 shall be open to public inspection.

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

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

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

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

18 (Text of Section from P.A. 96-159, 96-795, 97-96, 97-895,  
19 98-1076, 99-906, and 100-43)

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

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

24 (b) Invitation for bids. An invitation for bids shall be  
25 issued and shall include a purchase description and the

1 material contractual terms and conditions applicable to the  
2 procurement.

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

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

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

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

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

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

21                 (2) a determination that the anticipated cost will be  
22 fair and reasonable;

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

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

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

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

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

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

26 (j) Reverse auction. Notwithstanding any other provision



1 of this Section and in accordance with rules adopted by the  
2 chief procurement officer, that chief procurement officer may  
3 procure supplies or services through a competitive electronic  
4 auction bidding process after the chief procurement officer  
5 determines that the use of such a process will be in the best  
6 interest of the State. The chief procurement officer shall  
7 publish that determination in his or her next volume of the  
8 Illinois Procurement Bulletin.

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

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

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

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

25 The contract shall be awarded within 60 calendar days after  
26 the auction by written notice to the lowest responsible bidder,

1 or all bids shall be rejected except as otherwise provided in  
2 this Code. Extensions of the date for the award may be made by  
3 mutual written consent of the State purchasing officer and the  
4 lowest responsible bidder.

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

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

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

13 (820 ILCS 130/5) (from Ch. 48, par. 39s-5)

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

15 Sec. 5. Certified payroll.

16 (a) Any contractor and each subcontractor who participates  
17 in public works shall:

18 (1) make and keep, for a period of not less than 3  
19 years from the date of the last payment made before January  
20 1, 2014 (the effective date of Public Act 98-328) and for a  
21 period of 5 years from the date of the last payment made on  
22 or after January 1, 2014 (the effective date of Public Act  
23 98-328) on a contract or subcontract for public works,  
24 records of all laborers, mechanics, and other workers

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

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

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

1 years, and the records submitted in accordance with this  
2 paragraph (2) of subsection (a) on or after January 1, 2014  
3 (the effective date of Public Act 98-328) for a period of 5  
4 years, from the date of the last payment for work on a  
5 contract or subcontract for public works. The records  
6 submitted in accordance with this paragraph (2) of  
7 subsection (a) shall be considered public records, except  
8 an employee's address, telephone number, and social  
9 security number, and made available in accordance with the  
10 Freedom of Information Act. The public body shall accept  
11 any reasonable submissions by the contractor that meet the  
12 requirements of this Section.

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

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

24 (c) A contractor or subcontractor who remits contributions  
25 to fringe benefit funds that are jointly maintained and jointly  
26 governed by one or more employers and one or more labor

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

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

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

15 Sec. 5. Certified payroll.

16 (a) Any contractor and each subcontractor who participates  
17 in public works shall:

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

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

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

1 must submit the required information in a specified  
2 electronic format to the Department of Labor no later than  
3 10 days after the certified payroll was filed with the  
4 State agency. A certified payroll must be filed for only  
5 those calendar months during which construction on a public  
6 works project has occurred. The certified payroll shall  
7 consist of a complete copy of the records identified in  
8 paragraph (1) of this subsection (a), but may exclude the  
9 starting and ending times of work each day. The certified  
10 payroll shall be accompanied by a statement signed by the  
11 contractor or subcontractor or an officer, employee, or  
12 agent of the contractor or subcontractor which avers that:  
13 (i) he or she has examined the certified payroll records  
14 required to be submitted by the Act and such records are  
15 true and accurate; (ii) the hourly rate paid to each worker  
16 is not less than the general prevailing rate of hourly  
17 wages required by this Act; and (iii) the contractor or  
18 subcontractor is aware that filing a certified payroll that  
19 he or she knows to be false is a Class A misdemeanor. A  
20 general contractor is not prohibited from relying on the  
21 certification of a lower tier subcontractor, provided the  
22 general contractor does not knowingly rely upon a  
23 subcontractor's false certification. Any contractor or  
24 subcontractor subject to this Act and any officer,  
25 employee, or agent of such contractor or subcontractor  
26 whose duty as such officer, employee, or agent it is to



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

1 contractor that meet the requirements of this Section.

2 A contractor, subcontractor, or public body may retain  
3 records required under this Section in paper or electronic  
4 format.

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

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

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

2 Article 25. Sports Wagering Act

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

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

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

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

22 "Athlete" means any current or former professional athlete

1 or collegiate athlete.

2 "Board" means the Illinois Gaming Board.

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

9 "Department" means the Department of the Lottery.

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

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

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

24 "Owners licensee" means the holder of an owners license  
25 under the Illinois Gambling Act.

26 "Person" means an individual, partnership, committee,

1 association, corporation, or any other organization or group of  
2 persons.

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

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

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

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

24 "Sports event" means a professional sport or athletic  
25 event, a collegiate sport or athletic event, a motor race  
26 event, or any other event or competition of relative skill

1 authorized by the Board under this Act.

2 "Sports facility" means a facility that hosts sports events  
3 and holds a seating capacity greater than 17,000 persons.

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

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

16 "Sports wagering account" means a financial record  
17 established by a master sports wagering licensee for an  
18 individual patron in which the patron may deposit and withdraw  
19 funds for sports wagering and other authorized purchases and to  
20 which the master sports wagering licensee may credit winnings  
21 or other amounts due to that patron or authorized by that  
22 patron.

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

26 "Tier 2 sports wager" means a sports wager that is not a

1 tier 1 sports wager.

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

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

7 Section 25-15. Board duties and powers.

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

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

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

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

25 (e) The Board shall adopt rules for a license to be

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

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



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

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

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

25 (1) criminal or disciplinary proceedings commenced  
26 against the master sports wagering licensee in connection

1 with its operations;

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

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

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

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

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

21 Section 25-20. Licenses required.

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

1 issued under this Act:

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

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

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

24 (c) Each master sports wagering licensee shall display the  
25 license conspicuously in the licensee's place of business or  
26 have the license available for inspection by an agent of the

1 Board or a law enforcement agency.

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

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

11 Section 25-25. Sports wagering authorized.

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

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

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

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

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

24 (f) Master sports wagering licensees may use any data  
25 source for determining the results of all tier 1 sports wagers.

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

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

1 data source for determining the results of any and all tier 2  
2 sports wagers.

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

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

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

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

23 (b) Except as otherwise provided in this subsection (b),  
24 the initial license fee for a master sports wagering license  
25 for an organization licensee is 5% of its handle from the

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

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

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

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

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

25 (3) 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 either  
2 the same brand as the organization licensee is operating under  
3 or a brand owned by a direct or indirect holding company that  
4 owns at least an 80% interest in that organization licensee on  
5 the effective date of this Act.

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

11 Section 25-35. Master sports wagering license issued to an  
12 owners licensee.

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

24 For the purposes of this subsection (a), "minority-owned  
25 business", "women-owned business", and "business owned by



1 persons with disabilities" have the meanings given to those  
2 terms in Section 2 of the Business Enterprise for Minorities,  
3 Women, and Persons with Disabilities Act.

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

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

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

22 (d) An owners licensee issued a master sports wagering  
23 license may conduct sports wagering:

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

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

2 (e) The sports wagering offered over the Internet or  
3 through a mobile application shall only be offered under either  
4 the same brand as the owners licensee is operating under or a  
5 brand owned by a direct or indirect holding company that owns  
6 at least an 80% interest in that owners licensee on the  
7 effective date of this Act.

8 (f) Until issuance of the first license under Section  
9 25-45, an individual must create a sports wagering account in  
10 person at a facility under paragraph (1) of subsection (d) to  
11 participate in sports wagering offered over the Internet or  
12 through a mobile application.

13 Section 25-40. Master sports wagering license issued to a  
14 sports facility.

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

18 (b) A sports facility or a designee contracted to operate  
19 sports wagering at or within a 5-block radius of the sports  
20 facility may apply to the Board for a master sports wagering  
21 license. To the extent permitted by federal and State law, the  
22 Board shall actively seek to achieve racial, ethnic, and  
23 geographic diversity when issuing master sports wagering  
24 licenses to sports facilities or their designees and encourage  
25 minority-owned businesses, women-owned businesses,

1 veteran-owned businesses, and businesses owned by persons with  
2 disabilities to apply for licensure. Additionally, the report  
3 published under subsection (m) of Section 25-45 shall impact  
4 the issuance of the master sports wagering license to the  
5 extent permitted by federal and State law.

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

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

20 (d) The initial license fee for a master sports wagering  
21 license for a sports facility is \$10,000,000. The master sports  
22 wagering license is valid for 4 years.

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

26 (f) A sports facility or its designee issued a master

1 sports wagering license may conduct sports wagering at or  
2 within a 5-block radius of the sports facility.

3 (g) A sports facility or its designee issued a master  
4 sports wagering license may conduct sports wagering over the  
5 Internet within the sports facility or within a 5-block radius  
6 of the sports facility.

7 (h) The sports wagering offered by a sports facility or its  
8 designee over the Internet or through a mobile application  
9 shall be offered under the same brand as the sports facility is  
10 operating under, the brand the designee is operating under, or  
11 a combination thereof.

12 (i) Until issuance of the first license under Section  
13 25-45, an individual must register in person at a sports  
14 facility or the designee's facility to participate in sports  
15 wagering offered over the Internet or through a mobile  
16 application.

17 Section 25-45. Master sports wagering license issued to an  
18 online sports wagering operator.

19 (a) The Board shall issue 3 master sports wagering licenses  
20 to online sports wagering operators for a nonrefundable license  
21 fee of \$20,000,000 pursuant to an open and competitive  
22 selection process. The master sports wagering license issued  
23 under this Section may be renewed every 4 years upon payment of  
24 a \$1,000,000 renewal fee. To the extent permitted by federal  
25 and State law, the Board shall actively seek to achieve racial,

1 ethnic, and geographic diversity when issuing master sports  
2 wagering licenses under this Section and encourage  
3 minority-owned businesses, women-owned businesses,  
4 veteran-owned businesses, and businesses owned by persons with  
5 disabilities to apply for licensure.

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

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

19 (c) The Board shall provide public notice of its intent to  
20 solicit applications for master sports wagering licenses under  
21 this Section by posting the notice, application instructions,  
22 and materials on its website for at least 30 calendar days  
23 before the applications are due. Failure by an applicant to  
24 submit all required information may result in the application  
25 being disqualified. The Board may notify an applicant that its  
26 application is incomplete and provide an opportunity to cure by

1 rule. Application instructions shall include a brief overview  
2 of the selection process and how applications are scored.

3 (d) To be eligible for a master sports wagering license  
4 under this Section, an applicant must: (1) be at least 21 years  
5 of age; (2) not have been convicted of a felony offense or a  
6 violation of Article 28 of the Criminal Code of 1961 or the  
7 Criminal Code of 2012 or a similar statute of any other  
8 jurisdiction; (3) not have been convicted of a crime involving  
9 dishonesty or moral turpitude; (4) have demonstrated a level of  
10 skill or knowledge that the Board determines to be necessary in  
11 order to operate sports wagering; and (5) have met standards  
12 for the holding of a license as adopted by rules of the Board.

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

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

25 (f) Not more than 90 days after the publication of the  
26 qualified applications, the Board shall identify the winning

1 bidders. In granting the licenses, the Board may give favorable  
2 consideration to qualified applicants presenting plans that  
3 provide for economic development and community engagement. To  
4 the extent permitted by federal and State law, the Board may  
5 give favorable consideration to qualified applicants  
6 demonstrating commitment to diversity in the workplace.

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

14 (h) Nothing in this Section is intended to confer a  
15 property or other right, duty, privilege, or interest entitling  
16 an applicant to an administrative hearing upon denial of an  
17 application.

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

1 Board.

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

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

12 (1) cooperating and collaborating with other State  
13 boards, commissions, and agencies; public and private  
14 universities and community colleges; and local governments  
15 to target outreach efforts; and

16 (2) working with organizations serving minorities,  
17 women, and persons with disabilities to establish and  
18 conduct training for employment in sports wagering.

19 (l) The Board shall partner with the Department of Labor,  
20 the Department of Financial and Professional Regulation, and  
21 the Department of Commerce and Economic Opportunity to identify  
22 employment opportunities within the sports wagering industry  
23 for job seekers and dislocated workers.

24 (m) By March 1, 2020, the Board shall prepare a request for  
25 proposals to conduct a study of the online sports wagering  
26 industry and market to determine whether there is a compelling



1 interest in implementing remedial measures, including the  
2 application of the Business Enterprise Program under the  
3 Business Enterprise for Minorities, Women, and Persons with  
4 Disabilities Act or a similar program to assist minorities,  
5 women, and persons with disabilities in the sports wagering  
6 industry.

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

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

21 Section 25-50. Supplier license.

22 (a) The Board may issue a supplier license to a person to  
23 sell or lease sports wagering equipment, systems, or other  
24 gaming items to conduct sports wagering and offer services  
25 related to the equipment or other gaming items and data to a

1 master sports wagering licensee while the license is active.

2 (b) The Board may adopt rules establishing additional  
3 requirements for a supplier and any system or other equipment  
4 utilized for sports wagering. The Board may accept licensing by  
5 another jurisdiction that it specifically determines to have  
6 similar licensing requirements as evidence the applicant meets  
7 supplier licensing requirements.

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

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

24 (e) A supplier shall submit to the Board a list of all  
25 sports wagering equipment and services sold, delivered, or  
26 offered to a master sports wagering licensee in this State, as

1 required by the Board, all of which must be tested and approved  
2 by an independent testing laboratory approved by the Board. A  
3 master sports wagering licensee may continue to use supplies  
4 acquired from a licensed supplier, even if a supplier's license  
5 expires or is otherwise canceled, unless the Board finds a  
6 defect in the supplies.

7 Section 25-55. Management services provider license.

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

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

24 (c) Management services provider licenses shall be renewed  
25 every 4 years to licensees who continue to be in compliance

1 with all requirements and who pay the renewal fee of \$500,000.

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

4 Section 25-60. Tier 2 official league data provider  
5 license.

6 (a) A sports governing body or a sports league,  
7 organization, or association or a vendor authorized by such  
8 sports governing body or sports league, organization, or  
9 association to distribute tier 2 official league data may apply  
10 to the Board for a tier 2 official league data provider  
11 license.

12 (b) A tier 2 official league data provider licensee may  
13 provide a master sports wagering licensee with official league  
14 data for tier 2 sports wagers. No sports governing body or  
15 sports league, organization, or association or a vendor  
16 authorized by such sports governing body or sports league,  
17 organization, or association may provide tier 2 official league  
18 data to a master sports wagering licensee without a tier 2  
19 official league data provider license.

20 Notwithstanding the provisions of this Section, the  
21 licensing and fee requirements of this Section shall not apply  
22 if, under subsection (g) of Section 25-25, master sports  
23 wagering licensees are not required to use official league data  
24 to determine the results of tier 2 sports wagers.

25 (c) The initial license fee for a tier 2 official league

1 data provider license is payable to the Board at the end of the  
2 first year of licensure based on the amount of data sold to  
3 master sports wagering licensees as official league data as  
4 follows:

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

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

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

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

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

15 (6) for data sales in excess of \$2,000,000, the fee is  
16 \$500,000.

17 The license is valid for 3 years.

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

24 Section 25-65. Sports wagering at a sports facility. Sports  
25 wagering may be offered in person at or within a 5-block radius

1 of a sports facility if sports wagering is offered by a  
2 designee, as defined in Section 25-40, and that designee has  
3 received written authorization from the relevant sports team  
4 that plays its home contests at the sports facility. If more  
5 than one professional sports team plays its home contests at  
6 the same sports facility, written authorization is required  
7 from all sports teams that play home contests at the sports  
8 facility.

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

10 (a) As used in this Section:

11 "Central system" means the hardware, software,  
12 peripherals, and network components provided by the  
13 Department's central system provider that link and support all  
14 required sports lottery terminals and the central site and that  
15 are unique and separate from the lottery central system for  
16 draw and instant games.

17 "Central system provider" means an individual,  
18 partnership, corporation, or limited liability company that  
19 has been licensed for the purpose of providing and maintaining  
20 a central system and the related management facilities  
21 specifically for the management of sports lottery terminals.

22 "Electronic card" means a card purchased from a lottery  
23 retailer.

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

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

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

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

11 (1) The Department shall make applications for the  
12 central system provider license available to the public and  
13 allow a reasonable time for applicants to submit  
14 applications to the Department.

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

19 (3) After receiving all of the bid proposals, the  
20 Department shall open all of the proposals in a public  
21 forum and disclose the prospective central system provider  
22 names and venture partners, if any.

23 (4) The Department shall summarize the terms of the bid  
24 proposals and may make this summary available to the  
25 public.

26 (5) The Department shall evaluate the bid proposals

1 within a reasonable time and select no more than 3 final  
2 applicants to make presentations of their bid proposals to  
3 the Department.

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

7 (7) As soon as practicable after the public  
8 presentations by the final applicants, the Department, in  
9 its discretion, may conduct further negotiations among the  
10 3 final applicants. At the conclusion of such negotiations,  
11 the Department shall select the winning bid.

12 (8) Upon selection of the winning bid, the Department  
13 shall evaluate the winning bid within a reasonable period  
14 of time for licensee suitability in accordance with all  
15 applicable statutory and regulatory criteria.

16 (9) If the winning bidder is unable or otherwise fails  
17 to consummate the transaction, (including if the  
18 Department determines that the winning bidder does not  
19 satisfy the suitability requirements), the Department may,  
20 on the same criteria, select from the remaining bidders.

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

24 (c) Every sports lottery terminal offered in this State for  
25 play shall first be tested and approved pursuant to the rules  
26 of the Department, and each sports lottery terminal offered in



1 this State for play shall conform to an approved model. For the  
2 examination of sports lottery terminals and associated  
3 equipment as required by this Section, the central system  
4 provider may utilize the services of one or more independent  
5 outside testing laboratories that have been accredited by a  
6 national accreditation body and that, in the judgment of the  
7 Department, are qualified to perform such examinations. Every  
8 sports lottery terminal offered in this State for play must  
9 meet minimum standards set by an independent outside testing  
10 laboratory approved by the Department.

11 (d) During the first 360 days after the effective date of  
12 this Act, sport lottery terminals may be placed in no more than  
13 2,500 Lottery retail locations in the State. Sports lottery  
14 terminals may be placed in an additional 2,500 Lottery retail  
15 locations during the second year after the effective date of  
16 this Act.

17 (e) A sports lottery terminal may not directly dispense  
18 coins, cash, tokens, or any other article of exchange or value  
19 except for receipt tickets. Tickets shall be dispensed by  
20 pressing the ticket dispensing button on the sports lottery  
21 terminal at the end of the placement of one's wager or wagers.  
22 The ticket shall indicate the total amount wagered, odds for  
23 each wager placed, and the cash award for each bet placed, the  
24 time of day in a 24-hour format showing hours and minutes, the  
25 date, the terminal serial number, the sequential number of the  
26 ticket, and an encrypted validation number from which the

1 validity of the prize may be determined. The player shall turn  
2 in this ticket to the appropriate person at a lottery retailer  
3 to receive the cash award.

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

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

15 (h) The Department shall have jurisdiction over and shall  
16 supervise all lottery sports wagering operations governed by  
17 this Section. The Department shall have all powers necessary  
18 and proper to fully and effectively execute the provisions of  
19 this Section, including, but not limited to, the following:

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

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

26 (3) To adopt rules for the purpose of administering the

1 provisions of this Section and to adopt rules and  
2 conditions under which all lottery sports wagering in the  
3 State shall be conducted. Such rules are to provide for the  
4 prevention of practices detrimental to the public interest  
5 and for the best interests of lottery sports wagering,  
6 including rules (i) regarding the inspection of such  
7 licensees necessary to operate a lottery retailer under any  
8 laws or rules applicable to licensees, (ii) to impose  
9 penalties for violations of the Act and its rules, and  
10 (iii) establishing standards for advertising lottery  
11 sports wagering.

12 (i) The Department shall adopt emergency rules to  
13 administer this Section in accordance with Section 5-45 of the  
14 Illinois Administrative Procedure Act. For the purposes of the  
15 Illinois Administrative Procedure Act, the General Assembly  
16 finds that the adoption of rules to implement this Section is  
17 deemed an emergency and necessary to the public interest,  
18 safety, and welfare.

19 (j) For the privilege of operating lottery sports wagering  
20 under this Section, all proceeds minus net of proceeds returned  
21 to players shall be electronically transferred daily or weekly,  
22 at the discretion of the Director of the Lottery, into the  
23 State Lottery Fund. After amounts owed to the central system  
24 provider and licensed agents, as determined by the Department,  
25 are paid from the moneys deposited into the State Lottery Fund  
26 under this subsection, the remainder shall be transferred on

1 the 15th of each month to the Capital Projects Fund.

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

3 Section 25-75. Reporting prohibited conduct;  
4 investigations of prohibited conduct.

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

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

11 (c) The identity of any reporting person shall remain  
12 confidential unless that person authorizes disclosure of his or  
13 her identity or until such time as the allegation of prohibited  
14 conduct is referred to law enforcement.

15 (d) If the Board receives a complaint of prohibited conduct  
16 by an athlete, the Board shall notify the appropriate sports  
17 governing body of the athlete to review the complaint as  
18 provided by rule.

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

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

24 Section 25-80. Personal biometric data. A master sports

1     wagering licensee shall not purchase or use any personal  
2     biometric data of an athlete unless the master sports wagering  
3     licensee has received written permission from the athlete's  
4     exclusive bargaining representative.

5             Section 25-85. Supplier diversity goals for sports  
6     wagering.

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

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

12            (c) The Board and the Department shall require all  
13    licensees under this Act to submit an annual report by April  
14    15, 2020 and every April 15 thereafter, in a searchable Adobe  
15    PDF format, on all procurement goals and actual spending for  
16    businesses owned by women, minorities, veterans, and persons  
17    with disabilities and small business enterprises in the  
18    previous calendar year. These goals shall be expressed as a  
19    percentage of the total work performed by the entity submitting  
20    the report, and the actual spending for all businesses owned by  
21    women, minorities, veterans, and persons with disabilities and  
22    small business enterprises shall also be expressed as a  
23    percentage of the total work performed by the entity submitting  
24    the report.

25            (d) Each licensee in its annual report shall include the

1 following information:

2 (1) an explanation of the plan for the next year to  
3 increase participation;

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

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

7 (4) an outline of the plan to alert and encourage  
8 potential vendors in that area to seek business from the  
9 licensee;

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

13 (6) a list of the certifications the licensee  
14 recognizes;

15 (7) the point of contact for any potential vendor who  
16 wishes to do business with the licensee and explain the  
17 process for a vendor to enroll with the licensee as a  
18 businesses owned by women, minorities, veterans, or  
19 persons with disabilities; and

20 (8) any particular success stories to encourage other  
21 licensee to emulate best practices.

22 (e) Each annual report shall include as much State-specific  
23 data as possible. If the submitting entity does not submit  
24 State-specific data, then the licensee shall include any  
25 national data it does have and explain why it could not submit  
26 State-specific data and how it intends to do so in future

1 reports, if possible.

2 (f) Each annual report shall include the rules,  
3 regulations, and definitions used for the procurement goals in  
4 the licensee's annual report.

5 (g) The Board, Department, and all licensees shall hold an  
6 annual workshop and job fair open to the public in 2020 and  
7 every year thereafter on the state of supplier diversity to  
8 collaboratively seek solutions to structural impediments to  
9 achieving stated goals, including testimony from each licensee  
10 as well as subject matter experts and advocates. The Board and  
11 Department shall publish a database on their websites of the  
12 point of contact for licensees they regulate under this Act for  
13 supplier diversity, along with a list of certifications each  
14 licensee recognizes from the information submitted in each  
15 annual report. The Board and Department shall publish each  
16 annual report on their websites and shall maintain each annual  
17 report for at least 5 years.

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

19 (a) For the privilege of holding a license to operate  
20 sports wagering under this Act, this State shall impose and  
21 collect 15% of a master sports wagering licensee's adjusted  
22 gross sports wagering receipts from sports wagering. The  
23 accrual method of accounting shall be used for purposes of  
24 calculating the amount of the tax owed by the licensee.

25 The taxes levied and collected pursuant to this subsection

1 (a) are due and payable to the Board no later than the last day  
2 of the month following the calendar month in which the adjusted  
3 gross sports wagering receipts were received and the tax  
4 obligation was accrued.

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

14 (b) The Sports Wagering Fund is hereby created as special  
15 fund in the State treasury. Except as otherwise provided in  
16 this Act, all moneys collected under this Act by the Board  
17 shall be deposited into the Sports Wagering Fund. On the 25th  
18 of each month, any moneys remaining in the Sports Wagering Fund  
19 shall be transferred to the Capital Projects Fund.

20 Section 25-95. Compulsive gambling. Each master sports  
21 wagering licensee shall include a statement regarding  
22 obtaining assistance with gambling problems, the text of which  
23 shall be determined by rule by the Department of Human  
24 Services, on the master sports wagering licensee's portal,  
25 Internet website, or computer or mobile application.



1           Section 25-100. Voluntary self-exclusion program for  
2 sports wagering. Any resident, or non-resident if allowed to  
3 participate in sports wagering, may voluntarily prohibit  
4 himself or herself from establishing a sports wagering account  
5 with a licensee under this Act. The Board and Department shall  
6 incorporate the voluntary self-exclusion program for sports  
7 wagering into any existing self-exclusion program that it  
8 operates on the effective date of this Act.

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

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

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

19           (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

20           Sec. 5-45. Emergency rulemaking.

21           (a) "Emergency" means the existence of any situation that

1 any agency finds reasonably constitutes a threat to the public  
2 interest, safety, or welfare.

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

20 (c) An emergency rule may be effective for a period of not  
21 longer than 150 days, but the agency's authority to adopt an  
22 identical rule under Section 5-40 is not precluded. No  
23 emergency rule may be adopted more than once in any 24-month  
24 period, except that this limitation on the number of emergency  
25 rules that may be adopted in a 24-month period does not apply  
26 to (i) emergency rules that make additions to and deletions

1 from the Drug Manual under Section 5-5.16 of the Illinois  
2 Public Aid Code or the generic drug formulary under Section  
3 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)  
4 emergency rules adopted by the Pollution Control Board before  
5 July 1, 1997 to implement portions of the Livestock Management  
6 Facilities Act, (iii) emergency rules adopted by the Illinois  
7 Department of Public Health under subsections (a) through (i)  
8 of Section 2 of the Department of Public Health Act when  
9 necessary to protect the public's health, (iv) emergency rules  
10 adopted pursuant to subsection (n) of this Section, (v)  
11 emergency rules adopted pursuant to subsection (o) of this  
12 Section, or (vi) emergency rules adopted pursuant to subsection  
13 (c-5) of this Section. Two or more emergency rules having  
14 substantially the same purpose and effect shall be deemed to be  
15 a single rule for purposes of this Section.

16 (c-5) To facilitate the maintenance of the program of group  
17 health benefits provided to annuitants, survivors, and retired  
18 employees under the State Employees Group Insurance Act of  
19 1971, rules to alter the contributions to be paid by the State,  
20 annuitants, survivors, retired employees, or any combination  
21 of those entities, for that program of group health benefits,  
22 shall be adopted as emergency rules. The adoption of those  
23 rules shall be considered an emergency and necessary for the  
24 public interest, safety, and welfare.

25 (d) In order to provide for the expeditious and timely  
26 implementation of the State's fiscal year 1999 budget,

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

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

23 (f) In order to provide for the expeditious and timely  
24 implementation of the State's fiscal year 2001 budget,  
25 emergency rules to implement any provision of Public Act 91-712  
26 or any other budget initiative for fiscal year 2001 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 (f). The adoption of  
6 emergency rules authorized by this subsection (f) shall be  
7 deemed to be necessary for the public interest, safety, and  
8 welfare.

9 (g) In order to provide for the expeditious and timely  
10 implementation of the State's fiscal year 2002 budget,  
11 emergency rules to implement any provision of Public Act 92-10  
12 or any other budget initiative for fiscal year 2002 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 (g). The adoption of  
18 emergency rules authorized by this subsection (g) shall be  
19 deemed to be necessary for the public interest, safety, and  
20 welfare.

21 (h) In order to provide for the expeditious and timely  
22 implementation of the State's fiscal year 2003 budget,  
23 emergency rules to implement any provision of Public Act 92-597  
24 or any other budget initiative for fiscal year 2003 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 (h). The adoption of  
4 emergency rules authorized by this subsection (h) shall be  
5 deemed to be necessary for the public interest, safety, and  
6 welfare.

7 (i) In order to provide for the expeditious and timely  
8 implementation of the State's fiscal year 2004 budget,  
9 emergency rules to implement any provision of Public Act 93-20  
10 or any other budget initiative for fiscal year 2004 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 (i). The adoption of  
16 emergency rules authorized by this subsection (i) shall be  
17 deemed to be necessary for the public interest, safety, and  
18 welfare.

19 (j) In order to provide for the expeditious and timely  
20 implementation of the provisions of the State's fiscal year  
21 2005 budget as provided under the Fiscal Year 2005 Budget  
22 Implementation (Human Services) Act, emergency rules to  
23 implement any provision of the Fiscal Year 2005 Budget  
24 Implementation (Human Services) Act may be adopted in  
25 accordance with this Section by the agency charged with  
26 administering that provision, except that the 24-month

1 limitation on the adoption of emergency rules and the  
2 provisions of Sections 5-115 and 5-125 do not apply to rules  
3 adopted under this subsection (j). The Department of Public Aid  
4 may also adopt rules under this subsection (j) necessary to  
5 administer the Illinois Public Aid Code and the Children's  
6 Health Insurance Program Act. The adoption of emergency rules  
7 authorized by this subsection (j) shall be deemed to be  
8 necessary for the public interest, safety, and welfare.

9 (k) In order to provide for the expeditious and timely  
10 implementation of the provisions of the State's fiscal year  
11 2006 budget, emergency rules to implement any provision of  
12 Public Act 94-48 or any other budget initiative for fiscal year  
13 2006 may be adopted in accordance with this Section by the  
14 agency charged with administering that provision or  
15 initiative, except that the 24-month limitation on the adoption  
16 of emergency rules and the provisions of Sections 5-115 and  
17 5-125 do not apply to rules adopted under this subsection (k).  
18 The Department of Healthcare and Family Services may also adopt  
19 rules under this subsection (k) necessary to administer the  
20 Illinois Public Aid Code, the Senior Citizens and Persons with  
21 Disabilities Property Tax Relief Act, the Senior Citizens and  
22 Disabled Persons Prescription Drug Discount Program Act (now  
23 the Illinois Prescription Drug Discount Program Act), and the  
24 Children's Health Insurance Program Act. The adoption of  
25 emergency rules authorized by this subsection (k) shall be  
26 deemed to be necessary for the public interest, safety, and

1 welfare.

2 (l) In order to provide for the expeditious and timely  
3 implementation of the provisions of the State's fiscal year  
4 2007 budget, the Department of Healthcare and Family Services  
5 may adopt emergency rules during fiscal year 2007, including  
6 rules effective July 1, 2007, in accordance with this  
7 subsection to the extent necessary to administer the  
8 Department's responsibilities with respect to amendments to  
9 the State plans and Illinois waivers approved by the federal  
10 Centers for Medicare and Medicaid Services necessitated by the  
11 requirements of Title XIX and Title XXI of the federal Social  
12 Security Act. The adoption of emergency rules authorized by  
13 this subsection (l) shall be deemed to be necessary for the  
14 public interest, safety, and welfare.

15 (m) In order to provide for the expeditious and timely  
16 implementation of the provisions of the State's fiscal year  
17 2008 budget, the Department of Healthcare and Family Services  
18 may adopt emergency rules during fiscal year 2008, including  
19 rules effective July 1, 2008, in accordance with this  
20 subsection to the extent necessary to administer the  
21 Department's responsibilities with respect to amendments to  
22 the State plans and Illinois waivers approved by the federal  
23 Centers for Medicare and Medicaid Services necessitated by the  
24 requirements of Title XIX and Title XXI of the federal Social  
25 Security Act. The adoption of emergency rules authorized by  
26 this subsection (m) shall be deemed to be necessary for the



1 public interest, safety, and welfare.

2 (n) In order to provide for the expeditious and timely  
3 implementation of the provisions of the State's fiscal year  
4 2010 budget, emergency rules to implement any provision of  
5 Public Act 96-45 or any other budget initiative authorized by  
6 the 96th General Assembly for fiscal year 2010 may be adopted  
7 in accordance with this Section by the agency charged with  
8 administering that provision or initiative. The adoption of  
9 emergency rules authorized by this subsection (n) shall be  
10 deemed to be necessary for the public interest, safety, and  
11 welfare. The rulemaking authority granted in this subsection  
12 (n) shall apply only to rules promulgated during Fiscal Year  
13 2010.

14 (o) In order to provide for the expeditious and timely  
15 implementation of the provisions of the State's fiscal year  
16 2011 budget, emergency rules to implement any provision of  
17 Public Act 96-958 or any other budget initiative authorized by  
18 the 96th General Assembly for fiscal year 2011 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 (o) is deemed to  
22 be necessary for the public interest, safety, and welfare. The  
23 rulemaking authority granted in this subsection (o) applies  
24 only to rules promulgated on or after July 1, 2010 (the  
25 effective date of Public Act 96-958) through June 30, 2011.

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

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

13 (q) In order to provide for the expeditious and timely  
14 implementation of the provisions of Articles 7, 8, 9, 11, and  
15 12 of Public Act 98-104, emergency rules to implement any  
16 provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104  
17 may be adopted in accordance with this subsection (q) by the  
18 agency charged with administering that provision or  
19 initiative. The 24-month limitation on the adoption of  
20 emergency rules does not apply to rules adopted under this  
21 subsection (q). The adoption of emergency rules authorized by  
22 this subsection (q) is deemed to be necessary for the public  
23 interest, safety, and welfare.

24 (r) In order to provide for the expeditious and timely  
25 implementation of the provisions of Public Act 98-651,  
26 emergency rules to implement Public Act 98-651 may be adopted

1 in accordance with this subsection (r) by the Department of  
2 Healthcare and Family Services. The 24-month limitation on the  
3 adoption of emergency rules does not apply to rules adopted  
4 under this subsection (r). The adoption of emergency rules  
5 authorized by this subsection (r) is deemed to be necessary for  
6 the public interest, safety, and welfare.

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

20 (t) In order to provide for the expeditious and timely  
21 implementation of the provisions of Article II of Public Act  
22 99-6, emergency rules to implement the changes made by Article  
23 II of Public Act 99-6 to the Emergency Telephone System Act may  
24 be adopted in accordance with this subsection (t) by the  
25 Department of State Police. The rulemaking authority granted in  
26 this subsection (t) shall apply only to those rules adopted

1 prior to July 1, 2016. The 24-month limitation on the adoption  
2 of emergency rules does not apply to rules adopted under this  
3 subsection (t). The adoption of emergency rules authorized by  
4 this subsection (t) is deemed to be necessary for the public  
5 interest, safety, and welfare.

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

15 (v) In order to provide for the expeditious and timely  
16 implementation of the provisions of Public Act 99-516,  
17 emergency rules to implement Public Act 99-516 may be adopted  
18 in accordance with this subsection (v) by the Department of  
19 Healthcare and Family Services. The 24-month limitation on the  
20 adoption of emergency rules does not apply to rules adopted  
21 under this subsection (v). The adoption of emergency rules  
22 authorized by this subsection (v) is deemed to be necessary for  
23 the public interest, safety, and welfare.

24 (w) In order to provide for the expeditious and timely  
25 implementation of the provisions of Public Act 99-796,  
26 emergency rules to implement the changes made by Public Act

1 99-796 may be adopted in accordance with this subsection (w) by  
2 the Adjutant General. The adoption of emergency rules  
3 authorized by this subsection (w) is deemed to be necessary for  
4 the public interest, safety, and welfare.

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

17 (y) In order to provide for the expeditious and timely  
18 implementation of the provisions of Public Act 100-23,  
19 emergency rules to implement the changes made by Public Act  
20 100-23 to Section 4.02 of the Illinois Act on the Aging,  
21 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,  
22 Section 55-30 of the Alcoholism and Other Drug Abuse and  
23 Dependency Act, and Sections 74 and 75 of the Mental Health and  
24 Developmental Disabilities Administrative Act may be adopted  
25 in accordance with this subsection (y) by the respective  
26 Department. The adoption of emergency rules authorized by this

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

3 (z) In order to provide for the expeditious and timely  
4 implementation of the provisions of Public Act 100-554,  
5 emergency rules to implement the changes made by Public Act  
6 100-554 to Section 4.7 of the Lobbyist Registration Act may be  
7 adopted in accordance with this subsection (z) by the Secretary  
8 of State. The adoption of emergency rules authorized by this  
9 subsection (z) is deemed to be necessary for the public  
10 interest, safety, and welfare.

11 (aa) In order to provide for the expeditious and timely  
12 initial implementation of the changes made to Articles 5, 5A,  
13 12, and 14 of the Illinois Public Aid Code under the provisions  
14 of Public Act 100-581, the Department of Healthcare and Family  
15 Services may adopt emergency rules in accordance with this  
16 subsection (aa). The 24-month limitation on the adoption of  
17 emergency rules does not apply to rules to initially implement  
18 the changes made to Articles 5, 5A, 12, and 14 of the Illinois  
19 Public Aid Code adopted under this subsection (aa). The  
20 adoption of emergency rules authorized by this subsection (aa)  
21 is deemed to be necessary for the public interest, safety, and  
22 welfare.

23 (bb) In order to provide for the expeditious and timely  
24 implementation of the provisions of Public Act 100-587,  
25 emergency rules to implement the changes made by Public Act  
26 100-587 to Section 4.02 of the Illinois Act on the Aging,

1 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,  
2 subsection (b) of Section 55-30 of the Alcoholism and Other  
3 Drug Abuse and Dependency Act, Section 5-104 of the Specialized  
4 Mental Health Rehabilitation Act of 2013, and Section 75 and  
5 subsection (b) of Section 74 of the Mental Health and  
6 Developmental Disabilities Administrative Act may be adopted  
7 in accordance with this subsection (bb) by the respective  
8 Department. The adoption of emergency rules authorized by this  
9 subsection (bb) is deemed to be necessary for the public  
10 interest, safety, and welfare.

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

23 (dd) In order to provide for the expeditious and timely  
24 implementation of the provisions of Public Act 100-864,  
25 emergency rules to implement the changes made by Public Act  
26 100-864 to Section 3.35 of the Newborn Metabolic Screening Act

1 may be adopted in accordance with this subsection (dd) by the  
2 Secretary of State. The adoption of emergency rules authorized  
3 by this subsection (dd) is deemed to be necessary for the  
4 public interest, safety, and welfare.

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

13 (ff) ~~(ee)~~ In order to provide for the expeditious and  
14 timely initial implementation of the changes made to Articles  
15 5A and 14 of the Illinois Public Aid Code under the provisions  
16 of Public Act 100-1181 ~~this amendatory Act of the 100th General~~  
17 ~~Assembly~~, the Department of Healthcare and Family Services may  
18 on a one-time-only basis adopt emergency rules in accordance  
19 with this subsection (ff) ~~(ee)~~. The 24-month limitation on the  
20 adoption of emergency rules does not apply to rules to  
21 initially implement the changes made to Articles 5A and 14 of  
22 the Illinois Public Aid Code adopted under this subsection (ff)  
23 ~~(ee)~~. The adoption of emergency rules authorized by this  
24 subsection (ff) ~~(ee)~~ is deemed to be necessary for the public  
25 interest, safety, and welfare.

26 (gg) ~~(ff)~~ In order to provide for the expeditious and



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

9 (ii) In order to provide for the expeditious and timely  
10 implementation of the provisions of Section 25-70 of the Sports  
11 Wagering Act, emergency rules to implement Section 25-70 of the  
12 Sports Wagering Act may be adopted in accordance with this  
13 subsection (ii) by the Department of the Lottery as provided in  
14 the Sports Wagering Act. The adoption of emergency rules  
15 authorized by this subsection (ii) is deemed to be necessary  
16 for the public interest, safety, and welfare.

17 (jj) In order to provide for the expeditious and timely  
18 implementation of the Sports Wagering Act, emergency rules to  
19 implement the Sports Wagering Act may be adopted in accordance  
20 with this subsection (jj) by the Illinois Gaming Board. The  
21 adoption of emergency rules authorized by this subsection (jj)  
22 is deemed to be necessary for the public interest, safety, and  
23 welfare.

24 (Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17;  
25 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff.  
26 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18;

1 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff.  
2 3-8-19; 101-1, eff. 2-19-19; revised 4-2-19.)

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

5 (30 ILCS 105/5.896 new)

6 Sec. 5.896. The Sports Wagering Fund.

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

9 (230 ILCS 10/13) (from Ch. 120, par. 2413)

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

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

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

19 15% of annual adjusted gross receipts up to and  
20 including \$25,000,000;

21 20% of annual adjusted gross receipts in excess of  
22 \$25,000,000 but not exceeding \$50,000,000;

1           25% of annual adjusted gross receipts in excess of  
2           \$50,000,000 but not exceeding \$75,000,000;

3           30% of annual adjusted gross receipts in excess of  
4           \$75,000,000 but not exceeding \$100,000,000;

5           35% of annual adjusted gross receipts in excess of  
6           \$100,000,000.

7           (a-2) From July 1, 2002 until July 1, 2003, a privilege tax  
8           is imposed on persons engaged in the business of conducting  
9           riverboat gambling operations, other than licensed managers  
10          conducting riverboat gambling operations on behalf of the  
11          State, based on the adjusted gross receipts received by a  
12          licensed owner from gambling games authorized under this Act at  
13          the following rates:

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

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

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

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

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

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

26          50% of annual adjusted gross receipts in excess of

1           \$200,000,000.

2           (a-3) Beginning July 1, 2003, a privilege tax is imposed on  
3 persons engaged in the business of conducting riverboat  
4 gambling operations, other than licensed managers conducting  
5 riverboat gambling operations on behalf of the State, based on  
6 the adjusted gross receipts received by a licensed owner from  
7 gambling games authorized under this Act at the following  
8 rates:

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

11           27.5% of annual adjusted gross receipts in excess of  
12 \$25,000,000 but not exceeding \$37,500,000;

13           32.5% of annual adjusted gross receipts in excess of  
14 \$37,500,000 but not exceeding \$50,000,000;

15           37.5% of annual adjusted gross receipts in excess of  
16 \$50,000,000 but not exceeding \$75,000,000;

17           45% of annual adjusted gross receipts in excess of  
18 \$75,000,000 but not exceeding \$100,000,000;

19           50% of annual adjusted gross receipts in excess of  
20 \$100,000,000 but not exceeding \$250,000,000;

21           70% of annual adjusted gross receipts in excess of  
22 \$250,000,000.

23           An amount equal to the amount of wagering taxes collected  
24 under this subsection (a-3) that are in addition to the amount  
25 of wagering taxes that would have been collected if the  
26 wagering tax rates under subsection (a-2) were in effect shall

1 be paid into the Common School Fund.

2 The privilege tax imposed under this subsection (a-3) shall  
3 no longer be imposed beginning on the earlier of (i) July 1,  
4 2005; (ii) the first date after June 20, 2003 that riverboat  
5 gambling operations are conducted pursuant to a dormant  
6 license; or (iii) the first day that riverboat gambling  
7 operations are conducted under the authority of an owners  
8 license that is in addition to the 10 owners licenses initially  
9 authorized under this Act. For the purposes of this subsection  
10 (a-3), the term "dormant license" means an owners license that  
11 is authorized by this Act under which no riverboat gambling  
12 operations are being conducted on June 20, 2003.

13 (a-4) Beginning on the first day on which the tax imposed  
14 under subsection (a-3) is no longer imposed, a privilege tax is  
15 imposed on persons engaged in the business of conducting  
16 riverboat gambling operations, other than licensed managers  
17 conducting riverboat gambling operations on behalf of the  
18 State, based on the adjusted gross receipts received by a  
19 licensed owner from gambling games authorized under this Act at  
20 the following rates:

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

23 22.5% of annual adjusted gross receipts in excess of  
24 \$25,000,000 but not exceeding \$50,000,000;

25 27.5% of annual adjusted gross receipts in excess of  
26 \$50,000,000 but not exceeding \$75,000,000;

1           32.5% of annual adjusted gross receipts in excess of  
2           \$75,000,000 but not exceeding \$100,000,000;

3           37.5% of annual adjusted gross receipts in excess of  
4           \$100,000,000 but not exceeding \$150,000,000;

5           45% of annual adjusted gross receipts in excess of  
6           \$150,000,000 but not exceeding \$200,000,000;

7           50% of annual adjusted gross receipts in excess of  
8           \$200,000,000.

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

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

15          (a-15) If the privilege tax imposed under subsection (a-3)  
16          is no longer imposed pursuant to item (i) of the last paragraph  
17          of subsection (a-3), then by June 15 of each year, each owners  
18          licensee, other than an owners licensee that admitted 1,000,000  
19          persons or fewer in calendar year 2004, must, in addition to  
20          the payment of all amounts otherwise due under this Section,  
21          pay to the Board a reconciliation payment in the amount, if  
22          any, by which the licensed owner's base amount exceeds the  
23          amount of net privilege tax paid by the licensed owner to the  
24          Board in the then current State fiscal year. A licensed owner's  
25          net privilege tax obligation due for the balance of the State  
26          fiscal year shall be reduced up to the total of the amount paid

1 by the licensed owner in its June 15 reconciliation payment.  
2 The obligation imposed by this subsection (a-15) is binding on  
3 any person, firm, corporation, or other entity that acquires an  
4 ownership interest in any such owners license. The obligation  
5 imposed under this subsection (a-15) terminates on the earliest  
6 of: (i) July 1, 2007, (ii) the first day after the effective  
7 date of this amendatory Act of the 94th General Assembly that  
8 riverboat gambling operations are conducted pursuant to a  
9 dormant license, (iii) the first day that riverboat gambling  
10 operations are conducted under the authority of an owners  
11 license that is in addition to the 10 owners licenses initially  
12 authorized under this Act, or (iv) the first day that a  
13 licensee under the Illinois Horse Racing Act of 1975 conducts  
14 gaming operations with slot machines or other electronic gaming  
15 devices. The Board must reduce the obligation imposed under  
16 this subsection (a-15) by an amount the Board deems reasonable  
17 for any of the following reasons: (A) an act or acts of God,  
18 (B) an act of bioterrorism or terrorism or a bioterrorism or  
19 terrorism threat that was investigated by a law enforcement  
20 agency, or (C) a condition beyond the control of the owners  
21 licensee that does not result from any act or omission by the  
22 owners licensee or any of its agents and that poses a hazardous  
23 threat to the health and safety of patrons. If an owners  
24 licensee pays an amount in excess of its liability under this  
25 Section, the Board shall apply the overpayment to future  
26 payments required under this Section.

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

2 "Act of God" means an incident caused by the operation of  
3 an extraordinary force that cannot be foreseen, that cannot be  
4 avoided by the exercise of due care, and for which no person  
5 can be held liable.

6 "Base amount" means the following:

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

8 For a riverboat in East Peoria, \$43,000,000.

9 For the Empress riverboat in Joliet, \$86,000,000.

10 For a riverboat in Metropolis, \$45,000,000.

11 For the Harrah's riverboat in Joliet, \$114,000,000.

12 For a riverboat in Aurora, \$86,000,000.

13 For a riverboat in East St. Louis, \$48,500,000.

14 For a riverboat in Elgin, \$198,000,000.

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

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

21 The changes made to this subsection (a-15) by Public Act  
22 94-839 are intended to restate and clarify the intent of Public  
23 Act 94-673 with respect to the amount of the payments required  
24 to be made under this subsection by an owners licensee to the  
25 Board.

26 (b) Until January 1, 1998, 25% of the tax revenue deposited



1 in the State Gaming Fund under this Section shall be paid,  
2 subject to appropriation by the General Assembly, to the unit  
3 of local government which is designated as the home dock of the  
4 riverboat. Beginning January 1, 1998, from the tax revenue  
5 deposited in the State Gaming Fund under this Section, an  
6 amount equal to 5% of adjusted gross receipts generated by a  
7 riverboat shall be paid monthly, subject to appropriation by  
8 the General Assembly, to the unit of local government that is  
9 designated as the home dock of the riverboat. From the tax  
10 revenue deposited in the State Gaming Fund pursuant to  
11 riverboat gambling operations conducted by a licensed manager  
12 on behalf of the State, an amount equal to 5% of adjusted gross  
13 receipts generated pursuant to those riverboat gambling  
14 operations shall be paid monthly, subject to appropriation by  
15 the General Assembly, to the unit of local government that is  
16 designated as the home dock of the riverboat upon which those  
17 riverboat gambling operations are conducted.

18 (c) Appropriations, as approved by the General Assembly,  
19 may be made from the State Gaming Fund to the Board (i) for the  
20 administration and enforcement of this Act and the Video Gaming  
21 Act, (ii) for distribution to the Department of State Police  
22 and to the Department of Revenue for the enforcement of this  
23 Act, and (iii) to the Department of Human Services for the  
24 administration of programs to treat problem gambling,  
25 including problem gambling from sports wagering.

26 (c-5) Before May 26, 2006 (the effective date of Public Act

1 94-804) and beginning on the effective date of this amendatory  
2 Act of the 95th General Assembly, unless any organization  
3 licensee under the Illinois Horse Racing Act of 1975 begins to  
4 operate a slot machine or video game of chance under the  
5 Illinois Horse Racing Act of 1975 or this Act, after the  
6 payments required under subsections (b) and (c) have been made,  
7 an amount equal to 15% of the adjusted gross receipts of (1) an  
8 owners licensee that relocates pursuant to Section 11.2, (2) an  
9 owners licensee conducting riverboat gambling operations  
10 pursuant to an owners license that is initially issued after  
11 June 25, 1999, or (3) the first riverboat gambling operations  
12 conducted by a licensed manager on behalf of the State under  
13 Section 7.3, whichever comes first, shall be paid from the  
14 State Gaming Fund into the Horse Racing Equity Fund.

15 (c-10) Each year the General Assembly shall appropriate  
16 from the General Revenue Fund to the Education Assistance Fund  
17 an amount equal to the amount paid into the Horse Racing Equity  
18 Fund pursuant to subsection (c-5) in the prior calendar year.

19 (c-15) After the payments required under subsections (b),  
20 (c), and (c-5) have been made, an amount equal to 2% of the  
21 adjusted gross receipts of (1) an owners licensee that  
22 relocates pursuant to Section 11.2, (2) an owners licensee  
23 conducting riverboat gambling operations pursuant to an owners  
24 license that is initially issued after June 25, 1999, or (3)  
25 the first riverboat gambling operations conducted by a licensed  
26 manager on behalf of the State under Section 7.3, whichever

1 comes first, shall be paid, subject to appropriation from the  
2 General Assembly, from the State Gaming Fund to each home rule  
3 county with a population of over 3,000,000 inhabitants for the  
4 purpose of enhancing the county's criminal justice system.

5 (c-20) Each year the General Assembly shall appropriate  
6 from the General Revenue Fund to the Education Assistance Fund  
7 an amount equal to the amount paid to each home rule county  
8 with a population of over 3,000,000 inhabitants pursuant to  
9 subsection (c-15) in the prior calendar year.

10 (c-25) On July 1, 2013 and each July 1 thereafter,  
11 \$1,600,000 shall be transferred from the State Gaming Fund to  
12 the Chicago 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 Section 25-915. The Criminal Code of 2012 is amended by  
13 changing Sections 28-1, 28-3, and 28-5 as follows:

14 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

15 Sec. 28-1. Gambling.

16 (a) A person commits gambling when he or she:

17 (1) knowingly plays a game of chance or skill for money  
18 or other thing of value, unless excepted in subsection (b)  
19 of this Section;

20 (2) knowingly makes a wager upon the result of any  
21 game, contest, or any political nomination, appointment or  
22 election;

23 (3) knowingly operates, keeps, owns, uses, purchases,  
24 exhibits, rents, sells, bargains for the sale or lease of,

1 manufactures or distributes any gambling device;

2 (4) contracts to have or give himself or herself or  
3 another the option to buy or sell, or contracts to buy or  
4 sell, at a future time, any grain or other commodity  
5 whatsoever, or any stock or security of any company, where  
6 it is at the time of making such contract intended by both  
7 parties thereto that the contract to buy or sell, or the  
8 option, whenever exercised, or the contract resulting  
9 therefrom, shall be settled, not by the receipt or delivery  
10 of such property, but by the payment only of differences in  
11 prices thereof; however, the issuance, purchase, sale,  
12 exercise, endorsement or guarantee, by or through a person  
13 registered with the Secretary of State pursuant to Section  
14 8 of the Illinois Securities Law of 1953, or by or through  
15 a person exempt from such registration under said Section  
16 8, of a put, call, or other option to buy or sell  
17 securities which have been registered with the Secretary of  
18 State or which are exempt from such registration under  
19 Section 3 of the Illinois Securities Law of 1953 is not  
20 gambling within the meaning of this paragraph (4);

21 (5) knowingly owns or possesses any book, instrument or  
22 apparatus by means of which bets or wagers have been, or  
23 are, recorded or registered, or knowingly possesses any  
24 money which he has received in the course of a bet or  
25 wager;

26 (6) knowingly sells pools upon the result of any game

1 or contest of skill or chance, political nomination,  
2 appointment or election;

3 (7) knowingly sets up or promotes any lottery or sells,  
4 offers to sell or transfers any ticket or share for any  
5 lottery;

6 (8) knowingly sets up or promotes any policy game or  
7 sells, offers to sell or knowingly possesses or transfers  
8 any policy ticket, slip, record, document or other similar  
9 device;

10 (9) knowingly drafts, prints or publishes any lottery  
11 ticket or share, or any policy ticket, slip, record,  
12 document or similar device, except for such activity  
13 related to lotteries, bingo games and raffles authorized by  
14 and conducted in accordance with the laws of Illinois or  
15 any other state or foreign government;

16 (10) knowingly advertises any lottery or policy game,  
17 except for such activity related to lotteries, bingo games  
18 and raffles authorized by and conducted in accordance with  
19 the laws of Illinois or any other state;

20 (11) knowingly transmits information as to wagers,  
21 betting odds, or changes in betting odds by telephone,  
22 telegraph, radio, semaphore or similar means; or knowingly  
23 installs or maintains equipment for the transmission or  
24 receipt of such information; except that nothing in this  
25 subdivision (11) prohibits transmission or receipt of such  
26 information for use in news reporting of sporting events or

1 contests; or

2 (12) knowingly establishes, maintains, or operates an  
3 Internet site that permits a person to play a game of  
4 chance or skill for money or other thing of value by means  
5 of the Internet or to make a wager upon the result of any  
6 game, contest, political nomination, appointment, or  
7 election by means of the Internet. This item (12) does not  
8 apply to activities referenced in items (6), ~~and~~ (6.1), and  
9 (15) of subsection (b) of this Section.

10 (b) Participants in any of the following activities shall  
11 not be convicted of gambling:

12 (1) Agreements to compensate for loss caused by the  
13 happening of chance including without limitation contracts  
14 of indemnity or guaranty and life or health or accident  
15 insurance.

16 (2) Offers of prizes, award or compensation to the  
17 actual contestants in any bona fide contest for the  
18 determination of skill, speed, strength or endurance or to  
19 the owners of animals or vehicles entered in such contest.

20 (3) Pari-mutuel betting as authorized by the law of  
21 this State.

22 (4) Manufacture of gambling devices, including the  
23 acquisition of essential parts therefor and the assembly  
24 thereof, for transportation in interstate or foreign  
25 commerce to any place outside this State when such  
26 transportation is not prohibited by any applicable Federal

1 law; or the manufacture, distribution, or possession of  
2 video gaming terminals, as defined in the Video Gaming Act,  
3 by manufacturers, distributors, and terminal operators  
4 licensed to do so under the Video Gaming Act.

5 (5) The game commonly known as "bingo", when conducted  
6 in accordance with the Bingo License and Tax Act.

7 (6) Lotteries when conducted by the State of Illinois  
8 in accordance with the Illinois Lottery Law. This exemption  
9 includes any activity conducted by the Department of  
10 Revenue to sell lottery tickets pursuant to the provisions  
11 of the Illinois Lottery Law and its rules.

12 (6.1) The purchase of lottery tickets through the  
13 Internet for a lottery conducted by the State of Illinois  
14 under the program established in Section 7.12 of the  
15 Illinois Lottery Law.

16 (7) Possession of an antique slot machine that is  
17 neither used nor intended to be used in the operation or  
18 promotion of any unlawful gambling activity or enterprise.  
19 For the purpose of this subparagraph (b)(7), an antique  
20 slot machine is one manufactured 25 years ago or earlier.

21 (8) Raffles and poker runs when conducted in accordance  
22 with the Raffles and Poker Runs Act.

23 (9) Charitable games when conducted in accordance with  
24 the Charitable Games Act.

25 (10) Pull tabs and jar games when conducted under the  
26 Illinois Pull Tabs and Jar Games Act.



1 (11) Gambling games conducted on riverboats when  
2 authorized by the Riverboat Gambling Act.

3 (12) Video gaming terminal games at a licensed  
4 establishment, licensed truck stop establishment, licensed  
5 fraternal establishment, or licensed veterans  
6 establishment when conducted in accordance with the Video  
7 Gaming Act.

8 (13) Games of skill or chance where money or other  
9 things of value can be won but no payment or purchase is  
10 required to participate.

11 (14) Savings promotion raffles authorized under  
12 Section 5g of the Illinois Banking Act, Section 7008 of the  
13 Savings Bank Act, Section 42.7 of the Illinois Credit Union  
14 Act, Section 5136B of the National Bank Act (12 U.S.C.  
15 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.  
16 1463).

17 (15) Sports wagering when conducted in accordance with  
18 the Sports Wagering Act.

19 (c) Sentence.

20 Gambling is a Class A misdemeanor. A second or subsequent  
21 conviction under subsections (a) (3) through (a) (12), is a Class  
22 4 felony.

23 (d) Circumstantial evidence.

24 In prosecutions under this Section circumstantial evidence  
25 shall have the same validity and weight as in any criminal  
26 prosecution.

1 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

2 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

3 Sec. 28-3. Keeping a Gambling Place. A "gambling place" is  
4 any real estate, vehicle, boat or any other property whatsoever  
5 used for the purposes of gambling other than gambling conducted  
6 in the manner authorized by the Riverboat Gambling Act, the  
7 Sports Wagering Act, or the Video Gaming Act. Any person who  
8 knowingly permits any premises or property owned or occupied by  
9 him or under his control to be used as a gambling place commits  
10 a Class A misdemeanor. Each subsequent offense is a Class 4  
11 felony. When any premises is determined by the circuit court to  
12 be a gambling place:

13 (a) Such premises is a public nuisance and may be proceeded  
14 against as such, and

15 (b) All licenses, permits or certificates issued by the  
16 State of Illinois or any subdivision or public agency thereof  
17 authorizing the serving of food or liquor on such premises  
18 shall be void; and no license, permit or certificate so  
19 cancelled shall be reissued for such premises for a period of  
20 60 days thereafter; nor shall any person convicted of keeping a  
21 gambling place be reissued such license for one year from his  
22 conviction and, after a second conviction of keeping a gambling  
23 place, any such person shall not be reissued such license, and

24 (c) Such premises of any person who knowingly permits  
25 thereon a violation of any Section of this Article shall be

1 held liable for, and may be sold to pay any unsatisfied  
2 judgment that may be recovered and any unsatisfied fine that  
3 may be levied under any Section of this Article.

4 (Source: P.A. 96-34, eff. 7-13-09.)

5 (720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

6 Sec. 28-5. Seizure of gambling devices and gambling funds.

7 (a) Every device designed for gambling which is incapable  
8 of lawful use or every device used unlawfully for gambling  
9 shall be considered a "gambling device", and shall be subject  
10 to seizure, confiscation and destruction by the Department of  
11 State Police or by any municipal, or other local authority,  
12 within whose jurisdiction the same may be found. As used in  
13 this Section, a "gambling device" includes any slot machine,  
14 and includes any machine or device constructed for the  
15 reception of money or other thing of value and so constructed  
16 as to return, or to cause someone to return, on chance to the  
17 player thereof money, property or a right to receive money or  
18 property. With the exception of any device designed for  
19 gambling which is incapable of lawful use, no gambling device  
20 shall be forfeited or destroyed unless an individual with a  
21 property interest in said device knows of the unlawful use of  
22 the device.

23 (b) Every gambling device shall be seized and forfeited to  
24 the county wherein such seizure occurs. Any money or other  
25 thing of value integrally related to acts of gambling shall be

1 seized and forfeited to the county wherein such seizure occurs.

2 (c) If, within 60 days after any seizure pursuant to  
3 subparagraph (b) of this Section, a person having any property  
4 interest in the seized property is charged with an offense, the  
5 court which renders judgment upon such charge shall, within 30  
6 days after such judgment, conduct a forfeiture hearing to  
7 determine whether such property was a gambling device at the  
8 time of seizure. Such hearing shall be commenced by a written  
9 petition by the State, including material allegations of fact,  
10 the name and address of every person determined by the State to  
11 have any property interest in the seized property, a  
12 representation that written notice of the date, time and place  
13 of such hearing has been mailed to every such person by  
14 certified mail at least 10 days before such date, and a request  
15 for forfeiture. Every such person may appear as a party and  
16 present evidence at such hearing. The quantum of proof required  
17 shall be a preponderance of the evidence, and the burden of  
18 proof shall be on the State. If the court determines that the  
19 seized property was a gambling device at the time of seizure,  
20 an order of forfeiture and disposition of the seized property  
21 shall be entered: a gambling device shall be received by the  
22 State's Attorney, who shall effect its destruction, except that  
23 valuable parts thereof may be liquidated and the resultant  
24 money shall be deposited in the general fund of the county  
25 wherein such seizure occurred; money and other things of value  
26 shall be received by the State's Attorney and, upon

1 liquidation, shall be deposited in the general fund of the  
2 county wherein such seizure occurred. However, in the event  
3 that a defendant raises the defense that the seized slot  
4 machine is an antique slot machine described in subparagraph  
5 (b) (7) of Section 28-1 of this Code and therefore he is exempt  
6 from the charge of a gambling activity participant, the seized  
7 antique slot machine shall not be destroyed or otherwise  
8 altered until a final determination is made by the Court as to  
9 whether it is such an antique slot machine. Upon a final  
10 determination by the Court of this question in favor of the  
11 defendant, such slot machine shall be immediately returned to  
12 the defendant. Such order of forfeiture and disposition shall,  
13 for the purposes of appeal, be a final order and judgment in a  
14 civil proceeding.

15 (d) If a seizure pursuant to subparagraph (b) of this  
16 Section is not followed by a charge pursuant to subparagraph  
17 (c) of this Section, or if the prosecution of such charge is  
18 permanently terminated or indefinitely discontinued without  
19 any judgment of conviction or acquittal (1) the State's  
20 Attorney shall commence an in rem proceeding for the forfeiture  
21 and destruction of a gambling device, or for the forfeiture and  
22 deposit in the general fund of the county of any seized money  
23 or other things of value, or both, in the circuit court and (2)  
24 any person having any property interest in such seized gambling  
25 device, money or other thing of value may commence separate  
26 civil proceedings in the manner provided by law.

1 (e) Any gambling device displayed for sale to a riverboat  
2 gambling operation or used to train occupational licensees of a  
3 riverboat gambling operation as authorized under the Riverboat  
4 Gambling Act is exempt from seizure under this Section.

5 (f) Any gambling equipment, devices and supplies provided  
6 by a licensed supplier in accordance with the Riverboat  
7 Gambling Act which are removed from the riverboat for repair  
8 are exempt from seizure under this Section.

9 (g) The following video gaming terminals are exempt from  
10 seizure under this Section:

11 (1) Video gaming terminals for sale to a licensed  
12 distributor or operator under the Video Gaming Act.

13 (2) Video gaming terminals used to train licensed  
14 technicians or licensed terminal handlers.

15 (3) Video gaming terminals that are removed from a  
16 licensed establishment, licensed truck stop establishment,  
17 licensed fraternal establishment, or licensed veterans  
18 establishment for repair.

19 (h) Property seized or forfeited under this Section is  
20 subject to reporting under the Seizure and Forfeiture Reporting  
21 Act.

22 (i) Any sports lottery terminals provided by a central  
23 system provider that are removed from a lottery retailer for  
24 repair under the Sports Wagering Act are exempt from seizure  
25 under this Section.

26 (Source: P.A. 100-512, eff. 7-1-18.)

1 Article 30. State Fair Gaming Act

2 Section 30-1. Short title. This Article may be cited as the  
3 State Fair Gaming Act. References in this Article to "this Act"  
4 mean this Article.

5 Section 30-5. Definitions. As used in this Act:

6 "Board" means the Illinois Gaming Board.

7 "State Fair" has the meaning given to that term in the  
8 State Fair Act.

9 Section 30-10. Gambling at the State Fair.

10 (a) The Board shall issue a licensed establishment license  
11 as provided under Section 25 of the Video Gaming Act to a  
12 concessioner who will operate at the Illinois State Fairgrounds  
13 and at the DuQuoin State Fairgrounds. The concessioner shall be  
14 chosen under the Illinois Procurement Code for an operational  
15 period not to exceed 3 years. At the conclusion of each 3-year  
16 cycle, the Illinois Procurement Code shall be used to determine  
17 the new concessioner.

18 (b) Moneys bid by the concessioner shall be deposited into  
19 the State Fairgrounds Capital Improvements and Harness Racing  
20 Fund.

21 Section 30-15. Video gaming at the State Fair.

1           (a) The concessioner issued a licensed establishment  
2 license under Section 30-10 may operate: (1) up to 50 video  
3 gaming terminals as provided in the Video Gaming Act during the  
4 scheduled dates of the Illinois State Fair; and (2) up to 30  
5 video gaming terminals as provided in the Video Gaming Act  
6 during the scheduled dates of the DuQuoin State Fair.

7           (b) No more than 10 video gaming terminals may be placed in  
8 any temporary pavilion where alcoholic beverages are served at  
9 either State Fair.

10           Section 30-20. Revenue.

11           (a) Notwithstanding any other law to the contrary, a tax is  
12 imposed at the rate of 35% of net terminal income received from  
13 video gaming under this Act, which shall be remitted to the  
14 Board and deposited into the State Fairgrounds Capital  
15 Improvements and Harness Racing Fund.

16           (b) There is created within the State treasury the State  
17 Fairgrounds Capital Improvements and Harness Racing Fund. The  
18 Department of Agriculture shall use moneys in the State  
19 Fairgrounds Capital Improvements and Harness Racing Fund as  
20 follows and in the order of priority:

21           (1) to provide support for a harness race meeting  
22 produced by an organization licensee under the Illinois  
23 Horse Racing Act of 1975 and which shall consist of up to  
24 30 days of live racing per year at the Illinois State  
25 Fairgrounds in Springfield;





1           Section 35-3. The Illinois Administrative Procedure Act is  
2 amended by changing Section 5-45 as follows:

3           (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

4           Sec. 5-45. Emergency rulemaking.

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

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

25           (c) An emergency rule may be effective for a period of not

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

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

1 of those entities, for that program of group health benefits,  
2 shall be adopted as emergency rules. The adoption of those  
3 rules shall be considered an emergency and necessary for the  
4 public interest, safety, and welfare.

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

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

1 deemed to be necessary for the public interest, safety, and  
2 welfare.

3 (f) In order to provide for the expeditious and timely  
4 implementation of the State's fiscal year 2001 budget,  
5 emergency rules to implement any provision of Public Act 91-712  
6 or any other budget initiative for fiscal year 2001 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 (f). The adoption of  
12 emergency rules authorized by this subsection (f) shall be  
13 deemed to be necessary for the public interest, safety, and  
14 welfare.

15 (g) In order to provide for the expeditious and timely  
16 implementation of the State's fiscal year 2002 budget,  
17 emergency rules to implement any provision of Public Act 92-10  
18 or any other budget initiative for fiscal year 2002 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 (g). The adoption of  
24 emergency rules authorized by this subsection (g) shall be  
25 deemed to be necessary for the public interest, safety, and  
26 welfare.

1           (h) In order to provide for the expeditious and timely  
2 implementation of the State's fiscal year 2003 budget,  
3 emergency rules to implement any provision of Public Act 92-597  
4 or any other budget initiative for fiscal year 2003 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 (h). The adoption of  
10 emergency rules authorized by this subsection (h) shall be  
11 deemed to be necessary for the public interest, safety, and  
12 welfare.

13           (i) In order to provide for the expeditious and timely  
14 implementation of the State's fiscal year 2004 budget,  
15 emergency rules to implement any provision of Public Act 93-20  
16 or any other budget initiative for fiscal year 2004 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 (i). The adoption of  
22 emergency rules authorized by this subsection (i) shall be  
23 deemed to be necessary for the public interest, safety, and  
24 welfare.

25           (j) In order to provide for the expeditious and timely  
26 implementation of the provisions of the State's fiscal year

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

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

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

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

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



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

8 (n) In order to provide for the expeditious and timely  
9 implementation of the provisions of the State's fiscal year  
10 2010 budget, emergency rules to implement any provision of  
11 Public Act 96-45 or any other budget initiative authorized by  
12 the 96th General Assembly for fiscal year 2010 may be adopted  
13 in accordance with this Section by the agency charged with  
14 administering that provision or initiative. The adoption of  
15 emergency rules authorized by this subsection (n) shall be  
16 deemed to be necessary for the public interest, safety, and  
17 welfare. The rulemaking authority granted in this subsection  
18 (n) shall apply only to rules promulgated during Fiscal Year  
19 2010.

20 (o) In order to provide for the expeditious and timely  
21 implementation of the provisions of the State's fiscal year  
22 2011 budget, emergency rules to implement any provision of  
23 Public Act 96-958 or any other budget initiative authorized by  
24 the 96th General Assembly for fiscal year 2011 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 (o) is deemed to  
2 be necessary for the public interest, safety, and welfare. The  
3 rulemaking authority granted in this subsection (o) applies  
4 only to rules promulgated on or after July 1, 2010 (the  
5 effective date of Public Act 96-958) through June 30, 2011.

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

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

1 subsection (q). The adoption of emergency rules authorized by  
2 this subsection (q) is deemed to be necessary for the public  
3 interest, safety, and welfare.

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

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

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

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

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

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

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

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

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

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

1 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,  
2 Section 55-30 of the Alcoholism and Other Drug Abuse and  
3 Dependency Act, and Sections 74 and 75 of the Mental Health and  
4 Developmental Disabilities Administrative Act may be adopted  
5 in accordance with this subsection (y) by the respective  
6 Department. The adoption of emergency rules authorized by this  
7 subsection (y) is deemed to be necessary for the public  
8 interest, safety, and welfare.

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

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

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

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

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

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

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

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

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



1 initially implement the changes made to Articles 5A and 14 of  
2 the Illinois Public Aid Code adopted under this subsection (ff)  
3 ~~(ee)~~. The adoption of emergency rules authorized by this  
4 subsection (ff) ~~(ee)~~ is deemed to be necessary for the public  
5 interest, safety, and welfare.

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

15 (kk) In order to provide for the expeditious and timely  
16 implementation of the provisions of subsection (c) of Section  
17 20 of the Video Gaming Act, emergency rules to implement the  
18 provisions of subsection (c) of Section 20 of the Video Gaming  
19 Act may be adopted in accordance with this subsection (kk) by  
20 the Illinois Gaming Board. The adoption of emergency rules  
21 authorized by this subsection (kk) is deemed to be necessary  
22 for the public interest, safety, and welfare.

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

1 3-8-19; 101-1, eff. 2-19-19; revised 4-2-19.)

2 Section 35-5. The Open Meetings Act is amended by changing  
3 Section 2 as follows:

4 (5 ILCS 120/2) (from Ch. 102, par. 42)

5 Sec. 2. Open meetings.

6 (a) Openness required. All meetings of public bodies shall  
7 be open to the public unless excepted in subsection (c) and  
8 closed in accordance with Section 2a.

9 (b) Construction of exceptions. The exceptions contained  
10 in subsection (c) are in derogation of the requirement that  
11 public bodies meet in the open, and therefore, the exceptions  
12 are to be strictly construed, extending only to subjects  
13 clearly within their scope. The exceptions authorize but do not  
14 require the holding of a closed meeting to discuss a subject  
15 included within an enumerated exception.

16 (c) Exceptions. A public body may hold closed meetings to  
17 consider the following subjects:

18 (1) The appointment, employment, compensation,  
19 discipline, performance, or dismissal of specific  
20 employees of the public body or legal counsel for the  
21 public body, including hearing testimony on a complaint  
22 lodged against an employee of the public body or against  
23 legal counsel for the public body to determine its  
24 validity. However, a meeting to consider an increase in

1 compensation to a specific employee of a public body that  
2 is subject to the Local Government Wage Increase  
3 Transparency Act may not be closed and shall be open to the  
4 public and posted and held in accordance with this Act.

5 (2) Collective negotiating matters between the public  
6 body and its employees or their representatives, or  
7 deliberations concerning salary schedules for one or more  
8 classes of employees.

9 (3) The selection of a person to fill a public office,  
10 as defined in this Act, including a vacancy in a public  
11 office, when the public body is given power to appoint  
12 under law or ordinance, or the discipline, performance or  
13 removal of the occupant of a public office, when the public  
14 body is given power to remove the occupant under law or  
15 ordinance.

16 (4) Evidence or testimony presented in open hearing, or  
17 in closed hearing where specifically authorized by law, to  
18 a quasi-adjudicative body, as defined in this Act, provided  
19 that the body prepares and makes available for public  
20 inspection a written decision setting forth its  
21 determinative reasoning.

22 (5) The purchase or lease of real property for the use  
23 of the public body, including meetings held for the purpose  
24 of discussing whether a particular parcel should be  
25 acquired.

26 (6) The setting of a price for sale or lease of

1 property owned by the public body.

2 (7) The sale or purchase of securities, investments, or  
3 investment contracts. This exception shall not apply to the  
4 investment of assets or income of funds deposited into the  
5 Illinois Prepaid Tuition Trust Fund.

6 (8) Security procedures, school building safety and  
7 security, and the use of personnel and equipment to respond  
8 to an actual, a threatened, or a reasonably potential  
9 danger to the safety of employees, students, staff, the  
10 public, or public property.

11 (9) Student disciplinary cases.

12 (10) The placement of individual students in special  
13 education programs and other matters relating to  
14 individual students.

15 (11) Litigation, when an action against, affecting or  
16 on behalf of the particular public body has been filed and  
17 is pending before a court or administrative tribunal, or  
18 when the public body finds that an action is probable or  
19 imminent, in which case the basis for the finding shall be  
20 recorded and entered into the minutes of the closed  
21 meeting.

22 (12) The establishment of reserves or settlement of  
23 claims as provided in the Local Governmental and  
24 Governmental Employees Tort Immunity Act, if otherwise the  
25 disposition of a claim or potential claim might be  
26 prejudiced, or the review or discussion of claims, loss or

1 risk management information, records, data, advice or  
2 communications from or with respect to any insurer of the  
3 public body or any intergovernmental risk management  
4 association or self insurance pool of which the public body  
5 is a member.

6 (13) Conciliation of complaints of discrimination in  
7 the sale or rental of housing, when closed meetings are  
8 authorized by the law or ordinance prescribing fair housing  
9 practices and creating a commission or administrative  
10 agency for their enforcement.

11 (14) Informant sources, the hiring or assignment of  
12 undercover personnel or equipment, or ongoing, prior or  
13 future criminal investigations, when discussed by a public  
14 body with criminal investigatory responsibilities.

15 (15) Professional ethics or performance when  
16 considered by an advisory body appointed to advise a  
17 licensing or regulatory agency on matters germane to the  
18 advisory body's field of competence.

19 (16) Self evaluation, practices and procedures or  
20 professional ethics, when meeting with a representative of  
21 a statewide association of which the public body is a  
22 member.

23 (17) The recruitment, credentialing, discipline or  
24 formal peer review of physicians or other health care  
25 professionals, or for the discussion of matters protected  
26 under the federal Patient Safety and Quality Improvement

1 Act of 2005, and the regulations promulgated thereunder,  
2 including 42 C.F.R. Part 3 (73 FR 70732), or the federal  
3 Health Insurance Portability and Accountability Act of  
4 1996, and the regulations promulgated thereunder,  
5 including 45 C.F.R. Parts 160, 162, and 164, by a hospital,  
6 or other institution providing medical care, that is  
7 operated by the public body.

8 (18) Deliberations for decisions of the Prisoner  
9 Review Board.

10 (19) Review or discussion of applications received  
11 under the Experimental Organ Transplantation Procedures  
12 Act.

13 (20) The classification and discussion of matters  
14 classified as confidential or continued confidential by  
15 the State Government Suggestion Award Board.

16 (21) Discussion of minutes of meetings lawfully closed  
17 under this Act, whether for purposes of approval by the  
18 body of the minutes or semi-annual review of the minutes as  
19 mandated by Section 2.06.

20 (22) Deliberations for decisions of the State  
21 Emergency Medical Services Disciplinary Review Board.

22 (23) The operation by a municipality of a municipal  
23 utility or the operation of a municipal power agency or  
24 municipal natural gas agency when the discussion involves  
25 (i) contracts relating to the purchase, sale, or delivery  
26 of electricity or natural gas or (ii) the results or

1 conclusions of load forecast studies.

2 (24) Meetings of a residential health care facility  
3 resident sexual assault and death review team or the  
4 Executive Council under the Abuse Prevention Review Team  
5 Act.

6 (25) Meetings of an independent team of experts under  
7 Brian's Law.

8 (26) Meetings of a mortality review team appointed  
9 under the Department of Juvenile Justice Mortality Review  
10 Team Act.

11 (27) (Blank).

12 (28) Correspondence and records (i) that may not be  
13 disclosed under Section 11-9 of the Illinois Public Aid  
14 Code or (ii) that pertain to appeals under Section 11-8 of  
15 the Illinois Public Aid Code.

16 (29) Meetings between internal or external auditors  
17 and governmental audit committees, finance committees, and  
18 their equivalents, when the discussion involves internal  
19 control weaknesses, identification of potential fraud risk  
20 areas, known or suspected frauds, and fraud interviews  
21 conducted in accordance with generally accepted auditing  
22 standards of the United States of America.

23 (30) Those meetings or portions of meetings of a  
24 fatality review team or the Illinois Fatality Review Team  
25 Advisory Council during which a review of the death of an  
26 eligible adult in which abuse or neglect is suspected,

1       alleged, or substantiated is conducted pursuant to Section  
2       15 of the Adult Protective Services Act.

3           (31) Meetings and deliberations for decisions of the  
4       Concealed Carry Licensing Review Board under the Firearm  
5       Concealed Carry Act.

6           (32) Meetings between the Regional Transportation  
7       Authority Board and its Service Boards when the discussion  
8       involves review by the Regional Transportation Authority  
9       Board of employment contracts under Section 28d of the  
10      Metropolitan Transit Authority Act and Sections 3A.18 and  
11      3B.26 of the Regional Transportation Authority Act.

12          (33) Those meetings or portions of meetings of the  
13      advisory committee and peer review subcommittee created  
14      under Section 320 of the Illinois Controlled Substances Act  
15      during which specific controlled substance prescriber,  
16      dispenser, or patient information is discussed.

17          (34) Meetings of the Tax Increment Financing Reform  
18      Task Force under Section 2505-800 of the Department of  
19      Revenue Law of the Civil Administrative Code of Illinois.

20          (35) Meetings of the group established to discuss  
21      Medicaid capitation rates under Section 5-30.8 of the  
22      Illinois Public Aid Code.

23          (36) Those deliberations or portions of deliberations  
24      for decisions of the Illinois Gaming Board in which there  
25      is discussed any of the following: (i) personal,  
26      commercial, financial, or other information obtained from



1       any source that is privileged, proprietary, confidential,  
2       or a trade secret; or (ii) information specifically  
3       exempted from the disclosure by federal or State law.

4       (d) Definitions. For purposes of this Section:

5       "Employee" means a person employed by a public body whose  
6       relationship with the public body constitutes an  
7       employer-employee relationship under the usual common law  
8       rules, and who is not an independent contractor.

9       "Public office" means a position created by or under the  
10       Constitution or laws of this State, the occupant of which is  
11       charged with the exercise of some portion of the sovereign  
12       power of this State. The term "public office" shall include  
13       members of the public body, but it shall not include  
14       organizational positions filled by members thereof, whether  
15       established by law or by a public body itself, that exist to  
16       assist the body in the conduct of its business.

17       "Quasi-adjudicative body" means an administrative body  
18       charged by law or ordinance with the responsibility to conduct  
19       hearings, receive evidence or testimony and make  
20       determinations based thereon, but does not include local  
21       electoral boards when such bodies are considering petition  
22       challenges.

23       (e) Final action. No final action may be taken at a closed  
24       meeting. Final action shall be preceded by a public recital of  
25       the nature of the matter being considered and other information  
26       that will inform the public of the business being conducted.

1 (Source: P.A. 99-78, eff. 7-20-15; 99-235, eff. 1-1-16; 99-480,  
2 eff. 9-9-15; 99-642, eff. 7-28-16; 99-646, eff. 7-28-16;  
3 99-687, eff. 1-1-17; 100-201, eff. 8-18-17; 100-465, eff.  
4 8-31-17; 100-646, eff. 7-27-18.)

5 Section 35-10. The State Officials and Employees Ethics Act  
6 is amended by changing Section 5-45 as follows:

7 (5 ILCS 430/5-45)

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

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

20 (a-5) No officer, member, or spouse or immediate family  
21 member living with such person shall, during the officer or  
22 member's term in office or within a period of 2 years  
23 immediately leaving office, hold an ownership interest, other  
24 than a passive interest in a publicly traded company, in any

1 gaming license under the Illinois Gambling Act, the Video  
2 Gaming Act, the Illinois Horse Racing Act of 1975, or the  
3 Sports Wagering Act. Any member of the General Assembly or  
4 spouse or immediate family member living with such person who  
5 has an ownership interest, other than a passive interest in a  
6 publicly traded company, in any gaming license under the  
7 Illinois Gambling Act, the Illinois Horse Racing Act of 1975,  
8 the Video Gaming Act, or the Sports Wagering Act at the time of  
9 the effective date of this amendatory Act of the 101st General  
10 Assembly shall divest himself or herself of such ownership  
11 within one year after the effective date of this amendatory Act  
12 of the 101st General Assembly. No State employee who works for  
13 the Illinois Gaming Board or Illinois Racing Board or spouse or  
14 immediate family member living with such person shall, during  
15 State employment or within a period of 2 years immediately  
16 after termination of State employment, hold an ownership  
17 interest, other than a passive interest in a publicly traded  
18 company, in any gaming license under the Illinois Gambling Act,  
19 the Video Gaming Act, the Illinois Horse Racing Act of 1975, or  
20 the Sports Wagering Act.

21 (b) No former officer of the executive branch or State  
22 employee of the executive branch with regulatory or licensing  
23 authority, or spouse or immediate family member living with  
24 such person, shall, within a period of one year immediately  
25 after termination of State employment, knowingly accept  
26 employment or receive compensation or fees for services from a

1 person or entity if the officer or State employee, during the  
2 year immediately preceding termination of State employment,  
3 participated personally and substantially in making a  
4 regulatory or licensing decision that directly applied to the  
5 person or entity, or its parent or subsidiary.

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

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

22 (d) Each Inspector General shall have the authority to  
23 determine that additional State positions under his or her  
24 jurisdiction, not otherwise subject to the policies required by  
25 subsection (c) of this Section, are nonetheless subject to the  
26 notification requirement of subsection (f) below due to their

1 involvement in the award of State contracts or in regulatory or  
2 licensing decisions.

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

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

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

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

26 On appeal, the Ethics Commission or Auditor General shall

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

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

26 (1) members or officers;

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

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

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

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

11 (6) chiefs of staff, deputy chiefs of staff, associate  
12 chiefs of staff, assistant chiefs of staff, and deputy  
13 governors; ~~and~~

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

15 (8) employees of the Illinois Gaming Board.

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

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

25 Section 35-15. The Alcoholism and Other Drug Abuse and



1 Dependency Act is amended by changing Section 5-20 as follows:

2 (20 ILCS 301/5-20)

3 Sec. 5-20. Gambling disorders.

4 (a) Subject to appropriation, the Department shall  
5 establish a program for public education, research, and  
6 training regarding gambling disorders and the treatment and  
7 prevention of gambling disorders. Subject to specific  
8 appropriation for these stated purposes, the program must  
9 include all of the following:

10 (1) Establishment and maintenance of a toll-free "800"  
11 telephone number to provide crisis counseling and referral  
12 services to families experiencing difficulty as a result of  
13 gambling disorders.

14 (2) Promotion of public awareness regarding the  
15 recognition and prevention of gambling disorders.

16 (3) Facilitation, through in-service training and  
17 other means, of the availability of effective assistance  
18 programs for gambling disorders.

19 (4) Conducting studies to identify adults and  
20 juveniles in this State who have, or who are at risk of  
21 developing, gambling disorders.

22 (b) Subject to appropriation, the Department shall either  
23 establish and maintain the program or contract with a private  
24 or public entity for the establishment and maintenance of the  
25 program. Subject to appropriation, either the Department or the

1 private or public entity shall implement the toll-free  
2 telephone number, promote public awareness, and conduct  
3 in-service training concerning gambling disorders.

4 (c) Subject to appropriation, the Department shall produce  
5 and supply the signs specified in Section 10.7 of the Illinois  
6 Lottery Law, Section 34.1 of the Illinois Horse Racing Act of  
7 1975, Section 4.3 of the Bingo License and Tax Act, Section 8.1  
8 of the Charitable Games Act, and Section 13.1 of the Illinois  
9 ~~Riverboat~~ Gambling Act.

10 (Source: P.A. 100-759, eff. 1-1-19.)

11 Section 35-20. The Illinois Lottery Law is amended by  
12 changing Section 9.1 as follows:

13 (20 ILCS 1605/9.1)

14 Sec. 9.1. Private manager and management agreement.

15 (a) As used in this Section:

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

18 "Request for qualifications" means all materials and  
19 documents prepared by the Department to solicit the following  
20 from offerors:

21 (1) Statements of qualifications.

22 (2) Proposals to enter into a management agreement,  
23 including the identity of any prospective vendor or vendors  
24 that the offeror intends to initially engage to assist the

1 offeror in performing its obligations under the management  
2 agreement.

3 "Final offer" means the last proposal submitted by an  
4 offeror in response to the request for qualifications,  
5 including the identity of any prospective vendor or vendors  
6 that the offeror intends to initially engage to assist the  
7 offeror in performing its obligations under the management  
8 agreement.

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

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

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

1 during the transition. To that end, the Department shall do the  
2 following:

3 (1) where such contracts contain a provision  
4 authorizing termination upon notice, the Department shall  
5 provide notice of termination to occur upon the mutually  
6 agreed timetable for transfer of functions;

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

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

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

23 (c-5) The Department shall include provisions in the  
24 management agreement whereby the private manager shall, for a  
25 fee, and pursuant to a contract negotiated with the Department  
26 (the "Employee Use Contract"), utilize the services of current

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

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

15 (1) A term not to exceed 10 years, including any  
16 renewals.

17 (2) A provision specifying that the Department:

18 (A) shall exercise actual control over all  
19 significant business decisions;

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

22 (B) has ready access at any time to information  
23 regarding Lottery operations;

24 (C) has the right to demand and receive information  
25 from the private manager concerning any aspect of the  
26 Lottery operations at any time; and

1           (D) retains ownership of all trade names,  
2           trademarks, and intellectual property associated with  
3           the Lottery.

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

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

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

24          (6) (Blank).

25          (7) A provision requiring the deposit of all Lottery  
26          proceeds to be deposited into the State Lottery Fund except

1 as otherwise provided in Section 20 of this Act.

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

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

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

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

20 (B) The rights and obligations under contracts  
21 with retailers and vendors.

22 (C) The implementation of a comprehensive security  
23 program by the private manager.

24 (D) The implementation of a comprehensive system  
25 of internal audits.

26 (E) The implementation of a program by the private

1 manager to curb compulsive gambling by persons playing  
2 the Lottery.

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

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

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

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

22 (13) A requirement that the Department monitor and  
23 oversee the private manager's practices and take action  
24 that the Department considers appropriate to ensure that  
25 the private manager is in compliance with the terms of the  
26 management agreement, while allowing the manager, unless



1 specifically prohibited by law or the management  
2 agreement, to negotiate and sign its own contracts with  
3 vendors.

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

8 (15) Cash reserves requirements.

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

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

15 (18) Procedures for amendment of the agreement.

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

25 (20) The transition of rights and obligations,  
26 including any associated equipment or other assets used in

1 the operation of the Lottery, from the manager to any  
2 successor manager of the lottery, including the  
3 Department, following the termination of or foreclosure  
4 upon the management agreement.

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

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

15 (e) Notwithstanding any other law to the contrary, the  
16 Department shall select a private manager through a competitive  
17 request for qualifications process consistent with Section  
18 20-35 of the Illinois Procurement Code, which shall take into  
19 account:

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

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

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

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

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

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

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

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

2 (2) The subject matter of the hearing.

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

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

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

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

1 management agreement with the private manager.

2 (i) Any action to contest the private manager selected by  
3 the Governor under this Section must be brought within 7  
4 calendar days after the publication of the notice of the  
5 designation of the private manager as provided in subsection  
6 (h) of this Section.

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

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

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

21 (m) Neither this Section nor any management agreement  
22 entered into under this Section prohibits the General Assembly  
23 from authorizing forms of gambling that are not in direct  
24 competition with the Lottery. The forms of gambling authorized  
25 by this amendatory Act of the 101st General Assembly constitute  
26 authorized forms of gambling that are not in direct competition

1 with the Lottery.

2 (n) The private manager shall be subject to a complete  
3 investigation in the third, seventh, and tenth years of the  
4 agreement (if the agreement is for a 10-year term) by the  
5 Department in cooperation with the Auditor General to determine  
6 whether the private manager has complied with this Section and  
7 the management agreement. The private manager shall bear the  
8 cost of an investigation or reinvestigation of the private  
9 manager under this subsection.

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

1 manager under the terms of the management agreement, including  
2 subcontractors of such vendors.

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

20       Notwithstanding any other provision of this Section to the  
21 contrary, the Chief Procurement Officer shall adopt  
22 administrative rules, including emergency rules, to establish  
23 a procurement process to select a successor private manager if  
24 a private management agreement has been terminated. The  
25 selection process shall at a minimum take into account the  
26 criteria set forth in items (1) through (4) of subsection (e)



1 of this Section and may include provisions consistent with  
2 subsections (f), (g), (h), and (i) of this Section. The Chief  
3 Procurement Officer shall also implement and administer the  
4 adopted selection process upon the termination of a private  
5 management agreement. The Department, after the Chief  
6 Procurement Officer certifies that the procurement process has  
7 been followed in accordance with the rules adopted under this  
8 subsection (o), shall select a final offeror as the private  
9 manager and sign the management agreement with the private  
10 manager.

11 Except as provided in Sections 21.5, 21.6, 21.7, 21.8,  
12 21.9, ~~and~~ 21.10, and 21.11, ~~21.10~~ the Department shall  
13 distribute all proceeds of lottery tickets and shares sold in  
14 the following priority and manner:

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

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

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

1           (4) On or before September 30 of each fiscal year,  
2           deposit any estimated remaining proceeds from the prior  
3           fiscal year, subject to payments under items (1), (2), and  
4           (3),   into the Capital Projects Fund. Beginning in fiscal  
5           year 2019, the amount deposited shall be increased or  
6           decreased each year by the amount the estimated payment  
7           differs from the amount determined from each year-end  
8           financial audit. Only remaining net deficits from prior  
9           fiscal years may reduce the requirement to deposit these  
10          funds, as determined by the annual financial audit.

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

13               (1) the Department shall submit written quarterly  
14               reports to the Governor and the General Assembly on the  
15               activities and actions of the private manager selected  
16               under this Section;

17               (2) upon request of the Chief Procurement Officer, the  
18               Department shall promptly produce information related to  
19               the procurement activities of the Department and the  
20               private manager requested by the Chief Procurement  
21               Officer; the Chief Procurement Officer must retain  
22               confidential, proprietary, or trade secret information  
23               designated by the Department in complete confidence  
24               pursuant to subsection (g) of Section 7 of the Freedom of  
25               Information Act; and

26               (3) at least 30 days prior to the beginning of the

1 Department's fiscal year, the Department shall prepare an  
2 annual written report on the activities of the private  
3 manager selected under this Section and deliver that report  
4 to the Governor and General Assembly.

5 (Source: P.A. 99-933, eff. 1-27-17; 100-391, eff. 8-25-17;  
6 100-587, eff. 6-4-18; 100-647, eff. 7-30-18; 100-1068, eff.  
7 8-24-18; revised 9-20-18.)

8 Section 35-25. The Department of Revenue Law of the Civil  
9 Administrative Code of Illinois is amended by changing Section  
10 2505-305 as follows:

11 (20 ILCS 2505/2505-305) (was 20 ILCS 2505/39b15.1)

12 Sec. 2505-305. Investigators.

13 (a) The Department has the power to appoint investigators  
14 to conduct all investigations, searches, seizures, arrests,  
15 and other duties imposed under the provisions of any law  
16 administered by the Department. Except as provided in  
17 subsection (c), these investigators have and may exercise all  
18 the powers of peace officers solely for the purpose of  
19 enforcing taxing measures administered by the Department.

20 (b) The Director must authorize to each investigator  
21 employed under this Section and to any other employee of the  
22 Department exercising the powers of a peace officer a distinct  
23 badge that, on its face, (i) clearly states that the badge is  
24 authorized by the Department and (ii) contains a unique

1 identifying number. No other badge shall be authorized by the  
2 Department.

3 (c) The Department may enter into agreements with the  
4 Illinois Gaming Board providing that investigators appointed  
5 under this Section shall exercise the peace officer powers set  
6 forth in paragraph (20.6) of subsection (c) of Section 5 of the  
7 Illinois Riverboat Gambling Act.

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

9 Section 35-30. The State Finance Act is amended by changing  
10 Section 6z-45 as follows:

11 (30 ILCS 105/6z-45)

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

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

15 In addition to any other deposits authorized by law,  
16 beginning January 1, 2000, on the first day of each month, or  
17 as soon thereafter as may be practical, the State Treasurer and  
18 State Comptroller shall transfer the sum of \$5,000,000 from the  
19 General Revenue Fund to the School Infrastructure Fund, except  
20 that, notwithstanding any other provision of law, and in  
21 addition to any other transfers that may be provided for by  
22 law, before June 30, 2012, the Comptroller and the Treasurer  
23 shall transfer \$45,000,000 from the General Revenue Fund into  
24 the School Infrastructure Fund, and, for fiscal year 2013 only,

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

6 (a-5) Money in the School Infrastructure Fund may be used  
7 to pay the expenses of the State Board of Education, the  
8 Governor's Office of Management and Budget, and the Capital  
9 Development Board in administering programs under the School  
10 Construction Law, the total expenses not to exceed \$1,315,000  
11 in any fiscal year.

12 (b) Subject to the transfer provisions set forth below,  
13 money in the School Infrastructure Fund shall, if and when the  
14 State of Illinois incurs any bonded indebtedness for the  
15 construction of school improvements under subsection (e) of  
16 Section 5 of the General Obligation Bond Act, be set aside and  
17 used for the purpose of paying and discharging annually the  
18 principal and interest on that bonded indebtedness then due and  
19 payable, and for no other purpose.

20 In addition to other transfers to the General Obligation  
21 Bond Retirement and Interest Fund made pursuant to Section 15  
22 of the General Obligation Bond Act, upon each delivery of bonds  
23 issued for construction of school improvements under the School  
24 Construction Law, the State Comptroller shall compute and  
25 certify to the State Treasurer the total amount of principal  
26 of, interest on, and premium, if any, on such bonds during the

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

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

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

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

10 First - to make 3 payments to the School Technology  
11 Revolving Loan Fund as follows:

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

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

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

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

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

20 (Source: P.A. 100-23, eff. 7-6-17.)

21 Section 35-35. The Illinois Income Tax Act is amended by  
22 changing Sections 201, 303, 304, and 710 as follows:

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

24 Sec. 201. Tax imposed.

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

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

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

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

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

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



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

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

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

18 (5.2) In the case of an individual, trust, or estate,  
19 for taxable years beginning on or after January 1, 2015,  
20 and ending prior to July 1, 2017, an amount equal to 3.75%  
21 of the taxpayer's net income for the taxable year.

22 (5.3) In the case of an individual, trust, or estate,  
23 for taxable years beginning prior to July 1, 2017, and  
24 ending after June 30, 2017, an amount equal to the sum of  
25 (i) 3.75% of the taxpayer's net income for the period prior  
26 to July 1, 2017, as calculated under Section 202.5, and

1 (ii) 4.95% of the taxpayer's net income for the period  
2 after June 30, 2017, as calculated under Section 202.5.

3 (5.4) In the case of an individual, trust, or estate,  
4 for taxable years beginning on or after July 1, 2017, an  
5 amount equal to 4.95% of the taxpayer's net income for the  
6 taxable year.

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

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

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

21 (9) In the case of a corporation, for taxable years  
22 beginning prior to January 1, 2011, and ending after  
23 December 31, 2010, an amount equal to the sum of (i) 4.8%  
24 of the taxpayer's net income for the period prior to  
25 January 1, 2011, as calculated under Section 202.5, and  
26 (ii) 7% of the taxpayer's net income for the period after

1 December 31, 2010, as calculated under Section 202.5.

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

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

13 (12) In the case of a corporation, for taxable years  
14 beginning on or after January 1, 2015, and ending prior to  
15 July 1, 2017, an amount equal to 5.25% of the taxpayer's  
16 net income for the taxable year.

17 (13) In the case of a corporation, for taxable years  
18 beginning prior to July 1, 2017, and ending after June 30,  
19 2017, an amount equal to the sum of (i) 5.25% of the  
20 taxpayer's net income for the period prior to July 1, 2017,  
21 as calculated under Section 202.5, and (ii) 7% of the  
22 taxpayer's net income for the period after June 30, 2017,  
23 as calculated under Section 202.5.

24 (14) In the case of a corporation, for taxable years  
25 beginning on or after July 1, 2017, an amount equal to 7%  
26 of the taxpayer's net income for the taxable year.

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

3           (b-5) Surcharge; sale or exchange of assets, properties,  
4 and intangibles of organization gaming licensees. For each of  
5 taxable years 2019 through 2027, a surcharge is imposed on all  
6 taxpayers on income arising from the sale or exchange of  
7 capital assets, depreciable business property, real property  
8 used in the trade or business, and Section 197 intangibles (i)  
9 of an organization licensee under the Illinois Horse Racing Act  
10 of 1975 and (ii) of an organization gaming licensee under the  
11 Illinois Gambling Act. The amount of the surcharge is equal to  
12 the amount of federal income tax liability for the taxable year  
13 attributable to those sales and exchanges. The surcharge  
14 imposed shall not apply if:

15           (1) the organization gaming license, organization  
16 license, or racetrack property is transferred as a result  
17 of any of the following:

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

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

25           (C) a determination by the Illinois Gaming Board  
26 that transfer of the license is in the best interests

1           of Illinois gaming;

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

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

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

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

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

19          (3) live horse racing was not conducted in 2010 at a  
20          racetrack located within 3 miles of the Mississippi River  
21          under a license issued pursuant to the Illinois Horse  
22          Racing Act of 1975.

23          The transfer of an organization gaming license,  
24          organization license, or racetrack property by a person other  
25          than the initial licensee to receive the organization gaming  
26          license is not subject to a surcharge. The Department shall

1 adopt rules necessary to implement and administer this  
2 subsection.

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

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

1 for the taxable year.

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

26 (1) For the purposes of subsection (d-1), in no event

1 shall the sum of the rates of tax imposed by subsections  
2 (b) and (d) be reduced below the rate at which the sum of:

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

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

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

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



1 (e) Investment credit. A taxpayer shall be allowed a credit  
2 against the Personal Property Tax Replacement Income Tax for  
3 investment in qualified property.

4 (1) A taxpayer shall be allowed a credit equal to .5%  
5 of the basis of qualified property placed in service during  
6 the taxable year, provided such property is placed in  
7 service on or after July 1, 1984. There shall be allowed an  
8 additional credit equal to .5% of the basis of qualified  
9 property placed in service during the taxable year,  
10 provided such property is placed in service on or after  
11 July 1, 1986, and the taxpayer's base employment within  
12 Illinois has increased by 1% or more over the preceding  
13 year as determined by the taxpayer's employment records  
14 filed with the Illinois Department of Employment Security.  
15 Taxpayers who are new to Illinois shall be deemed to have  
16 met the 1% growth in base employment for the first year in  
17 which they file employment records with the Illinois  
18 Department of Employment Security. The provisions added to  
19 this Section by Public Act 85-1200 (and restored by Public  
20 Act 87-895) shall be construed as declaratory of existing  
21 law and not as a new enactment. If, in any year, the  
22 increase in base employment within Illinois over the  
23 preceding year is less than 1%, the additional credit shall  
24 be limited to that percentage times a fraction, the  
25 numerator of which is .5% and the denominator of which is  
26 1%, but shall not exceed .5%. The investment credit shall

1 not be allowed to the extent that it would reduce a  
2 taxpayer's liability in any tax year below zero, nor may  
3 any credit for qualified property be allowed for any year  
4 other than the year in which the property was placed in  
5 service in Illinois. For tax years ending on or after  
6 December 31, 1987, and on or before December 31, 1988, the  
7 credit shall be allowed for the tax year in which the  
8 property is placed in service, or, if the amount of the  
9 credit exceeds the tax liability for that year, whether it  
10 exceeds the original liability or the liability as later  
11 amended, such excess may be carried forward and applied to  
12 the tax liability of the 5 taxable years following the  
13 excess credit years if the taxpayer (i) makes investments  
14 which cause the creation of a minimum of 2,000 full-time  
15 equivalent jobs in Illinois, (ii) is located in an  
16 enterprise zone established pursuant to the Illinois  
17 Enterprise Zone Act and (iii) is certified by the  
18 Department of Commerce and Community Affairs (now  
19 Department of Commerce and Economic Opportunity) as  
20 complying with the requirements specified in clause (i) and  
21 (ii) by July 1, 1986. The Department of Commerce and  
22 Community Affairs (now Department of Commerce and Economic  
23 Opportunity) shall notify the Department of Revenue of all  
24 such certifications immediately. For tax years ending  
25 after December 31, 1988, the credit shall be allowed for  
26 the tax year in which the property is placed in service,

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

10 (2) The term "qualified property" means property  
11 which:

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

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

24 (C) is acquired by purchase as defined in Section  
25 179(d) of the Internal Revenue Code;

26 (D) is used in Illinois by a taxpayer who is

1 primarily engaged in manufacturing, or in mining coal  
2 or fluorite, or in retailing, or was placed in service  
3 on or after July 1, 2006 in a River Edge Redevelopment  
4 Zone established pursuant to the River Edge  
5 Redevelopment Zone Act; and

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

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

1 include the generation, transmission, or distribution of  
2 electricity.

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

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

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

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

1 purchase price shall be deemed a disposition of qualified  
2 property to the extent of such reduction.

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

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

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

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

12 (f) Investment credit; Enterprise Zone; River Edge  
13 Redevelopment Zone.

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

1 and distributive share of income under Sections 702 and 704  
2 and Subchapter S of the Internal Revenue Code. The credit  
3 shall be .5% of the basis for such property. The credit  
4 shall be available only in the taxable year in which the  
5 property is placed in service in the Enterprise Zone or  
6 River Edge Redevelopment Zone and shall not be allowed to  
7 the extent that it would reduce a taxpayer's liability for  
8 the tax imposed by subsections (a) and (b) of this Section  
9 to below zero. For tax years ending on or after December  
10 31, 1985, the credit shall be allowed for the tax year in  
11 which the property is placed in service, or, if the amount  
12 of the credit exceeds the tax liability for that year,  
13 whether it exceeds the original liability or the liability  
14 as later amended, such excess may be carried forward and  
15 applied to the tax liability of the 5 taxable years  
16 following the excess credit year. The credit shall be  
17 applied to the earliest year for which there is a  
18 liability. If there is credit from more than one tax year  
19 that is available to offset a liability, the credit  
20 accruing first in time shall be applied first.

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

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

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



1 eligible for the credit provided by this subsection  
2 (f);

3 (C) is acquired by purchase as defined in Section  
4 179(d) of the Internal Revenue Code;

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

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

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

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

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

22 (6) If during any taxable year, any property ceases to  
23 be qualified property in the hands of the taxpayer within  
24 48 months after being placed in service, or the situs of  
25 any qualified property is moved outside the Enterprise Zone  
26 or River Edge Redevelopment Zone within 48 months after

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

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

1 the additional credit shall be limited to that percentage  
2 times a fraction, the numerator of which is 0.5% and the  
3 denominator of which is 1%, but shall not exceed 0.5%.

4 (g) (Blank).

5 (h) Investment credit; High Impact Business.

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

1 investment by a designated high impact business authorized  
2 under subdivision (a) (3) (A) of Section 5.5 of the Illinois  
3 Enterprise Zone Act shall be available only in the taxable  
4 year in which the property is placed in service and shall  
5 not be allowed to the extent that it would reduce a  
6 taxpayer's liability for the tax imposed by subsections (a)  
7 and (b) of this Section to below zero. For tax years ending  
8 on or after December 31, 1987, the credit shall be allowed  
9 for the tax year in which the property is placed in  
10 service, or, if the amount of the credit exceeds the tax  
11 liability for that year, whether it exceeds the original  
12 liability or the liability as later amended, such excess  
13 may be carried forward and applied to the tax liability of  
14 the 5 taxable years following the excess credit year. The  
15 credit shall be applied to the earliest year for which  
16 there is a liability. If there is credit from more than one  
17 tax year that is available to offset a liability, the  
18 credit accruing first in time shall be applied first.

19 Changes made in this subdivision (h) (1) by Public Act  
20 88-670 restore changes made by Public Act 85-1182 and  
21 reflect existing law.

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 (h);

4 (C) is acquired by purchase as defined in Section  
5 179(d) of the Internal Revenue Code; and

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

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

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

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

20 (6) If during any taxable year ending on or before  
21 December 31, 1996, any property ceases to be qualified  
22 property in the hands of the taxpayer within 48 months  
23 after being placed in service, or the situs of any  
24 qualified property is moved outside Illinois within 48  
25 months after being placed in service, the tax imposed under  
26 subsections (a) and (b) of this Section for such taxable

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

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

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

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

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

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

1 reduced amount of credit has been carried to a different  
2 taxable year, an amended return shall be filed for such taxable  
3 year to reduce the amount of credit claimed.

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

23 Any credit allowed under this subsection which is unused in  
24 the year the credit is earned may be carried forward to each of  
25 the 5 taxable years following the year for which the credit is  
26 first computed until it is used. This credit shall be applied



1 first to the earliest year for which there is a liability. If  
2 there is a credit under this subsection from more than one tax  
3 year that is available to offset a liability the earliest  
4 credit arising under this subsection shall be applied first. No  
5 carryforward credit may be claimed in any tax year ending on or  
6 after December 31, 2003.

7 (k) Research and development credit. For tax years ending  
8 after July 1, 1990 and prior to December 31, 2003, and  
9 beginning again for tax years ending on or after December 31,  
10 2004, and ending prior to January 1, 2022, a taxpayer shall be  
11 allowed a credit against the tax imposed by subsections (a) and  
12 (b) of this Section for increasing research activities in this  
13 State. The credit allowed against the tax imposed by  
14 subsections (a) and (b) shall be equal to 6 1/2% of the  
15 qualifying expenditures for increasing research activities in  
16 this State. 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 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 For purposes of this subsection, "qualifying expenditures"  
25 means the qualifying expenditures as defined for the federal  
26 credit for increasing research activities which would be

1 allowable under Section 41 of the Internal Revenue Code and  
2 which are conducted in this State, "qualifying expenditures for  
3 increasing research activities in this State" means the excess  
4 of qualifying expenditures for the taxable year in which  
5 incurred over qualifying expenditures for the base period,  
6 "qualifying expenditures for the base period" means the average  
7 of the qualifying expenditures for each year in the base  
8 period, and "base period" means the 3 taxable years immediately  
9 preceding the taxable year for which the determination is being  
10 made.

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

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

1 following year in which a tax liability is incurred, except  
2 that no credit can be carried forward to a year which is more  
3 than 5 years after the year in which the expense for which the  
4 credit is given was incurred.

5 No inference shall be drawn from this amendatory Act of the  
6 91st General Assembly in construing this Section for taxable  
7 years beginning before January 1, 1999.

8 It is the intent of the General Assembly that the research  
9 and development credit under this subsection (k) shall apply  
10 continuously for all tax years ending on or after December 31,  
11 2004 and ending prior to January 1, 2022, including, but not  
12 limited to, the period beginning on January 1, 2016 and ending  
13 on the effective date of this amendatory Act of the 100th  
14 General Assembly. All actions taken in reliance on the  
15 continuation of the credit under this subsection (k) by any  
16 taxpayer are hereby validated.

17 (l) Environmental Remediation Tax Credit.

18 (i) For tax years ending after December 31, 1997 and on  
19 or before December 31, 2001, a taxpayer shall be allowed a  
20 credit against the tax imposed by subsections (a) and (b)  
21 of this Section for certain amounts paid for unreimbursed  
22 eligible remediation costs, as specified in this  
23 subsection. For purposes of this Section, "unreimbursed  
24 eligible remediation costs" means costs approved by the  
25 Illinois Environmental Protection Agency ("Agency") under  
26 Section 58.14 of the Environmental Protection Act that were

1       paid in performing environmental remediation at a site for  
2       which a No Further Remediation Letter was issued by the  
3       Agency and recorded under Section 58.10 of the  
4       Environmental Protection Act. The credit must be claimed  
5       for the taxable year in which Agency approval of the  
6       eligible remediation costs is granted. The credit is not  
7       available to any taxpayer if the taxpayer or any related  
8       party caused or contributed to, in any material respect, a  
9       release of regulated substances on, in, or under the site  
10      that was identified and addressed by the remedial action  
11      pursuant to the Site Remediation Program of the  
12      Environmental Protection Act. After the Pollution Control  
13      Board rules are adopted pursuant to the Illinois  
14      Administrative Procedure Act for the administration and  
15      enforcement of Section 58.9 of the Environmental  
16      Protection Act, determinations as to credit availability  
17      for purposes of this Section shall be made consistent with  
18      those rules. For purposes of this Section, "taxpayer"  
19      includes a person whose tax attributes the taxpayer has  
20      succeeded to under Section 381 of the Internal Revenue Code  
21      and "related party" includes the persons disallowed a  
22      deduction for losses by paragraphs (b), (c), and (f)(1) of  
23      Section 267 of the Internal Revenue Code by virtue of being  
24      a related taxpayer, as well as any of its partners. The  
25      credit allowed against the tax imposed by subsections (a)  
26      and (b) shall be equal to 25% of the unreimbursed eligible

1 remediation costs in excess of \$100,000 per site, except  
2 that the \$100,000 threshold shall not apply to any site  
3 contained in an enterprise zone as determined by the  
4 Department of Commerce and Community Affairs (now  
5 Department of Commerce and Economic Opportunity). The  
6 total credit allowed shall not exceed \$40,000 per year with  
7 a maximum total of \$150,000 per site. For partners and  
8 shareholders of subchapter S corporations, there shall be  
9 allowed a credit under this subsection to be determined in  
10 accordance with the determination of income and  
11 distributive share of income under Sections 702 and 704 and  
12 subchapter S of the Internal Revenue Code.

13 (ii) A credit allowed under this subsection that is  
14 unused in the year the credit is earned may be carried  
15 forward to each of the 5 taxable years following the year  
16 for which the credit is first earned until it is used. The  
17 term "unused credit" does not include any amounts of  
18 unreimbursed eligible remediation costs in excess of the  
19 maximum credit per site authorized under paragraph (i).  
20 This credit shall be applied first to the earliest year for  
21 which there is a liability. If there is a credit under this  
22 subsection from more than one tax year that is available to  
23 offset a liability, the earliest credit arising under this  
24 subsection shall be applied first. A credit allowed under  
25 this subsection may be sold to a buyer as part of a sale of  
26 all or part of the remediation site for which the credit

1 was granted. The purchaser of a remediation site and the  
2 tax credit shall succeed to the unused credit and remaining  
3 carry-forward period of the seller. To perfect the  
4 transfer, the assignor shall record the transfer in the  
5 chain of title for the site and provide written notice to  
6 the Director of the Illinois Department of Revenue of the  
7 assignor's intent to sell the remediation site and the  
8 amount of the tax credit to be transferred as a portion of  
9 the sale. In no event may a credit be transferred to any  
10 taxpayer if the taxpayer or a related party would not be  
11 eligible under the provisions of subsection (i).

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

15 (m) Education expense credit. Beginning with tax years  
16 ending after December 31, 1999, a taxpayer who is the custodian  
17 of one or more qualifying pupils shall be allowed a credit  
18 against the tax imposed by subsections (a) and (b) of this  
19 Section for qualified education expenses incurred on behalf of  
20 the qualifying pupils. The credit shall be equal to 25% of  
21 qualified education expenses, but in no event may the total  
22 credit under this subsection claimed by a family that is the  
23 custodian of qualifying pupils exceed (i) \$500 for tax years  
24 ending prior to December 31, 2017, and (ii) \$750 for tax years  
25 ending on or after December 31, 2017. In no event shall a  
26 credit under this subsection reduce the taxpayer's liability

1 under this Act to less than zero. Notwithstanding any other  
2 provision of law, for taxable years beginning on or after  
3 January 1, 2017, no taxpayer may claim a credit under this  
4 subsection (m) if the taxpayer's adjusted gross income for the  
5 taxable year exceeds (i) \$500,000, in the case of spouses  
6 filing a joint federal tax return or (ii) \$250,000, in the case  
7 of all other taxpayers. This subsection is exempt from the  
8 provisions of Section 250 of this Act.

9 For purposes of this subsection:

10 "Qualifying pupils" means individuals who (i) are  
11 residents of the State of Illinois, (ii) are under the age of  
12 21 at the close of the school year for which a credit is  
13 sought, and (iii) during the school year for which a credit is  
14 sought were full-time pupils enrolled in a kindergarten through  
15 twelfth grade education program at any school, as defined in  
16 this subsection.

17 "Qualified education expense" means the amount incurred on  
18 behalf of a qualifying pupil in excess of \$250 for tuition,  
19 book fees, and lab fees at the school in which the pupil is  
20 enrolled during the regular school year.

21 "School" means any public or nonpublic elementary or  
22 secondary school in Illinois that is in compliance with Title  
23 VI of the Civil Rights Act of 1964 and attendance at which  
24 satisfies the requirements of Section 26-1 of the School Code,  
25 except that nothing shall be construed to require a child to  
26 attend any particular public or nonpublic school to qualify for

1 the credit under this Section.

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

5 (n) River Edge Redevelopment Zone site remediation tax  
6 credit.

7 (i) For tax years ending on or after December 31, 2006,  
8 a taxpayer shall be allowed a credit against the tax  
9 imposed by subsections (a) and (b) of this Section for  
10 certain amounts paid for unreimbursed eligible remediation  
11 costs, as specified in this subsection. For purposes of  
12 this Section, "unreimbursed eligible remediation costs"  
13 means costs approved by the Illinois Environmental  
14 Protection Agency ("Agency") under Section 58.14a of the  
15 Environmental Protection Act that were paid in performing  
16 environmental remediation at a site within a River Edge  
17 Redevelopment Zone for which a No Further Remediation  
18 Letter was issued by the Agency and recorded under Section  
19 58.10 of the Environmental Protection Act. The credit must  
20 be claimed for the taxable year in which Agency approval of  
21 the eligible remediation costs is granted. The credit is  
22 not available to any taxpayer if the taxpayer or any  
23 related party caused or contributed to, in any material  
24 respect, a release of regulated substances on, in, or under  
25 the site that was identified and addressed by the remedial  
26 action pursuant to the Site Remediation Program of the



1 Environmental Protection Act. Determinations as to credit  
2 availability for purposes of this Section shall be made  
3 consistent with rules adopted by the Pollution Control  
4 Board pursuant to the Illinois Administrative Procedure  
5 Act for the administration and enforcement of Section 58.9  
6 of the Environmental Protection Act. For purposes of this  
7 Section, "taxpayer" includes a person whose tax attributes  
8 the taxpayer has succeeded to under Section 381 of the  
9 Internal Revenue Code and "related party" includes the  
10 persons disallowed a deduction for losses by paragraphs  
11 (b), (c), and (f) (1) of Section 267 of the Internal Revenue  
12 Code by virtue of being a related taxpayer, as well as any  
13 of its partners. The credit allowed against the tax imposed  
14 by subsections (a) and (b) shall be equal to 25% of the  
15 unreimbursed eligible remediation costs in excess of  
16 \$100,000 per site.

17 (ii) A credit allowed under this subsection that is  
18 unused in the year the credit is earned may be carried  
19 forward to each of the 5 taxable years following the year  
20 for which the credit is first earned until it is used. This  
21 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 (o) For each of taxable years during the Compassionate Use  
17 of Medical Cannabis Pilot Program, a surcharge is imposed on  
18 all taxpayers on income arising from the sale or exchange of  
19 capital assets, depreciable business property, real property  
20 used in the trade or business, and Section 197 intangibles of  
21 an organization registrant under the Compassionate Use of  
22 Medical Cannabis Pilot Program Act. The amount of the surcharge  
23 is equal to the amount of federal income tax liability for the  
24 taxable year attributable to those sales and exchanges. The  
25 surcharge imposed does not apply if:

26 (1) the medical cannabis cultivation center

1 registration, medical cannabis dispensary registration, or  
2 the property of a registration is transferred as a result  
3 of any of the following:

4 (A) bankruptcy, a receivership, or a debt  
5 adjustment initiated by or against the initial  
6 registration or the substantial owners of the initial  
7 registration;

8 (B) cancellation, revocation, or termination of  
9 any registration by the Illinois Department of Public  
10 Health;

11 (C) a determination by the Illinois Department of  
12 Public Health that transfer of the registration is in  
13 the best interests of Illinois qualifying patients as  
14 defined by the Compassionate Use of Medical Cannabis  
15 Pilot Program Act;

16 (D) the death of an owner of the equity interest in  
17 a registrant;

18 (E) the acquisition of a controlling interest in  
19 the stock or substantially all of the assets of a  
20 publicly traded company;

21 (F) a transfer by a parent company to a wholly  
22 owned subsidiary; or

23 (G) the transfer or sale to or by one person to  
24 another person where both persons were initial owners  
25 of the registration when the registration was issued;  
26 or

1           (2) the cannabis cultivation center registration,  
2           medical cannabis dispensary registration, or the  
3           controlling interest in a registrant's property is  
4           transferred in a transaction to lineal descendants in which  
5           no gain or loss is recognized or as a result of a  
6           transaction in accordance with Section 351 of the Internal  
7           Revenue Code in which no gain or loss is recognized.

8           (Source: P.A. 100-22, eff. 7-6-17.)

9           (35 ILCS 5/303) (from Ch. 120, par. 3-303)

10          Sec. 303. (a) In general. Any item of capital gain or loss,  
11          and any item of income from rents or royalties from real or  
12          tangible personal property, interest, dividends, and patent or  
13          copyright royalties, and prizes awarded under the Illinois  
14          Lottery Law, and, for taxable years ending on or after December  
15          31, 2019, wagering and gambling winnings from Illinois sources  
16          as set forth in subsection (e-1) of this Section, to the extent  
17          such item constitutes nonbusiness income, together with any  
18          item of deduction directly allocable thereto, shall be  
19          allocated by any person other than a resident as provided in  
20          this Section.

21          (b) Capital gains and losses.

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

25                 (2) Tangible personal property. Capital gains and

1 losses from sales or exchanges of tangible personal  
2 property are allocable to this State if, at the time of  
3 such sale or exchange:

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

5 (B) The taxpayer had its commercial domicile in  
6 this State and was not taxable in the state in which  
7 the property had its situs.

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

12 (c) Rents and royalties.

13 (1) Real property. Rents and royalties from real  
14 property are allocable to this State if the property is  
15 located in this State.

16 (2) Tangible personal property. Rents and royalties  
17 from tangible personal property are allocable to this  
18 State:

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

21 (B) In their entirety if, at the time such rents or  
22 royalties were paid or accrued, the taxpayer had its  
23 commercial domicile in this State and was not organized  
24 under the laws of or taxable with respect to such rents  
25 or royalties in the state in which the property was  
26 utilized. The extent of utilization of tangible

1 personal property in a state is determined by  
2 multiplying the rents or royalties derived from such  
3 property by a fraction, the numerator of which is the  
4 number of days of physical location of the property in  
5 the state during the rental or royalty period in the  
6 taxable year and the denominator of which is the number  
7 of days of physical location of the property everywhere  
8 during all rental or royalty periods in the taxable  
9 year. If the physical location of the property during  
10 the rental or royalty period is unknown or  
11 unascertainable by the taxpayer, tangible personal  
12 property is utilized in the state in which the property  
13 was located at the time the rental or royalty payer  
14 obtained possession.

15 (d) Patent and copyright royalties.

16 (1) Allocation. Patent and copyright royalties are  
17 allocable to this State:

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

20 (B) If and to the extent that the patent or  
21 copyright is utilized by the payer in a state in which  
22 the taxpayer is not taxable with respect to such  
23 royalties and, at the time such royalties were paid or  
24 accrued, the taxpayer had its commercial domicile in  
25 this State.

26 (2) Utilization.

1 (A) A patent is utilized in a state to the extent  
2 that it is employed in production, fabrication,  
3 manufacturing or other processing in the state or to  
4 the extent that a patented product is produced in the  
5 state. If the basis of receipts from patent royalties  
6 does not permit allocation to states or if the  
7 accounting procedures do not reflect states of  
8 utilization, the patent is utilized in this State if  
9 the taxpayer has its commercial domicile in this State.

10 (B) A copyright is utilized in a state to the  
11 extent that printing or other publication originates  
12 in the state. If the basis of receipts from copyright  
13 royalties does not permit allocation to states or if  
14 the accounting procedures do not reflect states of  
15 utilization, the copyright is utilized in this State if  
16 the taxpayer has its commercial domicile in this State.

17 (e) Illinois lottery prizes. Prizes awarded under the  
18 Illinois Lottery Law are allocable to this State. Payments  
19 received in taxable years ending on or after December 31, 2013,  
20 from the assignment of a prize under Section 13.1 of the  
21 Illinois Lottery Law are allocable to this State.

22 (e-1) Wagering and gambling winnings. Payments received in  
23 taxable years ending on or after December 31, 2019 of winnings  
24 from pari-mutuel wagering conducted at a wagering facility  
25 licensed under the Illinois Horse Racing Act of 1975 and from  
26 gambling games conducted on a riverboat or in a casino or

1 organization gaming facility licensed under the Illinois  
2 Gambling Act are allocable to this State.

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

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

9 (1) In that state he is subject to a net income tax, a  
10 franchise tax measured by net income, a franchise tax for  
11 the privilege of doing business, or a corporate stock tax;  
12 or

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

16 (g) Cross references.

17 (1) For allocation of interest and dividends by persons  
18 other than residents, see Section 301(c)(2).

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

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

22 (35 ILCS 5/304) (from Ch. 120, par. 3-304)

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

24 (a) In general. The business income of a person other than  
25 a resident shall be allocated to this State if such person's



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

19 (1) Property factor.

20 (A) The property factor is a fraction, the numerator of  
21 which is the average value of the person's real and  
22 tangible personal property owned or rented and used in the  
23 trade or business in this State during the taxable year and  
24 the denominator of which is the average value of all the  
25 person's real and tangible personal property owned or  
26 rented and used in the trade or business during the taxable

1 year.

2 (B) Property owned by the person is valued at its  
3 original cost. Property rented by the person is valued at 8  
4 times the net annual rental rate. Net annual rental rate is  
5 the annual rental rate paid by the person less any annual  
6 rental rate received by the person from sub-rentals.

7 (C) The average value of property shall be determined  
8 by averaging the values at the beginning and ending of the  
9 taxable year but the Director may require the averaging of  
10 monthly values during the taxable year if reasonably  
11 required to reflect properly the average value of the  
12 person's property.

13 (2) Payroll factor.

14 (A) The payroll factor is a fraction, the numerator of  
15 which is the total amount paid in this State during the  
16 taxable year by the person for compensation, and the  
17 denominator of which is the total compensation paid  
18 everywhere during the taxable year.

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

20 (i) The individual's service is performed entirely  
21 within this State;

22 (ii) The individual's service is performed both  
23 within and without this State, but the service  
24 performed without this State is incidental to the  
25 individual's service performed within this State; or

26 (iii) Some of the service is performed within this

1 State and either the base of operations, or if there is  
2 no base of operations, the place from which the service  
3 is directed or controlled is within this State, or the  
4 base of operations or the place from which the service  
5 is directed or controlled is not in any state in which  
6 some part of the service is performed, but the  
7 individual's residence is in this State.

8 (iv) Compensation paid to nonresident professional  
9 athletes.

10 (a) General. The Illinois source income of a  
11 nonresident individual who is a member of a  
12 professional athletic team includes the portion of the  
13 individual's total compensation for services performed  
14 as a member of a professional athletic team during the  
15 taxable year which the number of duty days spent within  
16 this State performing services for the team in any  
17 manner during the taxable year bears to the total  
18 number of duty days spent both within and without this  
19 State during the taxable year.

20 (b) Travel days. Travel days that do not involve  
21 either a game, practice, team meeting, or other similar  
22 team event are not considered duty days spent in this  
23 State. However, such travel days are considered in the  
24 total duty days spent both within and without this  
25 State.

26 (c) Definitions. For purposes of this subpart

1 (iv):

2 (1) The term "professional athletic team"  
3 includes, but is not limited to, any professional  
4 baseball, basketball, football, soccer, or hockey  
5 team.

6 (2) The term "member of a professional  
7 athletic team" includes those employees who are  
8 active players, players on the disabled list, and  
9 any other persons required to travel and who travel  
10 with and perform services on behalf of a  
11 professional athletic team on a regular basis.  
12 This includes, but is not limited to, coaches,  
13 managers, and trainers.

14 (3) Except as provided in items (C) and (D) of  
15 this subpart (3), the term "duty days" means all  
16 days during the taxable year from the beginning of  
17 the professional athletic team's official  
18 pre-season training period through the last game  
19 in which the team competes or is scheduled to  
20 compete. Duty days shall be counted for the year in  
21 which they occur, including where a team's  
22 official pre-season training period through the  
23 last game in which the team competes or is  
24 scheduled to compete, occurs during more than one  
25 tax year.

26 (A) Duty days shall also include days on

1           which a member of a professional athletic team  
2           performs service for a team on a date that does  
3           not fall within the foregoing period (e.g.,  
4           participation in instructional leagues, the  
5           "All Star Game", or promotional "caravans").  
6           Performing a service for a professional  
7           athletic team includes conducting training and  
8           rehabilitation activities, when such  
9           activities are conducted at team facilities.

10           (B) Also included in duty days are game  
11           days, practice days, days spent at team  
12           meetings, promotional caravans, preseason  
13           training camps, and days served with the team  
14           through all post-season games in which the team  
15           competes or is scheduled to compete.

16           (C) Duty days for any person who joins a  
17           team during the period from the beginning of  
18           the professional athletic team's official  
19           pre-season training period through the last  
20           game in which the team competes, or is  
21           scheduled to compete, shall begin on the day  
22           that person joins the team. Conversely, duty  
23           days for any person who leaves a team during  
24           this period shall end on the day that person  
25           leaves the team. Where a person switches teams  
26           during a taxable year, a separate duty-day

1 calculation shall be made for the period the  
2 person was with each team.

3 (D) Days for which a member of a  
4 professional athletic team is not compensated  
5 and is not performing services for the team in  
6 any manner, including days when such member of  
7 a professional athletic team has been  
8 suspended without pay and prohibited from  
9 performing any services for the team, shall not  
10 be treated as duty days.

11 (E) Days for which a member of a  
12 professional athletic team is on the disabled  
13 list and does not conduct rehabilitation  
14 activities at facilities of the team, and is  
15 not otherwise performing services for the team  
16 in Illinois, shall not be considered duty days  
17 spent in this State. All days on the disabled  
18 list, however, are considered to be included in  
19 total duty days spent both within and without  
20 this State.

21 (4) The term "total compensation for services  
22 performed as a member of a professional athletic  
23 team" means the total compensation received during  
24 the taxable year for services performed:

25 (A) from the beginning of the official  
26 pre-season training period through the last

1 game in which the team competes or is scheduled  
2 to compete during that taxable year; and

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

7 This compensation shall include, but is not  
8 limited to, salaries, wages, bonuses as described  
9 in this subpart, and any other type of compensation  
10 paid during the taxable year to a member of a  
11 professional athletic team for services performed  
12 in that year. This compensation does not include  
13 strike benefits, severance pay, termination pay,  
14 contract or option year buy-out payments,  
15 expansion or relocation payments, or any other  
16 payments not related to services performed for the  
17 team.

18 For purposes of this subparagraph, "bonuses"  
19 included in "total compensation for services  
20 performed as a member of a professional athletic  
21 team" subject to the allocation described in  
22 Section 302(c)(1) are: bonuses earned as a result  
23 of play (i.e., performance bonuses) during the  
24 season, including bonuses paid for championship,  
25 playoff or "bowl" games played by a team, or for  
26 selection to all-star league or other honorary

1 positions; and bonuses paid for signing a  
2 contract, unless the payment of the signing bonus  
3 is not conditional upon the signee playing any  
4 games for the team or performing any subsequent  
5 services for the team or even making the team, the  
6 signing bonus is payable separately from the  
7 salary and any other compensation, and the signing  
8 bonus is nonrefundable.

9 (3) Sales factor.

10 (A) The sales factor is a fraction, the numerator of  
11 which is the total sales of the person in this State during  
12 the taxable year, and the denominator of which is the total  
13 sales of the person everywhere during the taxable year.

14 (B) Sales of tangible personal property are in this  
15 State if:

16 (i) The property is delivered or shipped to a  
17 purchaser, other than the United States government,  
18 within this State regardless of the f. o. b. point or  
19 other conditions of the sale; or

20 (ii) The property is shipped from an office, store,  
21 warehouse, factory or other place of storage in this  
22 State and either the purchaser is the United States  
23 government or the person is not taxable in the state of  
24 the purchaser; provided, however, that premises owned  
25 or leased by a person who has independently contracted  
26 with the seller for the printing of newspapers,



1 periodicals or books shall not be deemed to be an  
2 office, store, warehouse, factory or other place of  
3 storage for purposes of this Section. Sales of tangible  
4 personal property are not in this State if the seller  
5 and purchaser would be members of the same unitary  
6 business group but for the fact that either the seller  
7 or purchaser is a person with 80% or more of total  
8 business activity outside of the United States and the  
9 property is purchased for resale.

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

12 (i) Gross receipts from the licensing, sale, or  
13 other disposition of a patent, copyright, trademark,  
14 or similar item of intangible personal property, other  
15 than gross receipts governed by paragraph (B-7) of this  
16 item (3), are in this State to the extent the item is  
17 utilized in this State during the year the gross  
18 receipts are included in gross income.

19 (ii) Place of utilization.

20 (I) A patent is utilized in a state to the  
21 extent that it is employed in production,  
22 fabrication, manufacturing, or other processing in  
23 the state or to the extent that a patented product  
24 is produced in the state. If a patent is utilized  
25 in more than one state, the extent to which it is  
26 utilized in any one state shall be a fraction equal

1 to the gross receipts of the licensee or purchaser  
2 from sales or leases of items produced,  
3 fabricated, manufactured, or processed within that  
4 state using the patent and of patented items  
5 produced within that state, divided by the total of  
6 such gross receipts for all states in which the  
7 patent is utilized.

8 (II) A copyright is utilized in a state to the  
9 extent that printing or other publication  
10 originates in the state. If a copyright is utilized  
11 in more than one state, the extent to which it is  
12 utilized in any one state shall be a fraction equal  
13 to the gross receipts from sales or licenses of  
14 materials printed or published in that state  
15 divided by the total of such gross receipts for all  
16 states in which the copyright is utilized.

17 (III) Trademarks and other items of intangible  
18 personal property governed by this paragraph (B-1)  
19 are utilized in the state in which the commercial  
20 domicile of the licensee or purchaser is located.

21 (iii) If the state of utilization of an item of  
22 property governed by this paragraph (B-1) cannot be  
23 determined from the taxpayer's books and records or  
24 from the books and records of any person related to the  
25 taxpayer within the meaning of Section 267(b) of the  
26 Internal Revenue Code, 26 U.S.C. 267, the gross

1 receipts attributable to that item shall be excluded  
2 from both the numerator and the denominator of the  
3 sales factor.

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

17 (B-5) For taxable years ending on or after December 31,  
18 2008, except as provided in subsections (ii) through (vii),  
19 receipts from the sale of telecommunications service or  
20 mobile telecommunications service are in this State if the  
21 customer's service address is in this State.

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

24 "Ancillary services" means services that are  
25 associated with or incidental to the provision of  
26 "telecommunications services", including but not

1 limited to "detailed telecommunications billing",  
2 "directory assistance", "vertical service", and "voice  
3 mail services".

4 "Air-to-Ground Radiotelephone service" means a  
5 radio service, as that term is defined in 47 CFR 22.99,  
6 in which common carriers are authorized to offer and  
7 provide radio telecommunications service for hire to  
8 subscribers in aircraft.

9 "Call-by-call Basis" means any method of charging  
10 for telecommunications services where the price is  
11 measured by individual calls.

12 "Communications Channel" means a physical or  
13 virtual path of communications over which signals are  
14 transmitted between or among customer channel  
15 termination points.

16 "Conference bridging service" means an "ancillary  
17 service" that links two or more participants of an  
18 audio or video conference call and may include the  
19 provision of a telephone number. "Conference bridging  
20 service" does not include the "telecommunications  
21 services" used to reach the conference bridge.

22 "Customer Channel Termination Point" means the  
23 location where the customer either inputs or receives  
24 the communications.

25 "Detailed telecommunications billing service"  
26 means an "ancillary service" of separately stating

1 information pertaining to individual calls on a  
2 customer's billing statement.

3 "Directory assistance" means an "ancillary  
4 service" of providing telephone number information,  
5 and/or address information.

6 "Home service provider" means the facilities based  
7 carrier or reseller with which the customer contracts  
8 for the provision of mobile telecommunications  
9 services.

10 "Mobile telecommunications service" means  
11 commercial mobile radio service, as defined in Section  
12 20.3 of Title 47 of the Code of Federal Regulations as  
13 in effect on June 1, 1999.

14 "Place of primary use" means the street address  
15 representative of where the customer's use of the  
16 telecommunications service primarily occurs, which  
17 must be the residential street address or the primary  
18 business street address of the customer. In the case of  
19 mobile telecommunications services, "place of primary  
20 use" must be within the licensed service area of the  
21 home service provider.

22 "Post-paid telecommunication service" means the  
23 telecommunications service obtained by making a  
24 payment on a call-by-call basis either through the use  
25 of a credit card or payment mechanism such as a bank  
26 card, travel card, credit card, or debit card, or by

1 charge made to a telephone number which is not  
2 associated with the origination or termination of the  
3 telecommunications service. A post-paid calling  
4 service includes telecommunications service, except a  
5 prepaid wireless calling service, that would be a  
6 prepaid calling service except it is not exclusively a  
7 telecommunication service.

8 "Prepaid telecommunication service" means the  
9 right to access exclusively telecommunications  
10 services, which must be paid for in advance and which  
11 enables the origination of calls using an access number  
12 or authorization code, whether manually or  
13 electronically dialed, and that is sold in  
14 predetermined units or dollars of which the number  
15 declines with use in a known amount.

16 "Prepaid Mobile telecommunication service" means a  
17 telecommunications service that provides the right to  
18 utilize mobile wireless service as well as other  
19 non-telecommunication services, including but not  
20 limited to ancillary services, which must be paid for  
21 in advance that is sold in predetermined units or  
22 dollars of which the number declines with use in a  
23 known amount.

24 "Private communication service" means a  
25 telecommunication service that entitles the customer  
26 to exclusive or priority use of a communications

1 channel or group of channels between or among  
2 termination points, regardless of the manner in which  
3 such channel or channels are connected, and includes  
4 switching capacity, extension lines, stations, and any  
5 other associated services that are provided in  
6 connection with the use of such channel or channels.

7 "Service address" means:

8 (a) The location of the telecommunications  
9 equipment to which a customer's call is charged and  
10 from which the call originates or terminates,  
11 regardless of where the call is billed or paid;

12 (b) If the location in line (a) is not known,  
13 service address means the origination point of the  
14 signal of the telecommunications services first  
15 identified by either the seller's  
16 telecommunications system or in information  
17 received by the seller from its service provider  
18 where the system used to transport such signals is  
19 not that of the seller; and

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

23 "Telecommunications service" means the electronic  
24 transmission, conveyance, or routing of voice, data,  
25 audio, video, or any other information or signals to a  
26 point, or between or among points. The term

1 "telecommunications service" includes such  
2 transmission, conveyance, or routing in which computer  
3 processing applications are used to act on the form,  
4 code or protocol of the content for purposes of  
5 transmission, conveyance or routing without regard to  
6 whether such service is referred to as voice over  
7 Internet protocol services or is classified by the  
8 Federal Communications Commission as enhanced or value  
9 added. "Telecommunications service" does not include:

10 (a) Data processing and information services  
11 that allow data to be generated, acquired, stored,  
12 processed, or retrieved and delivered by an  
13 electronic transmission to a purchaser when such  
14 purchaser's primary purpose for the underlying  
15 transaction is the processed data or information;

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

18 (c) Tangible personal property;

19 (d) Advertising, including but not limited to  
20 directory advertising;

21 (e) Billing and collection services provided  
22 to third parties;

23 (f) Internet access service;

24 (g) Radio and television audio and video  
25 programming services, regardless of the medium,  
26 including the furnishing of transmission,



1 conveyance and routing of such services by the  
2 programming service provider. Radio and television  
3 audio and video programming services shall include  
4 but not be limited to cable service as defined in  
5 47 USC 522(6) and audio and video programming  
6 services delivered by commercial mobile radio  
7 service providers, as defined in 47 CFR 20.3;

8 (h) "Ancillary services"; or

9 (i) Digital products "delivered  
10 electronically", including but not limited to  
11 software, music, video, reading materials or ring  
12 tones.

13 "Vertical service" means an "ancillary service"  
14 that is offered in connection with one or more  
15 "telecommunications services", which offers advanced  
16 calling features that allow customers to identify  
17 callers and to manage multiple calls and call  
18 connections, including "conference bridging services".

19 "Voice mail service" means an "ancillary service"  
20 that enables the customer to store, send or receive  
21 recorded messages. "Voice mail service" does not  
22 include any "vertical services" that the customer may  
23 be required to have in order to utilize the "voice mail  
24 service".

25 (ii) Receipts from the sale of telecommunications  
26 service sold on an individual call-by-call basis are in

1           this State if either of the following applies:

2                   (a) The call both originates and terminates in  
3                   this State.

4                   (b) The call either originates or terminates  
5                   in this State and the service address is located in  
6                   this State.

7                   (iii) Receipts from the sale of postpaid  
8                   telecommunications service at retail are in this State  
9                   if the origination point of the telecommunication  
10                   signal, as first identified by the service provider's  
11                   telecommunication system or as identified by  
12                   information received by the seller from its service  
13                   provider if the system used to transport  
14                   telecommunication signals is not the seller's, is  
15                   located in this State.

16                   (iv) Receipts from the sale of prepaid  
17                   telecommunications service or prepaid mobile  
18                   telecommunications service at retail are in this State  
19                   if the purchaser obtains the prepaid card or similar  
20                   means of conveyance at a location in this State.  
21                   Receipts from recharging a prepaid telecommunications  
22                   service or mobile telecommunications service is in  
23                   this State if the purchaser's billing information  
24                   indicates a location in this State.

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

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

3 (b) 100% of receipts from charges for the total  
4 channel mileage between each channel termination  
5 point in this State.

6 (c) 50% of the total receipts from charges for  
7 service segments when those segments are between 2  
8 customer channel termination points, 1 of which is  
9 located in this State and the other is located  
10 outside of this State, which segments are  
11 separately charged.

12 (d) The receipts from charges for service  
13 segments with a channel termination point located  
14 in this State and in two or more other states, and  
15 which segments are not separately billed, are in  
16 this State based on a percentage determined by  
17 dividing the number of customer channel  
18 termination points in this State by the total  
19 number of customer channel termination points.

20 (vi) Receipts from charges for ancillary services  
21 for telecommunications service sold to customers at  
22 retail are in this State if the customer's primary  
23 place of use of telecommunications services associated  
24 with those ancillary services is in this State. If the  
25 seller of those ancillary services cannot determine  
26 where the associated telecommunications are located,

1           then the ancillary services shall be based on the  
2           location of the purchaser.

3           (vii) Receipts to access a carrier's network or  
4           from the sale of telecommunication services or  
5           ancillary services for resale are in this State as  
6           follows:

7                   (a) 100% of the receipts from access fees  
8                   attributable to intrastate telecommunications  
9                   service that both originates and terminates in  
10                  this State.

11                   (b) 50% of the receipts from access fees  
12                   attributable to interstate telecommunications  
13                   service if the interstate call either originates  
14                   or terminates in this State.

15                   (c) 100% of the receipts from interstate end  
16                   user access line charges, if the customer's  
17                   service address is in this State. As used in this  
18                   subdivision, "interstate end user access line  
19                   charges" includes, but is not limited to, the  
20                   surcharge approved by the federal communications  
21                   commission and levied pursuant to 47 CFR 69.

22                   (d) Gross receipts from sales of  
23                   telecommunication services or from ancillary  
24                   services for telecommunications services sold to  
25                   other telecommunication service providers for  
26                   resale shall be sourced to this State using the

1           apportionment concepts used for non-resale  
2           receipts of telecommunications services if the  
3           information is readily available to make that  
4           determination. If the information is not readily  
5           available, then the taxpayer may use any other  
6           reasonable and consistent method.

7           (B-7) For taxable years ending on or after December 31,  
8           2008, receipts from the sale of broadcasting services are  
9           in this State if the broadcasting services are received in  
10          this State. For purposes of this paragraph (B-7), the  
11          following terms have the following meanings:

12                 "Advertising revenue" means consideration received  
13                 by the taxpayer in exchange for broadcasting services  
14                 or allowing the broadcasting of commercials or  
15                 announcements in connection with the broadcasting of  
16                 film or radio programming, from sponsorships of the  
17                 programming, or from product placements in the  
18                 programming.

19                 "Audience factor" means the ratio that the  
20                 audience or subscribers located in this State of a  
21                 station, a network, or a cable system bears to the  
22                 total audience or total subscribers for that station,  
23                 network, or cable system. The audience factor for film  
24                 or radio programming shall be determined by reference  
25                 to the books and records of the taxpayer or by  
26                 reference to published rating statistics provided the

1 method used by the taxpayer is consistently used from  
2 year to year for this purpose and fairly represents the  
3 taxpayer's activity in this State.

4 "Broadcast" or "broadcasting" or "broadcasting  
5 services" means the transmission or provision of film  
6 or radio programming, whether through the public  
7 airwaves, by cable, by direct or indirect satellite  
8 transmission, or by any other means of communication,  
9 either through a station, a network, or a cable system.

10 "Film" or "film programming" means the broadcast  
11 on television of any and all performances, events, or  
12 productions, including but not limited to news,  
13 sporting events, plays, stories, or other literary,  
14 commercial, educational, or artistic works, either  
15 live or through the use of video tape, disc, or any  
16 other type of format or medium. Each episode of a  
17 series of films produced for television shall  
18 constitute separate "film" notwithstanding that the  
19 series relates to the same principal subject and is  
20 produced during one or more tax periods.

21 "Radio" or "radio programming" means the broadcast  
22 on radio of any and all performances, events, or  
23 productions, including but not limited to news,  
24 sporting events, plays, stories, or other literary,  
25 commercial, educational, or artistic works, either  
26 live or through the use of an audio tape, disc, or any

1 other format or medium. Each episode in a series of  
2 radio programming produced for radio broadcast shall  
3 constitute a separate "radio programming"  
4 notwithstanding that the series relates to the same  
5 principal subject and is produced during one or more  
6 tax periods.

7 (i) In the case of advertising revenue from  
8 broadcasting, the customer is the advertiser and  
9 the service is received in this State if the  
10 commercial domicile of the advertiser is in this  
11 State.

12 (ii) In the case where film or radio  
13 programming is broadcast by a station, a network,  
14 or a cable system for a fee or other remuneration  
15 received from the recipient of the broadcast, the  
16 portion of the service that is received in this  
17 State is measured by the portion of the recipients  
18 of the broadcast located in this State.  
19 Accordingly, the fee or other remuneration for  
20 such service that is included in the Illinois  
21 numerator of the sales factor is the total of those  
22 fees or other remuneration received from  
23 recipients in Illinois. For purposes of this  
24 paragraph, a taxpayer may determine the location  
25 of the recipients of its broadcast using the  
26 address of the recipient shown in its contracts

1 with the recipient or using the billing address of  
2 the recipient in the taxpayer's records.

3 (iii) In the case where film or radio  
4 programming is broadcast by a station, a network,  
5 or a cable system for a fee or other remuneration  
6 from the person providing the programming, the  
7 portion of the broadcast service that is received  
8 by such station, network, or cable system in this  
9 State is measured by the portion of recipients of  
10 the broadcast located in this State. Accordingly,  
11 the amount of revenue related to such an  
12 arrangement that is included in the Illinois  
13 numerator of the sales factor is the total fee or  
14 other total remuneration from the person providing  
15 the programming related to that broadcast  
16 multiplied by the Illinois audience factor for  
17 that broadcast.

18 (iv) In the case where film or radio  
19 programming is provided by a taxpayer that is a  
20 network or station to a customer for broadcast in  
21 exchange for a fee or other remuneration from that  
22 customer the broadcasting service is received at  
23 the location of the office of the customer from  
24 which the services were ordered in the regular  
25 course of the customer's trade or business.  
26 Accordingly, in such a case the revenue derived by



1 the taxpayer that is included in the taxpayer's  
2 Illinois numerator of the sales factor is the  
3 revenue from such customers who receive the  
4 broadcasting service in Illinois.

5 (v) In the case where film or radio programming  
6 is provided by a taxpayer that is not a network or  
7 station to another person for broadcasting in  
8 exchange for a fee or other remuneration from that  
9 person, the broadcasting service is received at  
10 the location of the office of the customer from  
11 which the services were ordered in the regular  
12 course of the customer's trade or business.  
13 Accordingly, in such a case the revenue derived by  
14 the taxpayer that is included in the taxpayer's  
15 Illinois numerator of the sales factor is the  
16 revenue from such customers who receive the  
17 broadcasting service in Illinois.

18 (B-8) Gross receipts from winnings under the Illinois  
19 Lottery Law from the assignment of a prize under Section  
20 13.1 of the Illinois Lottery Law are received in this  
21 State. This paragraph (B-8) applies only to taxable years  
22 ending on or after December 31, 2013.

23 (B-9) For taxable years ending on or after December 31,  
24 2019, gross receipts from winnings from pari-mutuel  
25 wagering conducted at a wagering facility licensed under  
26 the Illinois Horse Racing Act of 1975 or from winnings 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 in this State.

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

7 (i) The income-producing activity is performed in  
8 this State; or

9 (ii) The income-producing activity is performed  
10 both within and without this State and a greater  
11 proportion of the income-producing activity is  
12 performed within this State than without this State,  
13 based on performance costs.

14 (C-5) For taxable years ending on or after December 31,  
15 2008, sales, other than sales governed by paragraphs (B),  
16 (B-1), (B-2), (B-5), and (B-7), are in this State if any of  
17 the following criteria are met:

18 (i) Sales from the sale or lease of real property  
19 are in this State if the property is located in this  
20 State.

21 (ii) Sales from the lease or rental of tangible  
22 personal property are in this State if the property is  
23 located in this State during the rental period. Sales  
24 from the lease or rental of tangible personal property  
25 that is characteristically moving property, including,  
26 but not limited to, motor vehicles, rolling stock,

1           aircraft, vessels, or mobile equipment are in this  
2           State to the extent that the property is used in this  
3           State.

4           (iii) In the case of interest, net gains (but not  
5           less than zero) and other items of income from  
6           intangible personal property, the sale is in this State  
7           if:

8                   (a) in the case of a taxpayer who is a dealer  
9                   in the item of intangible personal property within  
10                   the meaning of Section 475 of the Internal Revenue  
11                   Code, the income or gain is received from a  
12                   customer in this State. For purposes of this  
13                   subparagraph, a customer is in this State if the  
14                   customer is an individual, trust or estate who is a  
15                   resident of this State and, for all other  
16                   customers, if the customer's commercial domicile  
17                   is in this State. Unless the dealer has actual  
18                   knowledge of the residence or commercial domicile  
19                   of a customer during a taxable year, the customer  
20                   shall be deemed to be a customer in this State if  
21                   the billing address of the customer, as shown in  
22                   the records of the dealer, is in this State; or

23                   (b) in all other cases, if the  
24                   income-producing activity of the taxpayer is  
25                   performed in this State or, if the  
26                   income-producing activity of the taxpayer is

1 performed both within and without this State, if a  
2 greater proportion of the income-producing  
3 activity of the taxpayer is performed within this  
4 State than in any other state, based on performance  
5 costs.

6 (iv) Sales of services are in this State if the  
7 services are received in this State. For the purposes  
8 of this section, gross receipts from the performance of  
9 services provided to a corporation, partnership, or  
10 trust may only be attributed to a state where that  
11 corporation, partnership, or trust has a fixed place of  
12 business. If the state where the services are received  
13 is not readily determinable or is a state where the  
14 corporation, partnership, or trust receiving the  
15 service does not have a fixed place of business, the  
16 services shall be deemed to be received at the location  
17 of the office of the customer from which the services  
18 were ordered in the regular course of the customer's  
19 trade or business. If the ordering office cannot be  
20 determined, the services shall be deemed to be received  
21 at the office of the customer to which the services are  
22 billed. If the taxpayer is not taxable in the state in  
23 which the services are received, the sale must be  
24 excluded from both the numerator and the denominator of  
25 the sales factor. The Department shall adopt rules  
26 prescribing where specific types of service are

1 received, including, but not limited to, publishing,  
2 and utility service.

3 (D) For taxable years ending on or after December 31,  
4 1995, the following items of income shall not be included  
5 in the numerator or denominator of the sales factor:  
6 dividends; amounts included under Section 78 of the  
7 Internal Revenue Code; and Subpart F income as defined in  
8 Section 952 of the Internal Revenue Code. No inference  
9 shall be drawn from the enactment of this paragraph (D) in  
10 construing this Section for taxable years ending before  
11 December 31, 1995.

12 (E) Paragraphs (B-1) and (B-2) shall apply to tax years  
13 ending on or after December 31, 1999, provided that a  
14 taxpayer may elect to apply the provisions of these  
15 paragraphs to prior tax years. Such election shall be made  
16 in the form and manner prescribed by the Department, shall  
17 be irrevocable, and shall apply to all tax years; provided  
18 that, if a taxpayer's Illinois income tax liability for any  
19 tax year, as assessed under Section 903 prior to January 1,  
20 1999, was computed in a manner contrary to the provisions  
21 of paragraphs (B-1) or (B-2), no refund shall be payable to  
22 the taxpayer for that tax year to the extent such refund is  
23 the result of applying the provisions of paragraph (B-1) or  
24 (B-2) retroactively. In the case of a unitary business  
25 group, such election shall apply to all members of such  
26 group for every tax year such group is in existence, but

1 shall not apply to any taxpayer for any period during which  
2 that taxpayer is not a member of such group.

3 (b) Insurance companies.

4 (1) In general. Except as otherwise provided by  
5 paragraph (2), business income of an insurance company for  
6 a taxable year shall be apportioned to this State by  
7 multiplying such income by a fraction, the numerator of  
8 which is the direct premiums written for insurance upon  
9 property or risk in this State, and the denominator of  
10 which is the direct premiums written for insurance upon  
11 property or risk everywhere. For purposes of this  
12 subsection, the term "direct premiums written" means the  
13 total amount of direct premiums written, assessments and  
14 annuity considerations as reported for the taxable year on  
15 the annual statement filed by the company with the Illinois  
16 Director of Insurance in the form approved by the National  
17 Convention of Insurance Commissioners or such other form as  
18 may be prescribed in lieu thereof.

19 (2) Reinsurance. If the principal source of premiums  
20 written by an insurance company consists of premiums for  
21 reinsurance accepted by it, the business income of such  
22 company shall be apportioned to this State by multiplying  
23 such income by a fraction, the numerator of which is the  
24 sum of (i) direct premiums written for insurance upon  
25 property or risk in this State, plus (ii) premiums written  
26 for reinsurance accepted in respect of property or risk in

1 this State, and the denominator of which is the sum of  
2 (iii) direct premiums written for insurance upon property  
3 or risk everywhere, plus (iv) premiums written for  
4 reinsurance accepted in respect of property or risk  
5 everywhere. For purposes of this paragraph, premiums  
6 written for reinsurance accepted in respect of property or  
7 risk in this State, whether or not otherwise determinable,  
8 may, at the election of the company, be determined on the  
9 basis of the proportion which premiums written for  
10 reinsurance accepted from companies commercially domiciled  
11 in Illinois bears to premiums written for reinsurance  
12 accepted from all sources, or, alternatively, in the  
13 proportion which the sum of the direct premiums written for  
14 insurance upon property or risk in this State by each  
15 ceding company from which reinsurance is accepted bears to  
16 the sum of the total direct premiums written by each such  
17 ceding company for the taxable year. The election made by a  
18 company under this paragraph for its first taxable year  
19 ending on or after December 31, 2011, shall be binding for  
20 that company for that taxable year and for all subsequent  
21 taxable years, and may be altered only with the written  
22 permission of the Department, which shall not be  
23 unreasonably withheld.

24 (c) Financial organizations.

25 (1) In general. For taxable years ending before  
26 December 31, 2008, business income of a financial

1 organization shall be apportioned to this State by  
2 multiplying such income by a fraction, the numerator of  
3 which is its business income from sources within this  
4 State, and the denominator of which is its business income  
5 from all sources. For the purposes of this subsection, the  
6 business income of a financial organization from sources  
7 within this State is the sum of the amounts referred to in  
8 subparagraphs (A) through (E) following, but excluding the  
9 adjusted income of an international banking facility as  
10 determined in paragraph (2):

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

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

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

17 (D) Interest charged to customers at places of  
18 business maintained within this State for carrying  
19 debit balances of margin accounts, without deduction  
20 of any costs incurred in carrying such accounts; and

21 (E) Any other gross income resulting from the  
22 operation as a financial organization within this  
23 State. In computing the amounts referred to in  
24 paragraphs (A) through (E) of this subsection, any  
25 amount received by a member of an affiliated group  
26 (determined under Section 1504(a) of the Internal



1 Revenue Code but without reference to whether any such  
2 corporation is an "includible corporation" under  
3 Section 1504(b) of the Internal Revenue Code) from  
4 another member of such group shall be included only to  
5 the extent such amount exceeds expenses of the  
6 recipient directly related thereto.

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

9 (A) Adjusted Income. The adjusted income of an  
10 international banking facility is its income reduced  
11 by the amount of the floor amount.

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

16 (i) The numerator shall be:

17 The average aggregate, determined on a  
18 quarterly basis, of the financial organization's  
19 loans to banks in foreign countries, to foreign  
20 domiciled borrowers (except where secured  
21 primarily by real estate) and to foreign  
22 governments and other foreign official  
23 institutions, as reported for its branches,  
24 agencies and offices within the state on its  
25 "Consolidated Report of Condition", Schedule A,  
26 Lines 2.c., 5.b., and 7.a., which was filed with

1           the Federal Deposit Insurance Corporation and  
2           other regulatory authorities, for the year 1980,  
3           minus

4           The average aggregate, determined on a  
5           quarterly basis, of such loans (other than loans of  
6           an international banking facility), as reported by  
7           the financial institution for its branches,  
8           agencies and offices within the state, on the  
9           corresponding Schedule and lines of the  
10          Consolidated Report of Condition for the current  
11          taxable year, provided, however, that in no case  
12          shall the amount determined in this clause (the  
13          subtrahend) exceed the amount determined in the  
14          preceding clause (the minuend); and

15          (ii) the denominator shall be the average  
16          aggregate, determined on a quarterly basis, of the  
17          international banking facility's loans to banks in  
18          foreign countries, to foreign domiciled borrowers  
19          (except where secured primarily by real estate)  
20          and to foreign governments and other foreign  
21          official institutions, which were recorded in its  
22          financial accounts for the current taxable year.

23          (C) Change to Consolidated Report of Condition and  
24          in Qualification. In the event the Consolidated Report  
25          of Condition which is filed with the Federal Deposit  
26          Insurance Corporation and other regulatory authorities

1 is altered so that the information required for  
2 determining the floor amount is not found on Schedule  
3 A, lines 2.c., 5.b. and 7.a., the financial institution  
4 shall notify the Department and the Department may, by  
5 regulations or otherwise, prescribe or authorize the  
6 use of an alternative source for such information. The  
7 financial institution shall also notify the Department  
8 should its international banking facility fail to  
9 qualify as such, in whole or in part, or should there  
10 be any amendment or change to the Consolidated Report  
11 of Condition, as originally filed, to the extent such  
12 amendment or change alters the information used in  
13 determining the floor amount.

14 (3) For taxable years ending on or after December 31,  
15 2008, the business income of a financial organization shall  
16 be apportioned to this State by multiplying such income by  
17 a fraction, the numerator of which is its gross receipts  
18 from sources in this State or otherwise attributable to  
19 this State's marketplace and the denominator of which is  
20 its gross receipts everywhere during the taxable year.  
21 "Gross receipts" for purposes of this subparagraph (3)  
22 means gross income, including net taxable gain on  
23 disposition of assets, including securities and money  
24 market instruments, when derived from transactions and  
25 activities in the regular course of the financial  
26 organization's trade or business. The following examples

1 are illustrative:

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

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

16 (iii) Interest income, commissions, fees, gains on  
17 disposition, and other receipts from consumer loans  
18 that are not secured by real or tangible personal  
19 property are from sources in this State if the debtor  
20 is a resident of this State.

21 (iv) Interest income, commissions, fees, gains on  
22 disposition, and other receipts from commercial loans  
23 and installment obligations that are not secured by  
24 real or tangible personal property are from sources in  
25 this State if the proceeds of the loan are to be  
26 applied in this State. If it cannot be determined where

1           the funds are to be applied, the income and receipts  
2           are from sources in this State if the office of the  
3           borrower from which the loan was negotiated in the  
4           regular course of business is located in this State. If  
5           the location of this office cannot be determined, the  
6           income and receipts shall be excluded from the  
7           numerator and denominator of the sales factor.

8           (v) Interest income, fees, gains on disposition,  
9           service charges, merchant discount income, and other  
10          receipts from credit card receivables are from sources  
11          in this State if the card charges are regularly billed  
12          to a customer in this State.

13          (vi) Receipts from the performance of services,  
14          including, but not limited to, fiduciary, advisory,  
15          and brokerage services, are in this State if the  
16          services are received in this State within the meaning  
17          of subparagraph (a) (3) (C-5) (iv) of this Section.

18          (vii) Receipts from the issuance of travelers  
19          checks and money orders are from sources in this State  
20          if the checks and money orders are issued from a  
21          location within this State.

22          (viii) Receipts from investment assets and  
23          activities and trading assets and activities are  
24          included in the receipts factor as follows:

25                  (1) Interest, dividends, net gains (but not  
26                  less than zero) and other income from investment

1 assets and activities from trading assets and  
2 activities shall be included in the receipts  
3 factor. Investment assets and activities and  
4 trading assets and activities include but are not  
5 limited to: investment securities; trading account  
6 assets; federal funds; securities purchased and  
7 sold under agreements to resell or repurchase;  
8 options; futures contracts; forward contracts;  
9 notional principal contracts such as swaps;  
10 equities; and foreign currency transactions. With  
11 respect to the investment and trading assets and  
12 activities described in subparagraphs (A) and (B)  
13 of this paragraph, the receipts factor shall  
14 include the amounts described in such  
15 subparagraphs.

16 (A) The receipts factor shall include the  
17 amount by which interest from federal funds  
18 sold and securities purchased under resale  
19 agreements exceeds interest expense on federal  
20 funds purchased and securities sold under  
21 repurchase agreements.

22 (B) The receipts factor shall include the  
23 amount by which interest, dividends, gains and  
24 other income from trading assets and  
25 activities, including but not limited to  
26 assets and activities in the matched book, in

1           the arbitrage book, and foreign currency  
2           transactions, exceed amounts paid in lieu of  
3           interest, amounts paid in lieu of dividends,  
4           and losses from such assets and activities.

5           (2) The numerator of the receipts factor  
6           includes interest, dividends, net gains (but not  
7           less than zero), and other income from investment  
8           assets and activities and from trading assets and  
9           activities described in paragraph (1) of this  
10          subsection that are attributable to this State.

11          (A) The amount of interest, dividends, net  
12          gains (but not less than zero), and other  
13          income from investment assets and activities  
14          in the investment account to be attributed to  
15          this State and included in the numerator is  
16          determined by multiplying all such income from  
17          such assets and activities by a fraction, the  
18          numerator of which is the gross income from  
19          such assets and activities which are properly  
20          assigned to a fixed place of business of the  
21          taxpayer within this State and the denominator  
22          of which is the gross income from all such  
23          assets and activities.

24          (B) The amount of interest from federal  
25          funds sold and purchased and from securities  
26          purchased under resale agreements and

1 securities sold under repurchase agreements  
2 attributable to this State and included in the  
3 numerator is determined by multiplying the  
4 amount described in subparagraph (A) of  
5 paragraph (1) of this subsection from such  
6 funds and such securities by a fraction, the  
7 numerator of which is the gross income from  
8 such funds and such securities which are  
9 properly assigned to a fixed place of business  
10 of the taxpayer within this State and the  
11 denominator of which is the gross income from  
12 all such funds and such securities.

13 (C) The amount of interest, dividends,  
14 gains, and other income from trading assets and  
15 activities, including but not limited to  
16 assets and activities in the matched book, in  
17 the arbitrage book and foreign currency  
18 transactions (but excluding amounts described  
19 in subparagraphs (A) or (B) of this paragraph),  
20 attributable to this State and included in the  
21 numerator is determined by multiplying the  
22 amount described in subparagraph (B) of  
23 paragraph (1) of this subsection by a fraction,  
24 the numerator of which is the gross income from  
25 such trading assets and activities which are  
26 properly assigned to a fixed place of business



1 of the taxpayer within this State and the  
2 denominator of which is the gross income from  
3 all such assets and activities.

4 (D) Properly assigned, for purposes of  
5 this paragraph (2) of this subsection, means  
6 the investment or trading asset or activity is  
7 assigned to the fixed place of business with  
8 which it has a preponderance of substantive  
9 contacts. An investment or trading asset or  
10 activity assigned by the taxpayer to a fixed  
11 place of business without the State shall be  
12 presumed to have been properly assigned if:

13 (i) the taxpayer has assigned, in the  
14 regular course of its business, such asset  
15 or activity on its records to a fixed place  
16 of business consistent with federal or  
17 state regulatory requirements;

18 (ii) such assignment on its records is  
19 based upon substantive contacts of the  
20 asset or activity to such fixed place of  
21 business; and

22 (iii) the taxpayer uses such records  
23 reflecting assignment of such assets or  
24 activities for the filing of all state and  
25 local tax returns for which an assignment  
26 of such assets or activities to a fixed

1 place of business is required.

2 (E) The presumption of proper assignment  
3 of an investment or trading asset or activity  
4 provided in subparagraph (D) of paragraph (2)  
5 of this subsection may be rebutted upon a  
6 showing by the Department, supported by a  
7 preponderance of the evidence, that the  
8 preponderance of substantive contacts  
9 regarding such asset or activity did not occur  
10 at the fixed place of business to which it was  
11 assigned on the taxpayer's records. If the  
12 fixed place of business that has a  
13 preponderance of substantive contacts cannot  
14 be determined for an investment or trading  
15 asset or activity to which the presumption in  
16 subparagraph (D) of paragraph (2) of this  
17 subsection does not apply or with respect to  
18 which that presumption has been rebutted, that  
19 asset or activity is properly assigned to the  
20 state in which the taxpayer's commercial  
21 domicile is located. For purposes of this  
22 subparagraph (E), it shall be presumed,  
23 subject to rebuttal, that taxpayer's  
24 commercial domicile is in the state of the  
25 United States or the District of Columbia to  
26 which the greatest number of employees are

1           regularly connected with the management of the  
2           investment or trading income or out of which  
3           they are working, irrespective of where the  
4           services of such employees are performed, as of  
5           the last day of the taxable year.

6           (4) (Blank).

7           (5) (Blank).

8           (c-1) Federally regulated exchanges. For taxable years  
9           ending on or after December 31, 2012, business income of a  
10          federally regulated exchange shall, at the option of the  
11          federally regulated exchange, be apportioned to this State by  
12          multiplying such income by a fraction, the numerator of which  
13          is its business income from sources within this State, and the  
14          denominator of which is its business income from all sources.  
15          For purposes of this subsection, the business income within  
16          this State of a federally regulated exchange is the sum of the  
17          following:

18               (1) Receipts attributable to transactions executed on  
19               a physical trading floor if that physical trading floor is  
20               located in this State.

21               (2) Receipts attributable to all other matching,  
22               execution, or clearing transactions, including without  
23               limitation receipts from the provision of matching,  
24               execution, or clearing services to another entity,  
25               multiplied by (i) for taxable years ending on or after  
26               December 31, 2012 but before December 31, 2013, 63.77%; and

1 (ii) for taxable years ending on or after December 31,  
2 2013, 27.54%.

3 (3) All other receipts not governed by subparagraphs  
4 (1) or (2) of this subsection (c-1), to the extent the  
5 receipts would be characterized as "sales in this State"  
6 under item (3) of subsection (a) of this Section.

7 "Federally regulated exchange" means (i) a "registered  
8 entity" within the meaning of 7 U.S.C. Section 1a(40) (A), (B),  
9 or (C), (ii) an "exchange" or "clearing agency" within the  
10 meaning of 15 U.S.C. Section 78c (a) (1) or (23), (iii) any such  
11 entities regulated under any successor regulatory structure to  
12 the foregoing, and (iv) all taxpayers who are members of the  
13 same unitary business group as a federally regulated exchange,  
14 determined without regard to the prohibition in Section  
15 1501(a) (27) of this Act against including in a unitary business  
16 group taxpayers who are ordinarily required to apportion  
17 business income under different subsections of this Section;  
18 provided that this subparagraph (iv) shall apply only if 50% or  
19 more of the business receipts of the unitary business group  
20 determined by application of this subparagraph (iv) for the  
21 taxable year are attributable to the matching, execution, or  
22 clearing of transactions conducted by an entity described in  
23 subparagraph (i), (ii), or (iii) of this paragraph.

24 In no event shall the Illinois apportionment percentage  
25 computed in accordance with this subsection (c-1) for any  
26 taxpayer for any tax year be less than the Illinois

1 apportionment percentage computed under this subsection (c-1)  
2 for that taxpayer for the first full tax year ending on or  
3 after December 31, 2013 for which this subsection (c-1) applied  
4 to the taxpayer.

5 (d) Transportation services. For taxable years ending  
6 before December 31, 2008, business income derived from  
7 furnishing transportation services shall be apportioned to  
8 this State in accordance with paragraphs (1) and (2):

9 (1) Such business income (other than that derived from  
10 transportation by pipeline) shall be apportioned to this  
11 State by multiplying such income by a fraction, the  
12 numerator of which is the revenue miles of the person in  
13 this State, and the denominator of which is the revenue  
14 miles of the person everywhere. For purposes of this  
15 paragraph, a revenue mile is the transportation of 1  
16 passenger or 1 net ton of freight the distance of 1 mile  
17 for a consideration. Where a person is engaged in the  
18 transportation of both passengers and freight, the  
19 fraction above referred to shall be determined by means of  
20 an average of the passenger revenue mile fraction and the  
21 freight revenue mile fraction, weighted to reflect the  
22 person's

23 (A) relative railway operating income from total  
24 passenger and total freight service, as reported to the  
25 Interstate Commerce Commission, in the case of  
26 transportation by railroad, and

1 (B) relative gross receipts from passenger and  
2 freight transportation, in case of transportation  
3 other than by railroad.

4 (2) Such business income derived from transportation  
5 by pipeline shall be apportioned to this State by  
6 multiplying such income by a fraction, the numerator of  
7 which is the revenue miles of the person in this State, and  
8 the denominator of which is the revenue miles of the person  
9 everywhere. For the purposes of this paragraph, a revenue  
10 mile is the transportation by pipeline of 1 barrel of oil,  
11 1,000 cubic feet of gas, or of any specified quantity of  
12 any other substance, the distance of 1 mile for a  
13 consideration.

14 (3) For taxable years ending on or after December 31,  
15 2008, business income derived from providing  
16 transportation services other than airline services shall  
17 be apportioned to this State by using a fraction, (a) the  
18 numerator of which shall be (i) all receipts from any  
19 movement or shipment of people, goods, mail, oil, gas, or  
20 any other substance (other than by airline) that both  
21 originates and terminates in this State, plus (ii) that  
22 portion of the person's gross receipts from movements or  
23 shipments of people, goods, mail, oil, gas, or any other  
24 substance (other than by airline) that originates in one  
25 state or jurisdiction and terminates in another state or  
26 jurisdiction, that is determined by the ratio that the

1 miles traveled in this State bears to total miles  
2 everywhere and (b) the denominator of which shall be all  
3 revenue derived from the movement or shipment of people,  
4 goods, mail, oil, gas, or any other substance (other than  
5 by airline). Where a taxpayer is engaged in the  
6 transportation of both passengers and freight, the  
7 fraction above referred to shall first be determined  
8 separately for passenger miles and freight miles. Then an  
9 average of the passenger miles fraction and the freight  
10 miles fraction shall be weighted to reflect the taxpayer's:

11 (A) relative railway operating income from total  
12 passenger and total freight service, as reported to the  
13 Surface Transportation Board, in the case of  
14 transportation by railroad; and

15 (B) relative gross receipts from passenger and  
16 freight transportation, in case of transportation  
17 other than by railroad.

18 (4) For taxable years ending on or after December 31,  
19 2008, business income derived from furnishing airline  
20 transportation services shall be apportioned to this State  
21 by multiplying such income by a fraction, the numerator of  
22 which is the revenue miles of the person in this State, and  
23 the denominator of which is the revenue miles of the person  
24 everywhere. For purposes of this paragraph, a revenue mile  
25 is the transportation of one passenger or one net ton of  
26 freight the distance of one mile for a consideration. If a

1 person is engaged in the transportation of both passengers  
2 and freight, the fraction above referred to shall be  
3 determined by means of an average of the passenger revenue  
4 mile fraction and the freight revenue mile fraction,  
5 weighted to reflect the person's relative gross receipts  
6 from passenger and freight airline transportation.

7 (e) Combined apportionment. Where 2 or more persons are  
8 engaged in a unitary business as described in subsection  
9 (a) (27) of Section 1501, a part of which is conducted in this  
10 State by one or more members of the group, the business income  
11 attributable to this State by any such member or members shall  
12 be apportioned by means of the combined apportionment method.

13 (f) Alternative allocation. If the allocation and  
14 apportionment provisions of subsections (a) through (e) and of  
15 subsection (h) do not, for taxable years ending before December  
16 31, 2008, fairly represent the extent of a person's business  
17 activity in this State, or, for taxable years ending on or  
18 after December 31, 2008, fairly represent the market for the  
19 person's goods, services, or other sources of business income,  
20 the person may petition for, or the Director may, without a  
21 petition, permit or require, in respect of all or any part of  
22 the person's business activity, if reasonable:

23 (1) Separate accounting;

24 (2) The exclusion of any one or more factors;

25 (3) The inclusion of one or more additional factors  
26 which will fairly represent the person's business



1 activities or market in this State; or

2 (4) The employment of any other method to effectuate an  
3 equitable allocation and apportionment of the person's  
4 business income.

5 (g) Cross reference. For allocation of business income by  
6 residents, see Section 301(a).

7 (h) For tax years ending on or after December 31, 1998, the  
8 apportionment factor of persons who apportion their business  
9 income to this State under subsection (a) shall be equal to:

10 (1) for tax years ending on or after December 31, 1998  
11 and before December 31, 1999,  $16 \frac{2}{3}\%$  of the property  
12 factor plus  $16 \frac{2}{3}\%$  of the payroll factor plus  $66 \frac{2}{3}\%$  of  
13 the sales factor;

14 (2) for tax years ending on or after December 31, 1999  
15 and before December 31, 2000,  $8 \frac{1}{3}\%$  of the property factor  
16 plus  $8 \frac{1}{3}\%$  of the payroll factor plus  $83 \frac{1}{3}\%$  of the sales  
17 factor;

18 (3) for tax years ending on or after December 31, 2000,  
19 the sales factor.

20 If, in any tax year ending on or after December 31, 1998 and  
21 before December 31, 2000, the denominator of the payroll,  
22 property, or sales factor is zero, the apportionment factor  
23 computed in paragraph (1) or (2) of this subsection for that  
24 year shall be divided by an amount equal to 100% minus the  
25 percentage weight given to each factor whose denominator is  
26 equal to zero.

1 (Source: P.A. 99-642, eff. 7-28-16; 100-201, eff. 8-18-17.)

2 (35 ILCS 5/710) (from Ch. 120, par. 7-710)  
3 Sec. 710. Withholding from lottery winnings.

4 (a) In general.

5 (1) Any person making a payment to a resident or  
6 nonresident of winnings under the Illinois Lottery Law and  
7 not required to withhold Illinois income tax from such  
8 payment under Subsection (b) of Section 701 of this Act  
9 because those winnings are not subject to Federal income  
10 tax withholding, must withhold Illinois income tax from  
11 such payment at a rate equal to the percentage tax rate for  
12 individuals provided in subsection (b) of Section 201,  
13 provided that withholding is not required if such payment  
14 of winnings is less than \$1,000.

15 (2) In the case of an assignment of a lottery prize  
16 under Section 13.1 of the Illinois Lottery Law, any person  
17 making a payment of the purchase price after December 31,  
18 2013, shall withhold from the amount of each payment at a  
19 rate equal to the percentage tax rate for individuals  
20 provided in subsection (b) of Section 201.

21 (3) Any person making a payment after December 31, 2019  
22 to a resident or nonresident of winnings from pari-mutuel  
23 wagering conducted at a wagering facility licensed under  
24 the Illinois Horse Racing Act of 1975 or from gambling  
25 games conducted on a riverboat or in a casino or

1       organization gaming facility licensed under the Illinois  
2       Gambling Act must withhold Illinois income tax from such  
3       payment at a rate equal to the percentage tax rate for  
4       individuals provided in subsection (b) of Section 201,  
5       provided that the person making the payment is required to  
6       withhold under Section 3402(q) of the Internal Revenue  
7       Code.

8       (b) Credit for taxes withheld. Any amount withheld under  
9       Subsection (a) shall be a credit against the Illinois income  
10      tax liability of the person to whom the payment of winnings was  
11      made for the taxable year in which that person incurred an  
12      Illinois income tax liability with respect to those winnings.  
13      (Source: P.A. 98-496, eff. 1-1-14.)

14      Section 35-40. The Joliet Regional Port District Act is  
15      amended by changing Section 5.1 as follows:

16      (70 ILCS 1825/5.1) (from Ch. 19, par. 255.1)

17      Sec. 5.1. Riverboat and casino gambling. Notwithstanding  
18      any other provision of this Act, the District may not regulate  
19      the operation, conduct, or navigation of any riverboat gambling  
20      casino licensed under the Illinois Riverboat Gambling Act, and  
21      the District may not license, tax, or otherwise levy any  
22      assessment of any kind on any riverboat gambling casino  
23      licensed under the Illinois Riverboat Gambling Act. The General  
24      Assembly declares that the powers to regulate the operation,

1 conduct, and navigation of riverboat gambling casinos and to  
2 license, tax, and levy assessments upon riverboat gambling  
3 casinos are exclusive powers of the State of Illinois and the  
4 Illinois Gaming Board as provided in the Illinois Riverboat  
5 Gambling Act.

6 (Source: P.A. 87-1175.)

7 Section 35-45. The Consumer Installment Loan Act is amended  
8 by changing Section 12.5 as follows:

9 (205 ILCS 670/12.5)

10 Sec. 12.5. Limited purpose branch.

11 (a) Upon the written approval of the Director, a licensee  
12 may maintain a limited purpose branch for the sole purpose of  
13 making loans as permitted by this Act. A limited purpose branch  
14 may include an automatic loan machine. No other activity shall  
15 be conducted at the site, including but not limited to,  
16 accepting payments, servicing the accounts, or collections.

17 (b) The licensee must submit an application for a limited  
18 purpose branch to the Director on forms prescribed by the  
19 Director with an application fee of \$300. The approval for the  
20 limited purpose branch must be renewed concurrently with the  
21 renewal of the licensee's license along with a renewal fee of  
22 \$300 for the limited purpose branch.

23 (c) The books, accounts, records, and files of the limited  
24 purpose branch's transactions shall be maintained at the

1 licensee's licensed location. The licensee shall notify the  
2 Director of the licensed location at which the books, accounts,  
3 records, and files shall be maintained.

4 (d) The licensee shall prominently display at the limited  
5 purpose branch the address and telephone number of the  
6 licensee's licensed location.

7 (e) No other business shall be conducted at the site of the  
8 limited purpose branch unless authorized by the Director.

9 (f) The Director shall make and enforce reasonable rules  
10 for the conduct of a limited purpose branch.

11 (g) A limited purpose branch may not be located within  
12 1,000 feet of a facility operated by an inter-track wagering  
13 licensee or an organization licensee subject to the Illinois  
14 Horse Racing Act of 1975, on a riverboat or in a casino subject  
15 to the Illinois Riverboat Gambling Act, or within 1,000 feet of  
16 the location at which the riverboat docks or within 1,000 feet  
17 of a casino.

18 (Source: P.A. 90-437, eff. 1-1-98.)

19 Section 35-50. The Illinois Horse Racing Act of 1975 is  
20 amended by changing Sections 1.2, 3.11, 3.12, 6, 9, 15, 18, 19,  
21 20, 21, 24, 25, 26, 26.8, 26.9, 27, 29, 30, 30.5, 31, 31.1,  
22 32.1, 36, 40, and 54.75 and by adding Sections 3.32, 3.33,  
23 3.34, 3.35, 19.5, 34.3, and 56 as follows:

24 (230 ILCS 5/1.2)

1           Sec. 1.2. Legislative intent. This Act is intended to  
2 benefit the people of the State of Illinois by encouraging the  
3 breeding and production of race horses, assisting economic  
4 development and promoting Illinois tourism. The General  
5 Assembly finds and declares it to be the public policy of the  
6 State of Illinois to:

7           (a) support and enhance Illinois' horse racing industry,  
8 which is a significant component within the agribusiness  
9 industry;

10           (b) ensure that Illinois' horse racing industry remains  
11 competitive with neighboring states;

12           (c) stimulate growth within Illinois' horse racing  
13 industry, thereby encouraging new investment and development  
14 to produce additional tax revenues and to create additional  
15 jobs;

16           (d) promote the further growth of tourism;

17           (e) encourage the breeding of thoroughbred and  
18 standardbred horses in this State; and

19           (f) ensure that public confidence and trust in the  
20 credibility and integrity of racing operations and the  
21 regulatory process is maintained.

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

23           (230 ILCS 5/3.11) (from Ch. 8, par. 37-3.11)

24           Sec. 3.11. "Organization Licensee" means any person  
25 receiving an organization license from the Board to conduct a

1 race meeting or meetings. With respect only to organization  
2 gaming, "organization licensee" includes the authorization for  
3 an organization gaming license under subsection (a) of Section  
4 56 of this Act.

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

6 (230 ILCS 5/3.12) (from Ch. 8, par. 37-3.12)

7 Sec. 3.12. Pari-mutuel system of wagering. "Pari-mutuel  
8 system of wagering" means a form of wagering on the outcome of  
9 horse races in which wagers are made in various denominations  
10 on a horse or horses and all wagers for each race are pooled  
11 and held by a licensee for distribution in a manner approved by  
12 the Board. "Pari-mutuel system of wagering" shall not include  
13 wagering on historic races. Wagers may be placed via any method  
14 or at any location authorized under this Act.

15 (Source: P.A. 96-762, eff. 8-25-09.)

16 (230 ILCS 5/3.32 new)

17 Sec. 3.32. Gross receipts. "Gross receipts" means the total  
18 amount of money exchanged for the purchase of chips, tokens, or  
19 electronic cards by riverboat or casino patrons or organization  
20 gaming patrons.

21 (230 ILCS 5/3.33 new)

22 Sec. 3.33. Adjusted gross receipts. "Adjusted gross  
23 receipts" means the gross receipts less winnings paid to

1 wagerers.

2 (230 ILCS 5/3.34 new)

3 Sec. 3.34. Organization gaming facility. "Organization  
4 gaming facility" means that portion of an organization  
5 licensee's racetrack facilities at which gaming authorized  
6 under Section 7.7 of the Illinois Gambling Act is conducted.

7 (230 ILCS 5/3.35 new)

8 Sec. 3.35. Organization gaming license. "Organization  
9 gaming license" means a license issued by the Illinois Gaming  
10 Board under Section 7.7 of the Illinois Gambling Act  
11 authorizing gaming pursuant to that Section at an organization  
12 gaming facility.

13 (230 ILCS 5/6) (from Ch. 8, par. 37-6)

14 Sec. 6. Restrictions on Board members.

15 (a) No person shall be appointed a member of the Board or  
16 continue to be a member of the Board if the person or any  
17 member of their immediate family is a member of the Board of  
18 Directors, employee, or financially interested in any of the  
19 following: (i) any licensee or other person who has applied for  
20 racing dates to the Board, or the operations thereof including,  
21 but not limited to, concessions, data processing, track  
22 maintenance, track security, and pari-mutuel operations,  
23 located, scheduled or doing business within the State of



1 Illinois, (ii) any race horse competing at a meeting under the  
2 Board's jurisdiction, or (iii) any licensee under the Illinois  
3 Gambling Act. No person shall be appointed a member of the  
4 Board or continue to be a member of the Board who is (or any  
5 member of whose family is) a member of the Board of Directors  
6 of, or who is a person financially interested in, any licensee  
7 or other person who has applied for racing dates to the Board,  
8 or the operations thereof including, but not limited to,  
9 econcessions, data processing, track maintenance, track  
10 security and pari-mutuel operations, located, scheduled or  
11 doing business within the State of Illinois, or in any race  
12 horse competing at a meeting under the Board's jurisdiction. No  
13 Board member shall hold any other public office for which he  
14 shall receive compensation other than necessary travel or other  
15 incidental expenses.

16 (b) No person shall be a member of the Board who is not of  
17 good moral character or who has been convicted of, or is under  
18 indictment for, a felony under the laws of Illinois or any  
19 other state, or the United States.

20 (c) No member of the Board or employee shall engage in any  
21 political activity.

22 For the purposes of this subsection (c):

23 "Political" means any activity in support of or in  
24 connection with any campaign for State or local elective office  
25 or any political organization, but does not include activities  
26 (i) relating to the support or opposition of any executive,

1 legislative, or administrative action (as those terms are  
2 defined in Section 2 of the Lobbyist Registration Act), (ii)  
3 relating to collective bargaining, or (iii) that are otherwise  
4 in furtherance of the person's official State duties or  
5 governmental and public service functions.

6 "Political organization" means a party, committee,  
7 association, fund, or other organization (whether or not  
8 incorporated) that is required to file a statement of  
9 organization with the State Board of Elections or county clerk  
10 under Section 9-3 of the Election Code, but only with regard to  
11 those activities that require filing with the State Board of  
12 Elections or county clerk.

13 (d) Board members and employees may not engage in  
14 communications or any activity that may cause or have the  
15 appearance of causing a conflict of interest. A conflict of  
16 interest exists if a situation influences or creates the  
17 appearance that it may influence judgment or performance of  
18 regulatory duties and responsibilities. This prohibition shall  
19 extend to any act identified by Board action that, in the  
20 judgment of the Board, could represent the potential for or the  
21 appearance of a conflict of interest.

22 (e) Board members and employees may not accept any gift,  
23 gratuity, service, compensation, travel, lodging, or thing of  
24 value, with the exception of unsolicited items of an incidental  
25 nature, from any person, corporation, limited liability  
26 company, or entity doing business with the Board.

1       (f) A Board member or employee shall not use or attempt to  
2 use his or her official position to secure, or attempt to  
3 secure, any privilege, advantage, favor, or influence for  
4 himself or herself or others. No Board member or employee,  
5 within a period of one year immediately preceding nomination by  
6 the Governor or employment, shall have been employed or  
7 received compensation or fees for services from a person or  
8 entity, or its parent or affiliate, that has engaged in  
9 business with the Board, a licensee or a licensee under the  
10 Illinois Gambling Act. In addition, all Board members and  
11 employees are subject to the restrictions set forth in Section  
12 5-45 of the State Officials and Employees Ethics Act.

13       (Source: P.A. 89-16, eff. 5-30-95.)

14       (230 ILCS 5/9) (from Ch. 8, par. 37-9)

15       Sec. 9. The Board shall have all powers necessary and  
16 proper to fully and effectively execute the provisions of this  
17 Act, including, but not limited to, the following:

18       (a) The Board is vested with jurisdiction and supervision  
19 over all race meetings in this State, over all licensees doing  
20 business in this State, over all occupation licensees, and over  
21 all persons on the facilities of any licensee. Such  
22 jurisdiction shall include the power to issue licenses to the  
23 Illinois Department of Agriculture authorizing the pari-mutuel  
24 system of wagering on harness and Quarter Horse races held (1)  
25 at the Illinois State Fair in Sangamon County, and (2) at the

1 DuQuoin State Fair in Perry County. The jurisdiction of the  
2 Board shall also include the power to issue licenses to county  
3 fairs which are eligible to receive funds pursuant to the  
4 Agricultural Fair Act, as now or hereafter amended, or their  
5 agents, authorizing the pari-mutuel system of wagering on horse  
6 races conducted at the county fairs receiving such licenses.  
7 Such licenses shall be governed by subsection (n) of this  
8 Section.

9 Upon application, the Board shall issue a license to the  
10 Illinois Department of Agriculture to conduct harness and  
11 Quarter Horse races at the Illinois State Fair and at the  
12 DuQuoin State Fairgrounds during the scheduled dates of each  
13 fair. The Board shall not require and the Department of  
14 Agriculture shall be exempt from the requirements of Sections  
15 15.3, 18 and 19, paragraphs (a) (2), (b), (c), (d), (e), (e-5),  
16 (e-10), (f), (g), and (h) of Section 20, and Sections 21, 24  
17 and 25. The Board and the Department of Agriculture may extend  
18 any or all of these exemptions to any contractor or agent  
19 engaged by the Department of Agriculture to conduct its race  
20 meetings when the Board determines that this would best serve  
21 the public interest and the interest of horse racing.

22 Notwithstanding any provision of law to the contrary, it  
23 shall be lawful for any licensee to operate pari-mutuel  
24 wagering or contract with the Department of Agriculture to  
25 operate pari-mutuel wagering at the DuQuoin State Fairgrounds  
26 or for the Department to enter into contracts with a licensee,

1 employ its owners, employees or agents and employ such other  
2 occupation licensees as the Department deems necessary in  
3 connection with race meetings and wagerings.

4 (b) The Board is vested with the full power to promulgate  
5 reasonable rules and regulations for the purpose of  
6 administering the provisions of this Act and to prescribe  
7 reasonable rules, regulations and conditions under which all  
8 horse race meetings or wagering in the State shall be  
9 conducted. Such reasonable rules and regulations are to provide  
10 for the prevention of practices detrimental to the public  
11 interest and to promote the best interests of horse racing and  
12 to impose penalties for violations thereof.

13 (c) The Board, and any person or persons to whom it  
14 delegates this power, is vested with the power to enter the  
15 facilities and other places of business of any licensee to  
16 determine whether there has been compliance with the provisions  
17 of this Act and its rules and regulations.

18 (d) The Board, and any person or persons to whom it  
19 delegates this power, is vested with the authority to  
20 investigate alleged violations of the provisions of this Act,  
21 its reasonable rules and regulations, orders and final  
22 decisions; the Board shall take appropriate disciplinary  
23 action against any licensee or occupation licensee for  
24 violation thereof or institute appropriate legal action for the  
25 enforcement thereof.

26 (e) The Board, and any person or persons to whom it

1 delegates this power, may eject or exclude from any race  
2 meeting or the facilities of any licensee, or any part thereof,  
3 any occupation licensee or any other individual whose conduct  
4 or reputation is such that his presence on those facilities  
5 may, in the opinion of the Board, call into question the  
6 honesty and integrity of horse racing or wagering or interfere  
7 with the orderly conduct of horse racing or wagering; provided,  
8 however, that no person shall be excluded or ejected from the  
9 facilities of any licensee solely on the grounds of race,  
10 color, creed, national origin, ancestry, or sex. The power to  
11 eject or exclude an occupation licensee or other individual may  
12 be exercised for just cause by the licensee or the Board,  
13 subject to subsequent hearing by the Board as to the propriety  
14 of said exclusion.

15 (f) The Board is vested with the power to acquire,  
16 establish, maintain and operate (or provide by contract to  
17 maintain and operate) testing laboratories and related  
18 facilities, for the purpose of conducting saliva, blood, urine  
19 and other tests on the horses run or to be run in any horse race  
20 meeting, including races run at county fairs, and to purchase  
21 all equipment and supplies deemed necessary or desirable in  
22 connection with any such testing laboratories and related  
23 facilities and all such tests.

24 (g) The Board may require that the records, including  
25 financial or other statements of any licensee or any person  
26 affiliated with the licensee who is involved directly or

1 indirectly in the activities of any licensee as regulated under  
2 this Act to the extent that those financial or other statements  
3 relate to such activities be kept in such manner as prescribed  
4 by the Board, and that Board employees shall have access to  
5 those records during reasonable business hours. Within 120 days  
6 of the end of its fiscal year, each licensee shall transmit to  
7 the Board an audit of the financial transactions and condition  
8 of the licensee's total operations. All audits shall be  
9 conducted by certified public accountants. Each certified  
10 public accountant must be registered in the State of Illinois  
11 under the Illinois Public Accounting Act. The compensation for  
12 each certified public accountant shall be paid directly by the  
13 licensee to the certified public accountant. A licensee shall  
14 also submit any other financial or related information the  
15 Board deems necessary to effectively administer this Act and  
16 all rules, regulations, and final decisions promulgated under  
17 this Act.

18 (h) The Board shall name and appoint in the manner provided  
19 by the rules and regulations of the Board: an Executive  
20 Director; a State director of mutuels; State veterinarians and  
21 representatives to take saliva, blood, urine and other tests on  
22 horses; licensing personnel; revenue inspectors; and State  
23 seasonal employees (excluding admission ticket sellers and  
24 mutuel clerks). All of those named and appointed as provided in  
25 this subsection shall serve during the pleasure of the Board;  
26 their compensation shall be determined by the Board and be paid

1 in the same manner as other employees of the Board under this  
2 Act.

3 (i) The Board shall require that there shall be 3 stewards  
4 at each horse race meeting, at least 2 of whom shall be named  
5 and appointed by the Board. Stewards appointed or approved by  
6 the Board, while performing duties required by this Act or by  
7 the Board, shall be entitled to the same rights and immunities  
8 as granted to Board members and Board employees in Section 10  
9 of this Act.

10 (j) The Board may discharge any Board employee who fails or  
11 refuses for any reason to comply with the rules and regulations  
12 of the Board, or who, in the opinion of the Board, is guilty of  
13 fraud, dishonesty or who is proven to be incompetent. The Board  
14 shall have no right or power to determine who shall be  
15 officers, directors or employees of any licensee, or their  
16 salaries except the Board may, by rule, require that all or any  
17 officials or employees in charge of or whose duties relate to  
18 the actual running of races be approved by the Board.

19 (k) The Board is vested with the power to appoint delegates  
20 to execute any of the powers granted to it under this Section  
21 for the purpose of administering this Act and any rules or  
22 regulations promulgated in accordance with this Act.

23 (l) The Board is vested with the power to impose civil  
24 penalties of up to \$5,000 against an individual and up to  
25 \$10,000 against a licensee for each violation of any provision  
26 of this Act, any rules adopted by the Board, any order of the



1 Board or any other action which, in the Board's discretion, is  
2 a detriment or impediment to horse racing or wagering.  
3 Beginning on the date when any organization licensee begins  
4 conducting gaming pursuant to an organization gaming license  
5 issued under the Illinois Gambling Act, the power granted to  
6 the Board pursuant to this subsection (l) shall authorize the  
7 Board to impose penalties of up to \$10,000 against an  
8 individual and up to \$25,000 against a licensee. All such civil  
9 penalties shall be deposited into the Horse Racing Fund.

10 (m) The Board is vested with the power to prescribe a form  
11 to be used by licensees as an application for employment for  
12 employees of each licensee.

13 (n) The Board shall have the power to issue a license to  
14 any county fair, or its agent, authorizing the conduct of the  
15 pari-mutuel system of wagering. The Board is vested with the  
16 full power to promulgate reasonable rules, regulations and  
17 conditions under which all horse race meetings licensed  
18 pursuant to this subsection shall be held and conducted,  
19 including rules, regulations and conditions for the conduct of  
20 the pari-mutuel system of wagering. The rules, regulations and  
21 conditions shall provide for the prevention of practices  
22 detrimental to the public interest and for the best interests  
23 of horse racing, and shall prescribe penalties for violations  
24 thereof. Any authority granted the Board under this Act shall  
25 extend to its jurisdiction and supervision over county fairs,  
26 or their agents, licensed pursuant to this subsection. However,

1 the Board may waive any provision of this Act or its rules or  
2 regulations which would otherwise apply to such county fairs or  
3 their agents.

4 (o) Whenever the Board is authorized or required by law to  
5 consider some aspect of criminal history record information for  
6 the purpose of carrying out its statutory powers and  
7 responsibilities, then, upon request and payment of fees in  
8 conformance with the requirements of Section 2605-400 of the  
9 Department of State Police Law (20 ILCS 2605/2605-400), the  
10 Department of State Police is authorized to furnish, pursuant  
11 to positive identification, such information contained in  
12 State files as is necessary to fulfill the request.

13 (p) To insure the convenience, comfort, and wagering  
14 accessibility of race track patrons, to provide for the  
15 maximization of State revenue, and to generate increases in  
16 purse allotments to the horsemen, the Board shall require any  
17 licensee to staff the pari-mutuel department with adequate  
18 personnel.

19 (Source: P.A. 97-1060, eff. 8-24-12.)

20 (230 ILCS 5/15) (from Ch. 8, par. 37-15)

21 Sec. 15. (a) The Board shall, in its discretion, issue  
22 occupation licenses to horse owners, trainers, harness  
23 drivers, jockeys, agents, apprentices, grooms, stable foremen,  
24 exercise persons, veterinarians, valets, blacksmiths,  
25 concessionaires and others designated by the Board whose work,

1 in whole or in part, is conducted upon facilities within the  
2 State. Such occupation licenses will be obtained prior to the  
3 persons engaging in their vocation upon such facilities. The  
4 Board shall not license pari-mutuel clerks, parking  
5 attendants, security guards and employees of concessionaires.  
6 No occupation license shall be required of any person who works  
7 at facilities within this State as a pari-mutuel clerk, parking  
8 attendant, security guard or as an employee of a  
9 concessionaire. Concessionaires of the Illinois State Fair and  
10 DuQuoin State Fair and employees of the Illinois Department of  
11 Agriculture shall not be required to obtain an occupation  
12 license by the Board.

13 (b) Each application for an occupation license shall be on  
14 forms prescribed by the Board. Such license, when issued, shall  
15 be for the period ending December 31 of each year, except that  
16 the Board in its discretion may grant 3-year licenses. The  
17 application shall be accompanied by a fee of not more than \$25  
18 per year or, in the case of 3-year occupation license  
19 applications, a fee of not more than \$60. Each applicant shall  
20 set forth in the application his full name and address, and if  
21 he had been issued prior occupation licenses or has been  
22 licensed in any other state under any other name, such name,  
23 his age, whether or not a permit or license issued to him in  
24 any other state has been suspended or revoked and if so whether  
25 such suspension or revocation is in effect at the time of the  
26 application, and such other information as the Board may

1 require. Fees for registration of stable names shall not exceed  
2 \$50.00. Beginning on the date when any organization licensee  
3 begins conducting gaming pursuant to an organization gaming  
4 license issued under the Illinois Gambling Act, the fee for  
5 registration of stable names shall not exceed \$150, and the  
6 application fee for an occupation license shall not exceed \$75,  
7 per year or, in the case of a 3-year occupation license  
8 application, the fee shall not exceed \$180.

9 (c) The Board may in its discretion refuse an occupation  
10 license to any person:

11 (1) who has been convicted of a crime;

12 (2) who is unqualified to perform the duties required  
13 of such applicant;

14 (3) who fails to disclose or states falsely any  
15 information called for in the application;

16 (4) who has been found guilty of a violation of this  
17 Act or of the rules and regulations of the Board; or

18 (5) whose license or permit has been suspended, revoked  
19 or denied for just cause in any other state.

20 (d) The Board may suspend or revoke any occupation license:

21 (1) for violation of any of the provisions of this Act;

22 or

23 (2) for violation of any of the rules or regulations of  
24 the Board; or

25 (3) for any cause which, if known to the Board, would  
26 have justified the Board in refusing to issue such

1 occupation license; or

2 (4) for any other just cause.

3 (e) Each applicant shall submit his or her fingerprints  
4 to the Department of State Police in the form and manner  
5 prescribed by the Department of State Police. These  
6 fingerprints shall be checked against the fingerprint records  
7 now and hereafter filed in the Department of State Police and  
8 Federal Bureau of Investigation criminal history records  
9 databases. The Department of State Police shall charge a fee  
10 for conducting the criminal history records check, which shall  
11 be deposited in the State Police Services Fund and shall not  
12 exceed the actual cost of the records check. The Department of  
13 State Police shall furnish, pursuant to positive  
14 identification, records of conviction to the Board. Each  
15 applicant for licensure shall submit with his occupation  
16 license application, on forms provided by the Board, 2 sets of  
17 his fingerprints. All such applicants shall appear in person at  
18 the location designated by the Board for the purpose of  
19 submitting such sets of fingerprints; however, with the prior  
20 approval of a State steward, an applicant may have such sets of  
21 fingerprints taken by an official law enforcement agency and  
22 submitted to the Board.

23 (f) The Board may, in its discretion, issue an occupation  
24 license without submission of fingerprints if an applicant has  
25 been duly licensed in another recognized racing jurisdiction  
26 after submitting fingerprints that were subjected to a Federal

1 Bureau of Investigation criminal history background check in  
2 that jurisdiction.

3 (g) 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 Board may  
6 charge each applicant a reasonable nonrefundable fee to defray  
7 the costs associated with the background investigation  
8 conducted by the Board. This fee shall be exclusive of any  
9 other fee or fees charged in connection with an application for  
10 and, if applicable, the issuance of, an organization gaming  
11 license. If the costs of the investigation exceed the amount of  
12 the fee charged, the Board shall immediately notify the  
13 applicant of the additional amount owed, payment of which must  
14 be submitted to the Board within 7 days after such  
15 notification. All information, records, interviews, reports,  
16 statements, memoranda, or other data supplied to or used by the  
17 Board in the course of its review or investigation of an  
18 applicant for a license or renewal under this Act shall be  
19 privileged, strictly confidential, and shall be used only for  
20 the purpose of evaluating an applicant for a license or a  
21 renewal. Such information, records, interviews, reports,  
22 statements, memoranda, or other data shall not be admissible as  
23 evidence, nor discoverable, in any action of any kind in any  
24 court or before any tribunal, board, agency, or person, except  
25 for any action deemed necessary by the Board.

26 (Source: P.A. 93-418, eff. 1-1-04.)

1 (230 ILCS 5/18) (from Ch. 8, par. 37-18)

2 Sec. 18. (a) Together with its application, each applicant  
3 for racing dates shall deliver to the Board a certified check  
4 or bank draft payable to the order of the Board for \$1,000. In  
5 the event the applicant applies for racing dates in 2 or 3  
6 successive calendar years as provided in subsection (b) of  
7 Section 21, the fee shall be \$2,000. Filing fees shall not be  
8 refunded in the event the application is denied. Beginning on  
9 the date when any organization licensee begins conducting  
10 gaming pursuant to an organization gaming license issued under  
11 the Illinois Gambling Act, the application fee for racing dates  
12 imposed by this subsection (a) shall be \$10,000 and the  
13 application fee for racing dates in 2 or 3 successive calendar  
14 years as provided in subsection (b) of Section 21 shall be  
15 \$20,000. All filing fees shall be deposited into the Horse  
16 Racing Fund.

17 (b) In addition to the filing fee imposed by subsection (a)  
18 ~~of \$1000~~ and the fees provided in subsection (j) of Section 20,  
19 each organization licensee shall pay a license fee of \$100 for  
20 each racing program on which its daily pari-mutuel handle is  
21 \$400,000 or more but less than \$700,000, and a license fee of  
22 \$200 for each racing program on which its daily pari-mutuel  
23 handle is \$700,000 or more. The additional fees required to be  
24 paid under this Section by this amendatory Act of 1982 shall be  
25 remitted by the organization licensee to the Illinois Racing

1 Board with each day's graduated privilege tax or pari-mutuel  
2 tax and breakage as provided under Section 27. Beginning on the  
3 date when any organization licensee begins conducting gaming  
4 pursuant to an organization gaming license issued under the  
5 Illinois Gambling Act, the license fee imposed by this  
6 subsection (b) shall be \$200 for each racing program on which  
7 the organization licensee's daily pari-mutuel handle is  
8 \$100,000 or more, but less than \$400,000, and the license fee  
9 imposed by this subsection (b) shall be \$400 for each racing  
10 program on which the organization licensee's daily pari-mutuel  
11 handle is \$400,000 or more.

12 (c) Sections 11-42-1, 11-42-5, and 11-54-1 of the ~~"Illinois~~  
13 ~~Municipal Code," approved May 29, 1961, as now or hereafter~~  
14 ~~amended,~~ shall not apply to any license under this Act.

15 (Source: P.A. 97-1060, eff. 8-24-12.)

16 (230 ILCS 5/19) (from Ch. 8, par. 37-19)

17 Sec. 19. (a) No organization license may be granted to  
18 conduct a horse race meeting:

19 (1) except as provided in subsection (c) of Section 21  
20 of this Act, to any person at any place within 35 miles of  
21 any other place licensed by the Board to hold a race  
22 meeting on the same date during the same hours, the mileage  
23 measurement used in this subsection (a) shall be certified  
24 to the Board by the Bureau of Systems and Services in the  
25 Illinois Department of Transportation as the most commonly



1 used public way of vehicular travel;

2 (2) to any person in default in the payment of any  
3 obligation or debt due the State under this Act, provided  
4 no applicant shall be deemed in default in the payment of  
5 any obligation or debt due to the State under this Act as  
6 long as there is pending a hearing of any kind relevant to  
7 such matter;

8 (3) to any person who has been convicted of the  
9 violation of any law of the United States or any State law  
10 which provided as all or part of its penalty imprisonment  
11 in any penal institution; to any person against whom there  
12 is pending a Federal or State criminal charge; to any  
13 person who is or has been connected with or engaged in the  
14 operation of any illegal business; to any person who does  
15 not enjoy a general reputation in his community of being an  
16 honest, upright, law-abiding person; provided that none of  
17 the matters set forth in this subparagraph (3) shall make  
18 any person ineligible to be granted an organization license  
19 if the Board determines, based on circumstances of any such  
20 case, that the granting of a license would not be  
21 detrimental to the interests of horse racing and of the  
22 public;

23 (4) to any person who does not at the time of  
24 application for the organization license own or have a  
25 contract or lease for the possession of a finished race  
26 track suitable for the type of racing intended to be held

1 by the applicant and for the accommodation of the public.

2 (b) (Blank) ~~Horse racing on Sunday shall be prohibited~~  
3 ~~unless authorized by ordinance or referendum of the~~  
4 ~~municipality in which a race track or any of its appurtenances~~  
5 ~~or facilities are located, or utilized.~~

6 (c) If any person is ineligible to receive an organization  
7 license because of any of the matters set forth in subsection  
8 (a) (2) or subsection (a) (3) of this Section, any other or  
9 separate person that either (i) controls, directly or  
10 indirectly, such ineligible person or (ii) is controlled,  
11 directly or indirectly, by such ineligible person or by a  
12 person which controls, directly or indirectly, such ineligible  
13 person shall also be ineligible.

14 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)

15 (230 ILCS 5/19.5 new)

16 Sec. 19.5. Standardbred racetrack in Cook County.  
17 Notwithstanding anything in this Act to the contrary, in  
18 addition to organization licenses issued by the Board on the  
19 effective date of this amendatory Act of the 101st General  
20 Assembly, the Board shall issue an organization license limited  
21 to standardbred racing to a racetrack located in one of the  
22 following townships of Cook County: Bloom, Bremen, Calumet,  
23 Orland, Rich, Thornton, or Worth. This additional organization  
24 license shall not be issued within a 35-mile radius of another  
25 organization license issued by the Board on the effective date

1 of this amendatory Act of the 101st General Assembly, unless  
2 the person having operating control of such racetrack has given  
3 written consent to the organization licensee applicant, which  
4 consent must be filed with the Board at or prior to the time  
5 application is made. The organization license shall be granted  
6 upon application, and the licensee shall have all of the  
7 current and future rights of existing Illinois racetracks,  
8 including, but not limited to, the ability to obtain an  
9 inter-track wagering license, the ability to obtain  
10 inter-track wagering location licenses, the ability to obtain  
11 an organization gaming license pursuant to the Illinois  
12 Gambling Act with 1,200 gaming positions, and the ability to  
13 offer Internet wagering on horse racing.

14 (230 ILCS 5/20) (from Ch. 8, par. 37-20)

15 Sec. 20. (a) Any person desiring to conduct a horse race  
16 meeting may apply to the Board for an organization license. The  
17 application shall be made on a form prescribed and furnished by  
18 the Board. The application shall specify:

19 (1) the dates on which it intends to conduct the horse  
20 race meeting, which dates shall be provided under Section  
21 21;

22 (2) the hours of each racing day between which it  
23 intends to hold or conduct horse racing at such meeting;

24 (3) the location where it proposes to conduct the  
25 meeting; and

1           (4) any other information the Board may reasonably  
2           require.

3           (b) A separate application for an organization license  
4           shall be filed for each horse race meeting which such person  
5           proposes to hold. Any such application, if made by an  
6           individual, or by any individual as trustee, shall be signed  
7           and verified under oath by such individual. If the application  
8           is made by individuals, then it shall be signed and verified  
9           under oath by at least 2 of the individuals; if the application  
10          is made by or a partnership, it shall be signed and verified  
11          under oath by at least 2 of such individuals or members of such  
12          partnership as the case may be. If made by an association, a  
13          corporation, a corporate trustee, a limited liability company,  
14          or any other entity, it shall be signed by an authorized  
15          officer, a partner, a member, or a manager, as the case may be,  
16          of the entity ~~the president and attested by the secretary or~~  
17          ~~assistant secretary under the seal of such association, trust~~  
18          ~~or corporation if it has a seal, and shall also be verified~~  
19          ~~under oath by one of the signing officers.~~

20          (c) The application shall specify:

21                (1) the name of the persons, association, trust, or  
22                corporation making such application; ~~and~~

23                (2) the principal ~~post office~~ address of the applicant;

24                (3) if the applicant is a trustee, the names and  
25                addresses of the beneficiaries; if the applicant is a  
26                corporation, the names and ~~post office~~ addresses of all

1 officers, stockholders and directors; or if such  
2 stockholders hold stock as a nominee or fiduciary, the  
3 names and ~~post-office~~ addresses of the parties ~~these~~  
4 ~~persons, partnerships, corporations, or trusts~~ who are the  
5 beneficial owners thereof or who are beneficially  
6 interested therein; ~~and~~ if the applicant is a partnership,  
7 the names and ~~post-office~~ addresses of all partners,  
8 general or limited; if the applicant is a limited liability  
9 company, the names and addresses of the manager and  
10 members; and if the applicant is any other entity, the  
11 names and addresses of all officers or other authorized  
12 persons of the entity ~~corporation, the name of the state of~~  
13 ~~its incorporation shall be specified.~~

14 (d) The applicant shall execute and file with the Board a  
15 good faith affirmative action plan to recruit, train, and  
16 upgrade minorities in all classifications within the  
17 association.

18 (e) With such application there shall be delivered to the  
19 Board a certified check or bank draft payable to the order of  
20 the Board for an amount equal to \$1,000. All applications for  
21 the issuance of an organization license shall be filed with the  
22 Board before August 1 of the year prior to the year for which  
23 application is made and shall be acted upon by the Board at a  
24 meeting to be held on such date as shall be fixed by the Board  
25 during the last 15 days of September of such prior year. At  
26 such meeting, the Board shall announce the award of the racing

1 meets, live racing schedule, and designation of host track to  
2 the applicants and its approval or disapproval of each  
3 application. No announcement shall be considered binding until  
4 a formal order is executed by the Board, which shall be  
5 executed no later than October 15 of that prior year. Absent  
6 the agreement of the affected organization licensees, the Board  
7 shall not grant overlapping race meetings to 2 or more tracks  
8 that are within 100 miles of each other to conduct the  
9 thoroughbred racing.

10 (e-1) The Board shall award standardbred racing dates to  
11 organization licensees with an organization gaming license  
12 pursuant to the following schedule:

13 (1) For the first calendar year of operation of  
14 gambling games by an organization gaming licensee under  
15 this amendatory Act of the 101st General Assembly, when a  
16 single entity requests standardbred racing dates, the  
17 Board shall award no fewer than 100 days of racing. The  
18 100-day requirement may be reduced to no fewer than 80 days  
19 if no dates are requested for the first 3 months of a  
20 calendar year. If more than one entity requests  
21 standardbred racing dates, the Board shall award no fewer  
22 than 140 days of racing between the applicants.

23 (2) For the second calendar year of operation of  
24 gambling games by an organization gaming licensee under  
25 this amendatory Act of the 101st General Assembly, when a  
26 single entity requests standardbred racing dates, the

1 Board shall award no fewer than 100 days of racing. The  
2 100-day requirement may be reduced to no fewer than 80 days  
3 if no dates are requested for the first 3 months of a  
4 calendar year. If more than one entity requests  
5 standardbred racing dates, the Board shall award no fewer  
6 than 160 days of racing between the applicants.

7 (3) For the third calendar year of operation of  
8 gambling games by an organization gaming licensee under  
9 this amendatory Act of the 101st General Assembly, and each  
10 calendar year thereafter, when a single entity requests  
11 standardbred racing dates, the Board shall award no fewer  
12 than 120 days of racing. The 120-day requirement may be  
13 reduced to no fewer than 100 days if no dates are requested  
14 for the first 3 months of a calendar year. If more than one  
15 entity requests standardbred racing dates, the Board shall  
16 award no fewer than 200 days of racing between the  
17 applicants.

18 An organization licensee shall apply for racing dates  
19 pursuant to this subsection (e-1). In awarding racing dates  
20 under this subsection (e-1), the Board shall have the  
21 discretion to allocate those standardbred racing dates among  
22 these organization licensees.

23 (e-2) The Board shall award thoroughbred racing days to  
24 Cook County organization licensees pursuant to the following  
25 schedule:

26 (1) During the first year in which only one

1       organization licensee is awarded an organization gaming  
2       license, the Board shall award no fewer than 110 days of  
3       racing.

4       During the second year in which only one organization  
5       licensee is awarded an organization gaming license, the  
6       Board shall award no fewer than 115 racing days.

7       During the third year and every year thereafter, in  
8       which only one organization licensee is awarded an  
9       organization gaming license, the Board shall award no fewer  
10      than 120 racing days.

11      (2) During the first year in which 2 organization  
12      licensees are awarded an organization gaming license, the  
13      Board shall award no fewer than 139 total racing days.

14      During the second year in which 2 organization  
15      licensees are awarded an organization gaming license, the  
16      Board shall award no fewer than 160 total racing days.

17      During the third year and every year thereafter in  
18      which 2 organization licensees are awarded an organization  
19      gaming license, the Board shall award no fewer than 174  
20      total racing days.

21      A Cook County organization licensee shall apply for racing  
22      dates pursuant to this subsection (e-2). In awarding racing  
23      dates under this subsection (e-2), the Board shall have the  
24      discretion to allocate those thoroughbred racing dates among  
25      these Cook County organization licensees.

26      (e-3) In awarding racing dates for calendar year 2020 and



1 thereafter in connection with a racetrack in Madison County,  
2 the Board shall award racing dates and such organization  
3 licensee shall run at least 700 thoroughbred races at the  
4 racetrack in Madison County each year.

5 Notwithstanding Section 7.7 of the Illinois Gambling Act or  
6 any provision of this Act other than subsection (e-4.5), for  
7 each calendar year for which an organization gaming licensee  
8 located in Madison County requests racing dates resulting in  
9 less than 700 live thoroughbred races at its racetrack  
10 facility, the organization gaming licensee may not conduct  
11 gaming pursuant to an organization gaming license issued under  
12 the Illinois Gambling Act for the calendar year of such  
13 requested live races.

14 (e-4) Notwithstanding the provisions of Section 7.7 of the  
15 Illinois Gambling Act or any provision of this Act other than  
16 subsections (e-3) and (e-4.5), for each calendar year for which  
17 an organization gaming licensee requests thoroughbred racing  
18 dates which results in a number of live races under its  
19 organization license that is less than the total number of live  
20 races which it conducted in 2017 at its racetrack facility, the  
21 organization gaming licensee may not conduct gaming pursuant to  
22 its organization gaming license for the calendar year of such  
23 requested live races.

24 (e-4.1) Notwithstanding the provisions of Section 7.7 of  
25 the Illinois Gambling Act or any provision of this Act other  
26 than subsections (e-3) and (e-4.5), for each calendar year for

1 which an organization licensee requests racing dates for  
2 standardbred racing which results in a number of live races  
3 that is less than the total number of live races required in  
4 subsection (e-1), the organization gaming licensee may not  
5 conduct gaming pursuant to its organization gaming license for  
6 the calendar year of such requested live races.

7 (e-4.5) The Board shall award the minimum live racing  
8 guarantees contained in subsections (e-1), (e-2), and (e-3) to  
9 ensure that each organization licensee shall individually run a  
10 sufficient number of races per year to qualify for an  
11 organization gaming license under this Act. The General  
12 Assembly finds that the minimum live racing guarantees  
13 contained in subsections (e-1), (e-2), and (e-3) are in the  
14 best interest of the sport of horse racing, and that such  
15 guarantees may only be reduced in the calendar year in which  
16 they will be conducted in the limited circumstances described  
17 in this subsection. The Board may decrease the number of racing  
18 days without affecting an organization licensee's ability to  
19 conduct gaming pursuant to an organization gaming license  
20 issued under the Illinois Gambling Act only if the Board  
21 determines, after notice and hearing, that:

22 (i) a decrease is necessary to maintain a sufficient  
23 number of betting interests per race to ensure the  
24 integrity of racing;

25 (ii) there are unsafe track conditions due to weather  
26 or acts of God;

1           (iii) there is an agreement between an organization  
2           licensee and the breed association that is applicable to  
3           the involved live racing guarantee, such association  
4           representing either the largest number of thoroughbred  
5           owners and trainers or the largest number of standardbred  
6           owners, trainers and drivers who race horses at the  
7           involved organization licensee's racing meeting, so long  
8           as the agreement does not compromise the integrity of the  
9           sport of horse racing; or

10           (iv) the horse population or purse levels are  
11           insufficient to provide the number of racing opportunities  
12           otherwise required in this Act.

13           In decreasing the number of racing dates in accordance with  
14           this subsection, the Board shall hold a hearing and shall  
15           provide the public and all interested parties notice and an  
16           opportunity to be heard. The Board shall accept testimony from  
17           all interested parties, including any association representing  
18           owners, trainers, jockeys, or drivers who will be affected by  
19           the decrease in racing dates. The Board shall provide a written  
20           explanation of the reasons for the decrease and the Board's  
21           findings. The written explanation shall include a listing and  
22           content of all communication between any party and any Illinois  
23           Racing Board member or staff that does not take place at a  
24           public meeting of the Board.

25           (e-5) In reviewing an application for the purpose of  
26           granting an organization license consistent with the best

1 interests of the public and the sport of horse racing, the  
2 Board shall consider:

3 (1) the character, reputation, experience, and  
4 financial integrity of the applicant and of any other  
5 separate person that either:

6 (i) controls the applicant, directly or  
7 indirectly, or

8 (ii) is controlled, directly or indirectly, by  
9 that applicant or by a person who controls, directly or  
10 indirectly, that applicant;

11 (2) the applicant's facilities or proposed facilities  
12 for conducting horse racing;

13 (3) the total revenue without regard to Section 32.1 to  
14 be derived by the State and horsemen from the applicant's  
15 conducting a race meeting;

16 (4) the applicant's good faith affirmative action plan  
17 to recruit, train, and upgrade minorities in all employment  
18 classifications;

19 (5) the applicant's financial ability to purchase and  
20 maintain adequate liability and casualty insurance;

21 (6) the applicant's proposed and prior year's  
22 promotional and marketing activities and expenditures of  
23 the applicant associated with those activities;

24 (7) an agreement, if any, among organization licensees  
25 as provided in subsection (b) of Section 21 of this Act;  
26 and

1           (8) the extent to which the applicant exceeds or meets  
2           other standards for the issuance of an organization license  
3           that the Board shall adopt by rule.

4           In granting organization licenses and allocating dates for  
5           horse race meetings, the Board shall have discretion to  
6           determine an overall schedule, including required simulcasts  
7           of Illinois races by host tracks that will, in its judgment, be  
8           conducive to the best interests of the public and the sport of  
9           horse racing.

10          (e-10) The Illinois Administrative Procedure Act shall  
11          apply to administrative procedures of the Board under this Act  
12          for the granting of an organization license, except that (1)  
13          notwithstanding the provisions of subsection (b) of Section  
14          10-40 of the Illinois Administrative Procedure Act regarding  
15          cross-examination, the Board may prescribe rules limiting the  
16          right of an applicant or participant in any proceeding to award  
17          an organization license to conduct cross-examination of  
18          witnesses at that proceeding where that cross-examination  
19          would unduly obstruct the timely award of an organization  
20          license under subsection (e) of Section 20 of this Act; (2) the  
21          provisions of Section 10-45 of the Illinois Administrative  
22          Procedure Act regarding proposals for decision are excluded  
23          under this Act; (3) notwithstanding the provisions of  
24          subsection (a) of Section 10-60 of the Illinois Administrative  
25          Procedure Act regarding ex parte communications, the Board may  
26          prescribe rules allowing ex parte communications with

1 applicants or participants in a proceeding to award an  
2 organization license where conducting those communications  
3 would be in the best interest of racing, provided all those  
4 communications are made part of the record of that proceeding  
5 pursuant to subsection (c) of Section 10-60 of the Illinois  
6 Administrative Procedure Act; (4) the provisions of Section 14a  
7 of this Act and the rules of the Board promulgated under that  
8 Section shall apply instead of the provisions of Article 10 of  
9 the Illinois Administrative Procedure Act regarding  
10 administrative law judges; and (5) the provisions of subsection  
11 (d) of Section 10-65 of the Illinois Administrative Procedure  
12 Act that prevent summary suspension of a license pending  
13 revocation or other action shall not apply.

14 (f) The Board may allot racing dates to an organization  
15 licensee for more than one calendar year but for no more than 3  
16 successive calendar years in advance, provided that the Board  
17 shall review such allotment for more than one calendar year  
18 prior to each year for which such allotment has been made. The  
19 granting of an organization license to a person constitutes a  
20 privilege to conduct a horse race meeting under the provisions  
21 of this Act, and no person granted an organization license  
22 shall be deemed to have a vested interest, property right, or  
23 future expectation to receive an organization license in any  
24 subsequent year as a result of the granting of an organization  
25 license. Organization licenses shall be subject to revocation  
26 if the organization licensee has violated any provision of this

1 Act or the rules and regulations promulgated under this Act or  
2 has been convicted of a crime or has failed to disclose or has  
3 stated falsely any information called for in the application  
4 for an organization license. Any organization license  
5 revocation proceeding shall be in accordance with Section 16  
6 regarding suspension and revocation of occupation licenses.

7 (f-5) If, (i) an applicant does not file an acceptance of  
8 the racing dates awarded by the Board as required under part  
9 (1) of subsection (h) of this Section 20, or (ii) an  
10 organization licensee has its license suspended or revoked  
11 under this Act, the Board, upon conducting an emergency hearing  
12 as provided for in this Act, may reaward on an emergency basis  
13 pursuant to rules established by the Board, racing dates not  
14 accepted or the racing dates associated with any suspension or  
15 revocation period to one or more organization licensees, new  
16 applicants, or any combination thereof, upon terms and  
17 conditions that the Board determines are in the best interest  
18 of racing, provided, the organization licensees or new  
19 applicants receiving the awarded racing dates file an  
20 acceptance of those reawarded racing dates as required under  
21 paragraph (1) of subsection (h) of this Section 20 and comply  
22 with the other provisions of this Act. The Illinois  
23 Administrative Procedure Act shall not apply to the  
24 administrative procedures of the Board in conducting the  
25 emergency hearing and the reallocation of racing dates on an  
26 emergency basis.

1 (g) (Blank).

2 (h) The Board shall send the applicant a copy of its  
3 formally executed order by certified mail addressed to the  
4 applicant at the address stated in his application, which  
5 notice shall be mailed within 5 days of the date the formal  
6 order is executed.

7 Each applicant notified shall, within 10 days after receipt  
8 of the final executed order of the Board awarding racing dates:

9 (1) file with the Board an acceptance of such award in  
10 the form prescribed by the Board;

11 (2) pay to the Board an additional amount equal to \$110  
12 for each racing date awarded; and

13 (3) file with the Board the bonds required in Sections  
14 21 and 25 at least 20 days prior to the first day of each  
15 race meeting.

16 Upon compliance with the provisions of paragraphs (1), (2), and  
17 (3) of this subsection (h), the applicant shall be issued an  
18 organization license.

19 If any applicant fails to comply with this Section or fails  
20 to pay the organization license fees herein provided, no  
21 organization license shall be issued to such applicant.

22 (Source: P.A. 97-333, eff. 8-12-11.)

23 (230 ILCS 5/21) (from Ch. 8, par. 37-21)

24 Sec. 21. (a) Applications for organization licenses must be  
25 filed with the Board at a time and place prescribed by the



1 rules and regulations of the Board. The Board shall examine the  
2 applications within 21 days after the date allowed for filing  
3 with respect to their conformity with this Act and such rules  
4 and regulations as may be prescribed by the Board. If any  
5 application does not comply with this Act or the rules and  
6 regulations prescribed by the Board, such application may be  
7 rejected and an organization license refused to the applicant,  
8 or the Board may, within 21 days of the receipt of such  
9 application, advise the applicant of the deficiencies of the  
10 application under the Act or the rules and regulations of the  
11 Board, and require the submittal of an amended application  
12 within a reasonable time determined by the Board; and upon  
13 submittal of the amended application by the applicant, the  
14 Board may consider the application consistent with the process  
15 described in subsection (e-5) of Section 20 of this Act. If it  
16 is found to be in compliance with this Act and the rules and  
17 regulations of the Board, the Board may then issue an  
18 organization license to such applicant.

19 (b) The Board may exercise discretion in granting racing  
20 dates to qualified applicants different from those requested by  
21 the applicants in their applications. However, if all eligible  
22 applicants for organization licenses whose tracks are located  
23 within 100 miles of each other execute and submit to the Board  
24 a written agreement among such applicants as to the award of  
25 racing dates, including where applicable racing programs, for  
26 up to 3 consecutive years, then subject to annual review of

1 each applicant's compliance with Board rules and regulations,  
2 provisions of this Act and conditions contained in annual dates  
3 orders issued by the Board, the Board may grant such dates and  
4 programs to such applicants as so agreed by them if the Board  
5 determines that the grant of these racing dates is in the best  
6 interests of racing. The Board shall treat any such agreement  
7 as the agreement signatories' joint and several application for  
8 racing dates during the term of the agreement.

9 (c) Where 2 or more applicants propose to conduct horse  
10 race meetings within 35 miles of each other, as certified to  
11 the Board under Section 19 (a) (1) of this Act, on conflicting  
12 dates, the Board may determine and grant the number of racing  
13 days to be awarded to the several applicants in accordance with  
14 the provisions of subsection (e-5) of Section 20 of this Act.

15 (d) (Blank).

16 (e) Prior to the issuance of an organization license, the  
17 applicant shall file with the Board a bond payable to the State  
18 of Illinois in the sum of \$200,000, executed by the applicant  
19 and a surety company or companies authorized to do business in  
20 this State, and conditioned upon the payment by the  
21 organization licensee of all taxes due under Section 27, other  
22 monies due and payable under this Act, all purses due and  
23 payable, and that the organization licensee will upon  
24 presentation of the winning ticket or tickets distribute all  
25 sums due to the patrons of pari-mutuel pools. Beginning on the  
26 date when any organization licensee begins conducting gaming

1 pursuant to an organization gaming license issued under the  
2 Illinois Gambling Act, the amount of the bond required under  
3 this subsection (e) shall be \$500,000.

4 (f) Each organization license shall specify the person to  
5 whom it is issued, the dates upon which horse racing is  
6 permitted, and the location, place, track, or enclosure where  
7 the horse race meeting is to be held.

8 (g) Any person who owns one or more race tracks within the  
9 State may seek, in its own name, a separate organization  
10 license for each race track.

11 (h) All racing conducted under such organization license is  
12 subject to this Act and to the rules and regulations from time  
13 to time prescribed by the Board, and every such organization  
14 license issued by the Board shall contain a recital to that  
15 effect.

16 (i) Each such organization licensee may provide that at  
17 least one race per day may be devoted to the racing of quarter  
18 horses, appaloosas, arabians, or paints.

19 (j) In acting on applications for organization licenses,  
20 the Board shall give weight to an organization license which  
21 has implemented a good faith affirmative action effort to  
22 recruit, train and upgrade minorities in all classifications  
23 within the organization license.

24 (Source: P.A. 90-754, eff. 1-1-99; 91-40, eff. 6-25-99.)

1           Sec. 24. (a) No license shall be issued to or held by an  
2 organization licensee unless all of its officers, directors,  
3 and holders of ownership interests of at least 5% are first  
4 approved by the Board. The Board shall not give approval of an  
5 organization license application to any person who has been  
6 convicted of or is under an indictment for a crime of moral  
7 turpitude or has violated any provision of the racing law of  
8 this State or any rules of the Board.

9           (b) An organization licensee must notify the Board within  
10 10 days of any change in the holders of a direct or indirect  
11 interest in the ownership of the organization licensee. The  
12 Board may, after hearing, revoke the organization license of  
13 any person who registers on its books or knowingly permits a  
14 direct or indirect interest in the ownership of that person  
15 without notifying the Board of the name of the holder in  
16 interest within this period.

17           (c) In addition to the provisions of subsection (a) of this  
18 Section, no person shall be granted an organization license if  
19 any public official of the State or member of his or her family  
20 holds any ownership or financial interest, directly or  
21 indirectly, in the person.

22           (d) No person which has been granted an organization  
23 license to hold a race meeting shall give to any public  
24 official or member of his family, directly or indirectly, for  
25 or without consideration, any interest in the person. The Board  
26 shall, after hearing, revoke the organization license granted

1 to a person which has violated this subsection.

2 (e) (Blank).

3 (f) No organization licensee or concessionaire or officer,  
4 director or holder or controller of 5% or more legal or  
5 beneficial interest in any organization licensee or concession  
6 shall make any sort of gift or contribution that is prohibited  
7 under Article 10 of the State Officials and Employees Ethics  
8 Act of any kind or pay or give any money or other thing of value  
9 to any person who is a public official, or a candidate or  
10 nominee for public office if that payment or gift is prohibited  
11 under Article 10 of the State Officials and Employees Ethics  
12 Act.

13 (Source: P.A. 89-16, eff. 5-30-95.)

14 (230 ILCS 5/25) (from Ch. 8, par. 37-25)

15 Sec. 25. Admission charge; bond; fine.

16 (a) There shall be paid to the Board at such time or times  
17 as it shall prescribe, the sum of fifteen cents (15¢) for each  
18 person entering the grounds or enclosure of each organization  
19 licensee and inter-track wagering licensee upon a ticket of  
20 admission except as provided in subsection (g) of Section 27 of  
21 this Act. If tickets are issued for more than one day then the  
22 sum of fifteen cents (15¢) shall be paid for each person using  
23 such ticket on each day that the same shall be used. Provided,  
24 however, that no charge shall be made on tickets of admission  
25 issued to and in the name of directors, officers, agents or

1 employees of the organization licensee, or inter-track  
2 wagering licensee, or to owners, trainers, jockeys, drivers and  
3 their employees or to any person or persons entering the  
4 grounds or enclosure for the transaction of business in  
5 connection with such race meeting. The organization licensee or  
6 inter-track wagering licensee may, if it desires, collect such  
7 amount from each ticket holder in addition to the amount or  
8 amounts charged for such ticket of admission. Beginning on the  
9 date when any organization licensee begins conducting gaming  
10 pursuant to an organization gaming license issued under the  
11 Illinois Gambling Act, the admission charge imposed by this  
12 subsection (a) shall be 40 cents for each person entering the  
13 grounds or enclosure of each organization licensee and  
14 inter-track wagering licensee upon a ticket of admission, and  
15 if such tickets are issued for more than one day, 40 cents  
16 shall be paid for each person using such ticket on each day  
17 that the same shall be used.

18 (b) Accurate records and books shall at all times be kept  
19 and maintained by the organization licensees and inter-track  
20 wagering licensees showing the admission tickets issued and  
21 used on each racing day and the attendance thereat of each  
22 horse racing meeting. The Board or its duly authorized  
23 representative or representatives shall at all reasonable  
24 times have access to the admission records of any organization  
25 licensee and inter-track wagering licensee for the purpose of  
26 examining and checking the same and ascertaining whether or not

1 the proper amount has been or is being paid the State of  
2 Illinois as herein provided. The Board shall also require,  
3 before issuing any license, that the licensee shall execute and  
4 deliver to it a bond, payable to the State of Illinois, in such  
5 sum as it shall determine, not, however, in excess of fifty  
6 thousand dollars (\$50,000), with a surety or sureties to be  
7 approved by it, conditioned for the payment of all sums due and  
8 payable or collected by it under this Section upon admission  
9 fees received for any particular racing meetings. The Board may  
10 also from time to time require sworn statements of the number  
11 or numbers of such admissions and may prescribe blanks upon  
12 which such reports shall be made. Any organization licensee or  
13 inter-track wagering licensee failing or refusing to pay the  
14 amount found to be due as herein provided, shall be deemed  
15 guilty of a business offense and upon conviction shall be  
16 punished by a fine of not more than five thousand dollars  
17 (\$5,000) in addition to the amount due from such organization  
18 licensee or inter-track wagering licensee as herein provided.  
19 All fines paid into court by an organization licensee or  
20 inter-track wagering licensee found guilty of violating this  
21 Section shall be transmitted and paid over by the clerk of the  
22 court to the Board. Beginning on the date when any organization  
23 licensee begins conducting gaming pursuant to an organization  
24 gaming license issued under the Illinois Gambling Act, any fine  
25 imposed pursuant to this subsection (b) shall not exceed  
26 \$10,000.

1 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)

2 (230 ILCS 5/26) (from Ch. 8, par. 37-26)

3 Sec. 26. Wagering.

4 (a) Any licensee may conduct and supervise the pari-mutuel  
5 system of wagering, as defined in Section 3.12 of this Act, on  
6 horse races conducted by an Illinois organization licensee or  
7 conducted at a racetrack located in another state or country  
8 ~~and televised in Illinois~~ in accordance with subsection (g) of  
9 Section 26 of this Act. Subject to the prior consent of the  
10 Board, licensees may supplement any pari-mutuel pool in order  
11 to guarantee a minimum distribution. Such pari-mutuel method of  
12 wagering shall not, under any circumstances if conducted under  
13 the provisions of this Act, be held or construed to be  
14 unlawful, other statutes of this State to the contrary  
15 notwithstanding. Subject to rules for advance wagering  
16 promulgated by the Board, any licensee may accept wagers in  
17 advance of the day of the race wagered upon occurs.

18 (b) Except for those gaming activities for which a license  
19 is obtained and authorized under the Illinois Lottery Law, the  
20 Charitable Games Act, the Raffles and Poker Runs Act, or the  
21 Illinois Gambling Act, no ~~no~~ other method of betting, pool  
22 making, wagering or gambling shall be used or permitted by the  
23 licensee. Each licensee may retain, subject to the payment of  
24 all applicable taxes and purses, an amount not to exceed 17% of  
25 all money wagered under subsection (a) of this Section, except



1 as may otherwise be permitted under this Act.

2 (b-5) An individual may place a wager under the pari-mutuel  
3 system from any licensed location authorized under this Act  
4 provided that wager is electronically recorded in the manner  
5 described in Section 3.12 of this Act. Any wager made  
6 electronically by an individual while physically on the  
7 premises of a licensee shall be deemed to have been made at the  
8 premises of that licensee.

9 (c) (Blank). ~~Until January 1, 2000, the sum held by any~~  
10 ~~licensee for payment of outstanding pari-mutuel tickets, if~~  
11 ~~unclaimed prior to December 31 of the next year, shall be~~  
12 ~~retained by the licensee for payment of such tickets until that~~  
13 ~~date. Within 10 days thereafter, the balance of such sum~~  
14 ~~remaining unclaimed, less any uncashed supplements contributed~~  
15 ~~by such licensee for the purpose of guaranteeing minimum~~  
16 ~~distributions of any pari-mutuel pool, shall be paid to the~~  
17 ~~Illinois Veterans' Rehabilitation Fund of the State treasury,~~  
18 ~~except as provided in subsection (g) of Section 27 of this Act.~~

19 (c-5) The ~~Beginning January 1, 2000, the~~ sum held by any  
20 licensee for payment of outstanding pari-mutuel tickets, if  
21 unclaimed prior to December 31 of the next year, shall be  
22 retained by the licensee for payment of such tickets until that  
23 date. Within 10 days thereafter, the balance of such sum  
24 remaining unclaimed, less any uncashed supplements contributed  
25 by such licensee for the purpose of guaranteeing minimum  
26 distributions of any pari-mutuel pool, shall be evenly

1 distributed to the purse account of the organization licensee  
2 and the organization licensee, except that the balance of the  
3 sum of all outstanding pari-mutuel tickets generated from  
4 simulcast wagering and inter-track wagering by an organization  
5 licensee located in a county with a population in excess of  
6 230,000 and borders the Mississippi River or any licensee that  
7 derives its license from that organization licensee shall be  
8 evenly distributed to the purse account of the organization  
9 licensee and the organization licensee.

10 (d) A pari-mutuel ticket shall be honored until December 31  
11 of the next calendar year, and the licensee shall pay the same  
12 and may charge the amount thereof against unpaid money  
13 similarly accumulated on account of pari-mutuel tickets not  
14 presented for payment.

15 (e) No licensee shall knowingly permit any minor, other  
16 than an employee of such licensee or an owner, trainer, jockey,  
17 driver, or employee thereof, to be admitted during a racing  
18 program unless accompanied by a parent or guardian, or any  
19 minor to be a patron of the pari-mutuel system of wagering  
20 conducted or supervised by it. The admission of any  
21 unaccompanied minor, other than an employee of the licensee or  
22 an owner, trainer, jockey, driver, or employee thereof at a  
23 race track is a Class C misdemeanor.

24 (f) Notwithstanding the other provisions of this Act, an  
25 organization licensee may contract with an entity in another  
26 state or country to permit any legal wagering entity in another

1 state or country to accept wagers solely within such other  
2 state or country on races conducted by the organization  
3 licensee in this State. Beginning January 1, 2000, these wagers  
4 shall not be subject to State taxation. Until January 1, 2000,  
5 when the out-of-State entity conducts a pari-mutuel pool  
6 separate from the organization licensee, a privilege tax equal  
7 to 7 1/2% of all monies received by the organization licensee  
8 from entities in other states or countries pursuant to such  
9 contracts is imposed on the organization licensee, and such  
10 privilege tax shall be remitted to the Department of Revenue  
11 within 48 hours of receipt of the moneys from the simulcast.  
12 When the out-of-State entity conducts a combined pari-mutuel  
13 pool with the organization licensee, the tax shall be 10% of  
14 all monies received by the organization licensee with 25% of  
15 the receipts from this 10% tax to be distributed to the county  
16 in which the race was conducted.

17 An organization licensee may permit one or more of its  
18 races to be utilized for pari-mutuel wagering at one or more  
19 locations in other states and may transmit audio and visual  
20 signals of races the organization licensee conducts to one or  
21 more locations outside the State or country and may also permit  
22 pari-mutuel pools in other states or countries to be combined  
23 with its gross or net wagering pools or with wagering pools  
24 established by other states.

25 (g) A host track may accept interstate simulcast wagers on  
26 horse races conducted in other states or countries and shall

1 control the number of signals and types of breeds of racing in  
2 its simulcast program, subject to the disapproval of the Board.  
3 The Board may prohibit a simulcast program only if it finds  
4 that the simulcast program is clearly adverse to the integrity  
5 of racing. The host track simulcast program shall include the  
6 signal of live racing of all organization licensees. All  
7 non-host licensees and advance deposit wagering licensees  
8 shall carry the signal of and accept wagers on live racing of  
9 all organization licensees. Advance deposit wagering licensees  
10 shall not be permitted to accept out-of-state wagers on any  
11 Illinois signal provided pursuant to this Section without the  
12 approval and consent of the organization licensee providing the  
13 signal. For one year after August 15, 2014 (the effective date  
14 of Public Act 98-968), non-host licensees may carry the host  
15 track simulcast program and shall accept wagers on all races  
16 included as part of the simulcast program of horse races  
17 conducted at race tracks located within North America upon  
18 which wagering is permitted. For a period of one year after  
19 August 15, 2014 (the effective date of Public Act 98-968), on  
20 horse races conducted at race tracks located outside of North  
21 America, non-host licensees may accept wagers on all races  
22 included as part of the simulcast program upon which wagering  
23 is permitted. Beginning August 15, 2015 (one year after the  
24 effective date of Public Act 98-968), non-host licensees may  
25 carry the host track simulcast program and shall accept wagers  
26 on all races included as part of the simulcast program upon

1 which wagering is permitted. All organization licensees shall  
2 provide their live signal to all advance deposit wagering  
3 licensees for a simulcast commission fee not to exceed 6% of  
4 the advance deposit wagering licensee's Illinois handle on the  
5 organization licensee's signal without prior approval by the  
6 Board. The Board may adopt rules under which it may permit  
7 simulcast commission fees in excess of 6%. The Board shall  
8 adopt rules limiting the interstate commission fees charged to  
9 an advance deposit wagering licensee. The Board shall adopt  
10 rules regarding advance deposit wagering on interstate  
11 simulcast races that shall reflect, among other things, the  
12 General Assembly's desire to maximize revenues to the State,  
13 horsemen purses, and organization ~~organizational~~ licensees.  
14 However, organization licensees providing live signals  
15 pursuant to the requirements of this subsection (g) may  
16 petition the Board to withhold their live signals from an  
17 advance deposit wagering licensee if the organization licensee  
18 discovers and the Board finds reputable or credible information  
19 that the advance deposit wagering licensee is under  
20 investigation by another state or federal governmental agency,  
21 the advance deposit wagering licensee's license has been  
22 suspended in another state, or the advance deposit wagering  
23 licensee's license is in revocation proceedings in another  
24 state. The organization licensee's provision of their live  
25 signal to an advance deposit wagering licensee under this  
26 subsection (g) pertains to wagers placed from within Illinois.

1 Advance deposit wagering licensees may place advance deposit  
2 wagering terminals at wagering facilities as a convenience to  
3 customers. The advance deposit wagering licensee shall not  
4 charge or collect any fee from purses for the placement of the  
5 advance deposit wagering terminals. The costs and expenses of  
6 the host track and non-host licensees associated with  
7 interstate simulcast wagering, other than the interstate  
8 commission fee, shall be borne by the host track and all  
9 non-host licensees incurring these costs. The interstate  
10 commission fee shall not exceed 5% of Illinois handle on the  
11 interstate simulcast race or races without prior approval of  
12 the Board. The Board shall promulgate rules under which it may  
13 permit interstate commission fees in excess of 5%. The  
14 interstate commission fee and other fees charged by the sending  
15 racetrack, including, but not limited to, satellite decoder  
16 fees, shall be uniformly applied to the host track and all  
17 non-host licensees.

18 Notwithstanding any other provision of this Act, ~~through~~  
19 ~~December 31, 2020,~~ an organization licensee, with the consent  
20 of the horsemen association representing the largest number of  
21 owners, trainers, jockeys, or standardbred drivers who race  
22 horses at that organization licensee's racing meeting, may  
23 maintain a system whereby advance deposit wagering may take  
24 place or an organization licensee, with the consent of the  
25 horsemen association representing the largest number of  
26 owners, trainers, jockeys, or standardbred drivers who race

1 horses at that organization licensee's racing meeting, may  
2 contract with another person to carry out a system of advance  
3 deposit wagering. Such consent may not be unreasonably  
4 withheld. Only with respect to an appeal to the Board that  
5 consent for an organization licensee that maintains its own  
6 advance deposit wagering system is being unreasonably  
7 withheld, the Board shall issue a final order within 30 days  
8 after initiation of the appeal, and the organization licensee's  
9 advance deposit wagering system may remain operational during  
10 that 30-day period. The actions of any organization licensee  
11 who conducts advance deposit wagering or any person who has a  
12 contract with an organization licensee to conduct advance  
13 deposit wagering who conducts advance deposit wagering on or  
14 after January 1, 2013 and prior to June 7, 2013 (the effective  
15 date of Public Act 98-18) taken in reliance on the changes made  
16 to this subsection (g) by Public Act 98-18 are hereby  
17 validated, provided payment of all applicable pari-mutuel  
18 taxes are remitted to the Board. All advance deposit wagers  
19 placed from within Illinois must be placed through a  
20 Board-approved advance deposit wagering licensee; no other  
21 entity may accept an advance deposit wager from a person within  
22 Illinois. All advance deposit wagering is subject to any rules  
23 adopted by the Board. The Board may adopt rules necessary to  
24 regulate advance deposit wagering through the use of emergency  
25 rulemaking in accordance with Section 5-45 of the Illinois  
26 Administrative Procedure Act. The General Assembly finds that

1 the adoption of rules to regulate advance deposit wagering is  
2 deemed an emergency and necessary for the public interest,  
3 safety, and welfare. An advance deposit wagering licensee may  
4 retain all moneys as agreed to by contract with an organization  
5 licensee. Any moneys retained by the organization licensee from  
6 advance deposit wagering, not including moneys retained by the  
7 advance deposit wagering licensee, shall be paid 50% to the  
8 organization licensee's purse account and 50% to the  
9 organization licensee. With the exception of any organization  
10 licensee that is owned by a publicly traded company that is  
11 incorporated in a state other than Illinois and advance deposit  
12 wagering licensees under contract with such organization  
13 licensees, organization licensees that maintain advance  
14 deposit wagering systems and advance deposit wagering  
15 licensees that contract with organization licensees shall  
16 provide sufficiently detailed monthly accountings to the  
17 horsemen association representing the largest number of  
18 owners, trainers, jockeys, or standardbred drivers who race  
19 horses at that organization licensee's racing meeting so that  
20 the horsemen association, as an interested party, can confirm  
21 the accuracy of the amounts paid to the purse account at the  
22 horsemen association's affiliated organization licensee from  
23 advance deposit wagering. If more than one breed races at the  
24 same race track facility, then the 50% of the moneys to be paid  
25 to an organization licensee's purse account shall be allocated  
26 among all organization licensees' purse accounts operating at



1 that race track facility proportionately based on the actual  
2 number of host days that the Board grants to that breed at that  
3 race track facility in the current calendar year. To the extent  
4 any fees from advance deposit wagering conducted in Illinois  
5 for wagers in Illinois or other states have been placed in  
6 escrow or otherwise withheld from wagers pending a  
7 determination of the legality of advance deposit wagering, no  
8 action shall be brought to declare such wagers or the  
9 disbursement of any fees previously escrowed illegal.

10 (1) Between the hours of 6:30 a.m. and 6:30 p.m. an  
11 inter-track wagering licensee other than the host track may  
12 supplement the host track simulcast program with  
13 additional simulcast races or race programs, provided that  
14 between January 1 and the third Friday in February of any  
15 year, inclusive, if no live thoroughbred racing is  
16 occurring in Illinois during this period, only  
17 thoroughbred races may be used for supplemental interstate  
18 simulcast purposes. The Board shall withhold approval for a  
19 supplemental interstate simulcast only if it finds that the  
20 simulcast is clearly adverse to the integrity of racing. A  
21 supplemental interstate simulcast may be transmitted from  
22 an inter-track wagering licensee to its affiliated  
23 non-host licensees. The interstate commission fee for a  
24 supplemental interstate simulcast shall be paid by the  
25 non-host licensee and its affiliated non-host licensees  
26 receiving the simulcast.

1           (2) Between the hours of 6:30 p.m. and 6:30 a.m. an  
2 inter-track wagering licensee other than the host track may  
3 receive supplemental interstate simulcasts only with the  
4 consent of the host track, except when the Board finds that  
5 the simulcast is clearly adverse to the integrity of  
6 racing. Consent granted under this paragraph (2) to any  
7 inter-track wagering licensee shall be deemed consent to  
8 all non-host licensees. The interstate commission fee for  
9 the supplemental interstate simulcast shall be paid by all  
10 participating non-host licensees.

11           (3) Each licensee conducting interstate simulcast  
12 wagering may retain, subject to the payment of all  
13 applicable taxes and the purses, an amount not to exceed  
14 17% of all money wagered. If any licensee conducts the  
15 pari-mutuel system wagering on races conducted at  
16 racetracks in another state or country, each such race or  
17 race program shall be considered a separate racing day for  
18 the purpose of determining the daily handle and computing  
19 the privilege tax of that daily handle as provided in  
20 subsection (a) of Section 27. Until January 1, 2000, from  
21 the sums permitted to be retained pursuant to this  
22 subsection, each inter-track wagering location licensee  
23 shall pay 1% of the pari-mutuel handle wagered on simulcast  
24 wagering to the Horse Racing Tax Allocation Fund, subject  
25 to the provisions of subparagraph (B) of paragraph (11) of  
26 subsection (h) of Section 26 of this Act.

1           (4) A licensee who receives an interstate simulcast may  
2 combine its gross or net pools with pools at the sending  
3 racetracks pursuant to rules established by the Board. All  
4 licensees combining their gross pools at a sending  
5 racetrack shall adopt the takeout ~~take out~~ percentages of  
6 the sending racetrack. A licensee may also establish a  
7 separate pool and takeout structure for wagering purposes  
8 on races conducted at race tracks outside of the State of  
9 Illinois. The licensee may permit pari-mutuel wagers  
10 placed in other states or countries to be combined with its  
11 gross or net wagering pools or other wagering pools.

12           (5) After the payment of the interstate commission fee  
13 (except for the interstate commission fee on a supplemental  
14 interstate simulcast, which shall be paid by the host track  
15 and by each non-host licensee through the host track  
16 ~~host track~~) and all applicable State and local taxes,  
17 except as provided in subsection (g) of Section 27 of this  
18 Act, the remainder of moneys retained from simulcast  
19 wagering pursuant to this subsection (g), and Section 26.2  
20 shall be divided as follows:

21           (A) For interstate simulcast wagers made at a host  
22 track, 50% to the host track and 50% to purses at the  
23 host track.

24           (B) For wagers placed on interstate simulcast  
25 races, supplemental simulcasts as defined in  
26 subparagraphs (1) and (2), and separately pooled races

1           conducted outside of the State of Illinois made at a  
2           non-host licensee, 25% to the host track, 25% to the  
3           non-host licensee, and 50% to the purses at the host  
4           track.

5           (6) Notwithstanding any provision in this Act to the  
6           contrary, non-host licensees who derive their licenses  
7           from a track located in a county with a population in  
8           excess of 230,000 and that borders the Mississippi River  
9           may receive supplemental interstate simulcast races at all  
10          times subject to Board approval, which shall be withheld  
11          only upon a finding that a supplemental interstate  
12          simulcast is clearly adverse to the integrity of racing.

13          (7) Effective January 1, 2017, notwithstanding any  
14          provision of this Act to the contrary, after payment of all  
15          applicable State and local taxes and interstate commission  
16          fees, non-host licensees who derive their licenses from a  
17          track located in a county with a population in excess of  
18          230,000 and that borders the Mississippi River shall retain  
19          50% of the retention from interstate simulcast wagers and  
20          shall pay 50% to purses at the track from which the  
21          non-host licensee derives its license.

22          (7.1) Notwithstanding any other provision of this Act  
23          to the contrary, if no standardbred racing is conducted at  
24          a racetrack located in Madison County during any calendar  
25          year beginning on or after January 1, 2002, all moneys  
26          derived by that racetrack from simulcast wagering and

1 inter-track wagering that (1) are to be used for purses and  
2 (2) are generated between the hours of 6:30 p.m. and 6:30  
3 a.m. during that calendar year shall be paid as follows:

4 (A) If the licensee that conducts horse racing at  
5 that racetrack requests from the Board at least as many  
6 racing dates as were conducted in calendar year 2000,  
7 80% shall be paid to its thoroughbred purse account;  
8 and

9 (B) Twenty percent shall be deposited into the  
10 Illinois Colt Stakes Purse Distribution Fund and shall  
11 be paid to purses for standardbred races for Illinois  
12 conceived and foaled horses conducted at any county  
13 fairgrounds. The moneys deposited into the Fund  
14 pursuant to this subparagraph (B) shall be deposited  
15 within 2 weeks after the day they were generated, shall  
16 be in addition to and not in lieu of any other moneys  
17 paid to standardbred purses under this Act, and shall  
18 not be commingled with other moneys paid into that  
19 Fund. The moneys deposited pursuant to this  
20 subparagraph (B) shall be allocated as provided by the  
21 Department of Agriculture, with the advice and  
22 assistance of the Illinois Standardbred Breeders Fund  
23 Advisory Board.

24 (7.2) Notwithstanding any other provision of this Act  
25 to the contrary, if no thoroughbred racing is conducted at  
26 a racetrack located in Madison County during any calendar

1 year beginning on or after January 1, 2002, all moneys  
2 derived by that racetrack from simulcast wagering and  
3 inter-track wagering that (1) are to be used for purses and  
4 (2) are generated between the hours of 6:30 a.m. and 6:30  
5 p.m. during that calendar year shall be deposited as  
6 follows:

7 (A) If the licensee that conducts horse racing at  
8 that racetrack requests from the Board at least as many  
9 racing dates as were conducted in calendar year 2000,  
10 80% shall be deposited into its standardbred purse  
11 account; and

12 (B) Twenty percent shall be deposited into the  
13 Illinois Colt Stakes Purse Distribution Fund. Moneys  
14 deposited into the Illinois Colt Stakes Purse  
15 Distribution Fund pursuant to this subparagraph (B)  
16 shall be paid to Illinois conceived and foaled  
17 thoroughbred breeders' programs and to thoroughbred  
18 purses for races conducted at any county fairgrounds  
19 for Illinois conceived and foaled horses at the  
20 discretion of the Department of Agriculture, with the  
21 advice and assistance of the Illinois Thoroughbred  
22 Breeders Fund Advisory Board. The moneys deposited  
23 into the Illinois Colt Stakes Purse Distribution Fund  
24 pursuant to this subparagraph (B) shall be deposited  
25 within 2 weeks after the day they were generated, shall  
26 be in addition to and not in lieu of any other moneys

1           paid to thoroughbred purses under this Act, and shall  
2           not be commingled with other moneys deposited into that  
3           Fund.

4           (7.3) (Blank).

5           (7.4) (Blank).

6           (8) Notwithstanding any provision in this Act to the  
7           contrary, an organization licensee from a track located in  
8           a county with a population in excess of 230,000 and that  
9           borders the Mississippi River and its affiliated non-host  
10          licensees shall not be entitled to share in any retention  
11          generated on racing, inter-track wagering, or simulcast  
12          wagering at any other Illinois wagering facility.

13          (8.1) Notwithstanding any provisions in this Act to the  
14          contrary, if 2 organization licensees are conducting  
15          standardbred race meetings concurrently between the hours  
16          of 6:30 p.m. and 6:30 a.m., after payment of all applicable  
17          State and local taxes and interstate commission fees, the  
18          remainder of the amount retained from simulcast wagering  
19          otherwise attributable to the host track and to host track  
20          purses shall be split daily between the 2 organization  
21          licensees and the purses at the tracks of the 2  
22          organization licensees, respectively, based on each  
23          organization licensee's share of the total live handle for  
24          that day, provided that this provision shall not apply to  
25          any non-host licensee that derives its license from a track  
26          located in a county with a population in excess of 230,000

1 and that borders the Mississippi River.

2 (9) (Blank).

3 (10) (Blank).

4 (11) (Blank).

5 (12) The Board shall have authority to compel all host  
6 tracks to receive the simulcast of any or all races  
7 conducted at the Springfield or DuQuoin State fairgrounds  
8 and include all such races as part of their simulcast  
9 programs.

10 (13) Notwithstanding any other provision of this Act,  
11 in the event that the total Illinois pari-mutuel handle on  
12 Illinois horse races at all wagering facilities in any  
13 calendar year is less than 75% of the total Illinois  
14 pari-mutuel handle on Illinois horse races at all such  
15 wagering facilities for calendar year 1994, then each  
16 wagering facility that has an annual total Illinois  
17 pari-mutuel handle on Illinois horse races that is less  
18 than 75% of the total Illinois pari-mutuel handle on  
19 Illinois horse races at such wagering facility for calendar  
20 year 1994, shall be permitted to receive, from any amount  
21 otherwise payable to the purse account at the race track  
22 with which the wagering facility is affiliated in the  
23 succeeding calendar year, an amount equal to 2% of the  
24 differential in total Illinois pari-mutuel handle on  
25 Illinois horse races at the wagering facility between that  
26 calendar year in question and 1994 provided, however, that



1 a wagering facility shall not be entitled to any such  
2 payment until the Board certifies in writing to the  
3 wagering facility the amount to which the wagering facility  
4 is entitled and a schedule for payment of the amount to the  
5 wagering facility, based on: (i) the racing dates awarded  
6 to the race track affiliated with the wagering facility  
7 during the succeeding year; (ii) the sums available or  
8 anticipated to be available in the purse account of the  
9 race track affiliated with the wagering facility for purses  
10 during the succeeding year; and (iii) the need to ensure  
11 reasonable purse levels during the payment period. The  
12 Board's certification shall be provided no later than  
13 January 31 of the succeeding year. In the event a wagering  
14 facility entitled to a payment under this paragraph (13) is  
15 affiliated with a race track that maintains purse accounts  
16 for both standardbred and thoroughbred racing, the amount  
17 to be paid to the wagering facility shall be divided  
18 between each purse account pro rata, based on the amount of  
19 Illinois handle on Illinois standardbred and thoroughbred  
20 racing respectively at the wagering facility during the  
21 previous calendar year. Annually, the General Assembly  
22 shall appropriate sufficient funds from the General  
23 Revenue Fund to the Department of Agriculture for payment  
24 into the thoroughbred and standardbred horse racing purse  
25 accounts at Illinois pari-mutuel tracks. The amount paid to  
26 each purse account shall be the amount certified by the

1 Illinois Racing Board in January to be transferred from  
2 each account to each eligible racing facility in accordance  
3 with the provisions of this Section. Beginning in the  
4 calendar year in which an organization licensee that is  
5 eligible to receive payment under this paragraph (13)  
6 begins to receive funds from gaming pursuant to an  
7 organization gaming license issued under the Illinois  
8 Gambling Act, the amount of the payment due to all wagering  
9 facilities licensed under that organization licensee under  
10 this paragraph (13) shall be the amount certified by the  
11 Board in January of that year. An organization licensee and  
12 its related wagering facilities shall no longer be able to  
13 receive payments under this paragraph (13) beginning in the  
14 year subsequent to the first year in which the organization  
15 licensee begins to receive funds from gaming pursuant to an  
16 organization gaming license issued under the Illinois  
17 Gambling Act.

18 (h) The Board may approve and license the conduct of  
19 inter-track wagering and simulcast wagering by inter-track  
20 wagering licensees and inter-track wagering location licensees  
21 subject to the following terms and conditions:

22 (1) Any person licensed to conduct a race meeting (i)  
23 at a track where 60 or more days of racing were conducted  
24 during the immediately preceding calendar year or where  
25 over the 5 immediately preceding calendar years an average  
26 of 30 or more days of racing were conducted annually may be

1 issued an inter-track wagering license; (ii) at a track  
2 located in a county that is bounded by the Mississippi  
3 River, which has a population of less than 150,000  
4 according to the 1990 decennial census, and an average of  
5 at least 60 days of racing per year between 1985 and 1993  
6 may be issued an inter-track wagering license; ~~or~~ (iii) at  
7 a track awarded standardbred racing dates; or (iv) at a  
8 track located in Madison County that conducted at least 100  
9 days of live racing during the immediately preceding  
10 calendar year may be issued an inter-track wagering  
11 license, unless a lesser schedule of live racing is the  
12 result of (A) weather, unsafe track conditions, or other  
13 acts of God; (B) an agreement between the organization  
14 licensee and the associations representing the largest  
15 number of owners, trainers, jockeys, or standardbred  
16 drivers who race horses at that organization licensee's  
17 racing meeting; or (C) a finding by the Board of  
18 extraordinary circumstances and that it was in the best  
19 interest of the public and the sport to conduct fewer than  
20 100 days of live racing. Any such person having operating  
21 control of the racing facility may receive inter-track  
22 wagering location licenses. An eligible race track located  
23 in a county that has a population of more than 230,000 and  
24 that is bounded by the Mississippi River may establish up  
25 to 9 inter-track wagering locations, an eligible race track  
26 located in Stickney Township in Cook County may establish

1 up to 16 inter-track wagering locations, and an eligible  
2 race track located in Palatine Township in Cook County may  
3 establish up to 18 inter-track wagering locations. An  
4 eligible racetrack conducting standardbred racing may have  
5 up to 16 inter-track wagering locations. An application for  
6 said license shall be filed with the Board prior to such  
7 dates as may be fixed by the Board. With an application for  
8 an inter-track wagering location license there shall be  
9 delivered to the Board a certified check or bank draft  
10 payable to the order of the Board for an amount equal to  
11 \$500. The application shall be on forms prescribed and  
12 furnished by the Board. The application shall comply with  
13 all other rules, regulations and conditions imposed by the  
14 Board in connection therewith.

15 (2) The Board shall examine the applications with  
16 respect to their conformity with this Act and the rules and  
17 regulations imposed by the Board. If found to be in  
18 compliance with the Act and rules and regulations of the  
19 Board, the Board may then issue a license to conduct  
20 inter-track wagering and simulcast wagering to such  
21 applicant. All such applications shall be acted upon by the  
22 Board at a meeting to be held on such date as may be fixed  
23 by the Board.

24 (3) In granting licenses to conduct inter-track  
25 wagering and simulcast wagering, the Board shall give due  
26 consideration to the best interests of the public, of horse

1 racing, and of maximizing revenue to the State.

2 (4) Prior to the issuance of a license to conduct  
3 inter-track wagering and simulcast wagering, the applicant  
4 shall file with the Board a bond payable to the State of  
5 Illinois in the sum of \$50,000, executed by the applicant  
6 and a surety company or companies authorized to do business  
7 in this State, and conditioned upon (i) the payment by the  
8 licensee of all taxes due under Section 27 or 27.1 and any  
9 other monies due and payable under this Act, and (ii)  
10 distribution by the licensee, upon presentation of the  
11 winning ticket or tickets, of all sums payable to the  
12 patrons of pari-mutuel pools.

13 (5) Each license to conduct inter-track wagering and  
14 simulcast wagering shall specify the person to whom it is  
15 issued, the dates on which such wagering is permitted, and  
16 the track or location where the wagering is to be  
17 conducted.

18 (6) All wagering under such license is subject to this  
19 Act and to the rules and regulations from time to time  
20 prescribed by the Board, and every such license issued by  
21 the Board shall contain a recital to that effect.

22 (7) An inter-track wagering licensee or inter-track  
23 wagering location licensee may accept wagers at the track  
24 or location where it is licensed, or as otherwise provided  
25 under this Act.

26 (8) Inter-track wagering or simulcast wagering shall

1 not be conducted at any track less than 4 ~~5~~ miles from a  
2 track at which a racing meeting is in progress.

3 (8.1) Inter-track wagering location licensees who  
4 derive their licenses from a particular organization  
5 licensee shall conduct inter-track wagering and simulcast  
6 wagering only at locations that are within 160 miles of  
7 that race track where the particular organization licensee  
8 is licensed to conduct racing. However, inter-track  
9 wagering and simulcast wagering shall not be conducted by  
10 those licensees at any location within 5 miles of any race  
11 track at which a horse race meeting has been licensed in  
12 the current year, unless the person having operating  
13 control of such race track has given its written consent to  
14 such inter-track wagering location licensees, which  
15 consent must be filed with the Board at or prior to the  
16 time application is made. In the case of any inter-track  
17 wagering location licensee initially licensed after  
18 December 31, 2013, inter-track wagering and simulcast  
19 wagering shall not be conducted by those inter-track  
20 wagering location licensees that are located outside the  
21 City of Chicago at any location within 8 miles of any race  
22 track at which a horse race meeting has been licensed in  
23 the current year, unless the person having operating  
24 control of such race track has given its written consent to  
25 such inter-track wagering location licensees, which  
26 consent must be filed with the Board at or prior to the

1 time application is made.

2 (8.2) Inter-track wagering or simulcast wagering shall  
3 not be conducted by an inter-track wagering location  
4 licensee at any location within 500 feet of an existing  
5 church, an ~~or~~ existing elementary or secondary public  
6 school, or an existing elementary or secondary private  
7 school registered with or recognized by the State Board of  
8 Education ~~school~~, nor within 500 feet of the residences of  
9 more than 50 registered voters without receiving written  
10 permission from a majority of the registered voters at such  
11 residences. Such written permission statements shall be  
12 filed with the Board. The distance of 500 feet shall be  
13 measured to the nearest part of any building used for  
14 worship services, education programs, residential  
15 purposes, or conducting inter-track wagering by an  
16 inter-track wagering location licensee, and not to  
17 property boundaries. However, inter-track wagering or  
18 simulcast wagering may be conducted at a site within 500  
19 feet of a church, school or residences of 50 or more  
20 registered voters if such church, school or residences have  
21 been erected or established, or such voters have been  
22 registered, after the Board issues the original  
23 inter-track wagering location license at the site in  
24 question. Inter-track wagering location licensees may  
25 conduct inter-track wagering and simulcast wagering only  
26 in areas that are zoned for commercial or manufacturing

1 purposes or in areas for which a special use has been  
2 approved by the local zoning authority. However, no license  
3 to conduct inter-track wagering and simulcast wagering  
4 shall be granted by the Board with respect to any  
5 inter-track wagering location within the jurisdiction of  
6 any local zoning authority which has, by ordinance or by  
7 resolution, prohibited the establishment of an inter-track  
8 wagering location within its jurisdiction. However,  
9 inter-track wagering and simulcast wagering may be  
10 conducted at a site if such ordinance or resolution is  
11 enacted after the Board licenses the original inter-track  
12 wagering location licensee for the site in question.

13 (9) (Blank).

14 (10) An inter-track wagering licensee or an  
15 inter-track wagering location licensee may retain, subject  
16 to the payment of the privilege taxes and the purses, an  
17 amount not to exceed 17% of all money wagered. Each program  
18 of racing conducted by each inter-track wagering licensee  
19 or inter-track wagering location licensee shall be  
20 considered a separate racing day for the purpose of  
21 determining the daily handle and computing the privilege  
22 tax or pari-mutuel tax on such daily handle as provided in  
23 Section 27.

24 (10.1) Except as provided in subsection (g) of Section  
25 27 of this Act, inter-track wagering location licensees  
26 shall pay 1% of the pari-mutuel handle at each location to



1 the municipality in which such location is situated and 1%  
2 of the pari-mutuel handle at each location to the county in  
3 which such location is situated. In the event that an  
4 inter-track wagering location licensee is situated in an  
5 unincorporated area of a county, such licensee shall pay 2%  
6 of the pari-mutuel handle from such location to such  
7 county.

8 (10.2) Notwithstanding any other provision of this  
9 Act, with respect to inter-track wagering at a race track  
10 located in a county that has a population of more than  
11 230,000 and that is bounded by the Mississippi River ("the  
12 first race track"), or at a facility operated by an  
13 inter-track wagering licensee or inter-track wagering  
14 location licensee that derives its license from the  
15 organization licensee that operates the first race track,  
16 on races conducted at the first race track or on races  
17 conducted at another Illinois race track and  
18 simultaneously televised to the first race track or to a  
19 facility operated by an inter-track wagering licensee or  
20 inter-track wagering location licensee that derives its  
21 license from the organization licensee that operates the  
22 first race track, those moneys shall be allocated as  
23 follows:

24 (A) That portion of all moneys wagered on  
25 standardbred racing that is required under this Act to  
26 be paid to purses shall be paid to purses for

1 standardbred races.

2 (B) That portion of all moneys wagered on  
3 thoroughbred racing that is required under this Act to  
4 be paid to purses shall be paid to purses for  
5 thoroughbred races.

6 (11) (A) After payment of the privilege or pari-mutuel  
7 tax, any other applicable taxes, and the costs and expenses  
8 in connection with the gathering, transmission, and  
9 dissemination of all data necessary to the conduct of  
10 inter-track wagering, the remainder of the monies retained  
11 under either Section 26 or Section 26.2 of this Act by the  
12 inter-track wagering licensee on inter-track wagering  
13 shall be allocated with 50% to be split between the 2  
14 participating licensees and 50% to purses, except that an  
15 inter-track wagering licensee that derives its license  
16 from a track located in a county with a population in  
17 excess of 230,000 and that borders the Mississippi River  
18 shall not divide any remaining retention with the Illinois  
19 organization licensee that provides the race or races, and  
20 an inter-track wagering licensee that accepts wagers on  
21 races conducted by an organization licensee that conducts a  
22 race meet in a county with a population in excess of  
23 230,000 and that borders the Mississippi River shall not  
24 divide any remaining retention with that organization  
25 licensee.

26 (B) From the sums permitted to be retained pursuant to

1       this Act each inter-track wagering location licensee shall  
2       pay (i) the privilege or pari-mutuel tax to the State; (ii)  
3       4.75% of the pari-mutuel handle on inter-track wagering at  
4       such location on races as purses, except that an  
5       inter-track wagering location licensee that derives its  
6       license from a track located in a county with a population  
7       in excess of 230,000 and that borders the Mississippi River  
8       shall retain all purse moneys for its own purse account  
9       consistent with distribution set forth in this subsection  
10      (h), and inter-track wagering location licensees that  
11      accept wagers on races conducted by an organization  
12      licensee located in a county with a population in excess of  
13      230,000 and that borders the Mississippi River shall  
14      distribute all purse moneys to purses at the operating host  
15      track; (iii) until January 1, 2000, except as provided in  
16      subsection (g) of Section 27 of this Act, 1% of the  
17      pari-mutuel handle wagered on inter-track wagering and  
18      simulcast wagering at each inter-track wagering location  
19      licensee facility to the Horse Racing Tax Allocation Fund,  
20      provided that, to the extent the total amount collected and  
21      distributed to the Horse Racing Tax Allocation Fund under  
22      this subsection (h) during any calendar year exceeds the  
23      amount collected and distributed to the Horse Racing Tax  
24      Allocation Fund during calendar year 1994, that excess  
25      amount shall be redistributed (I) to all inter-track  
26      wagering location licensees, based on each licensee's pro

1        rata ~~pro rata~~ share of the total handle from inter-track  
2        wagering and simulcast wagering for all inter-track  
3        wagering location licensees during the calendar year in  
4        which this provision is applicable; then (II) the amounts  
5        redistributed to each inter-track wagering location  
6        licensee as described in subpart (I) shall be further  
7        redistributed as provided in subparagraph (B) of paragraph  
8        (5) of subsection (g) of this Section 26 provided first,  
9        that the shares of those amounts, which are to be  
10       redistributed to the host track or to purses at the host  
11       track under subparagraph (B) of paragraph (5) of subsection  
12       (g) of this Section 26 shall be redistributed based on each  
13       host track's pro rata share of the total inter-track  
14       wagering and simulcast wagering handle at all host tracks  
15       during the calendar year in question, and second, that any  
16       amounts redistributed as described in part (I) to an  
17       inter-track wagering location licensee that accepts wagers  
18       on races conducted by an organization licensee that  
19       conducts a race meet in a county with a population in  
20       excess of 230,000 and that borders the Mississippi River  
21       shall be further redistributed, effective January 1, 2017,  
22       as provided in paragraph (7) of subsection (g) of this  
23       Section 26, with the portion of that further redistribution  
24       allocated to purses at that organization licensee to be  
25       divided between standardbred purses and thoroughbred  
26       purses based on the amounts otherwise allocated to purses

1 at that organization licensee during the calendar year in  
2 question; and (iv) 8% of the pari-mutuel handle on  
3 inter-track wagering wagered at such location to satisfy  
4 all costs and expenses of conducting its wagering. The  
5 remainder of the monies retained by the inter-track  
6 wagering location licensee shall be allocated 40% to the  
7 location licensee and 60% to the organization licensee  
8 which provides the Illinois races to the location, except  
9 that an inter-track wagering location licensee that  
10 derives its license from a track located in a county with a  
11 population in excess of 230,000 and that borders the  
12 Mississippi River shall not divide any remaining retention  
13 with the organization licensee that provides the race or  
14 races and an inter-track wagering location licensee that  
15 accepts wagers on races conducted by an organization  
16 licensee that conducts a race meet in a county with a  
17 population in excess of 230,000 and that borders the  
18 Mississippi River shall not divide any remaining retention  
19 with the organization licensee. Notwithstanding the  
20 provisions of clauses (ii) and (iv) of this paragraph, in  
21 the case of the additional inter-track wagering location  
22 licenses authorized under paragraph (1) of this subsection  
23 (h) by Public Act 87-110, those licensees shall pay the  
24 following amounts as purses: during the first 12 months the  
25 licensee is in operation, 5.25% of the pari-mutuel handle  
26 wagered at the location on races; during the second 12

1 months, 5.25%; during the third 12 months, 5.75%; during  
2 the fourth 12 months, 6.25%; and during the fifth 12 months  
3 and thereafter, 6.75%. The following amounts shall be  
4 retained by the licensee to satisfy all costs and expenses  
5 of conducting its wagering: during the first 12 months the  
6 licensee is in operation, 8.25% of the pari-mutuel handle  
7 wagered at the location; during the second 12 months,  
8 8.25%; during the third 12 months, 7.75%; during the fourth  
9 12 months, 7.25%; and during the fifth 12 months and  
10 thereafter, 6.75%. For additional inter-track wagering  
11 location licensees authorized under Public Act 89-16,  
12 purses for the first 12 months the licensee is in operation  
13 shall be 5.75% of the pari-mutuel wagered at the location,  
14 purses for the second 12 months the licensee is in  
15 operation shall be 6.25%, and purses thereafter shall be  
16 6.75%. For additional inter-track location licensees  
17 authorized under Public Act 89-16, the licensee shall be  
18 allowed to retain to satisfy all costs and expenses: 7.75%  
19 of the pari-mutuel handle wagered at the location during  
20 its first 12 months of operation, 7.25% during its second  
21 12 months of operation, and 6.75% thereafter.

22 (C) There is hereby created the Horse Racing Tax  
23 Allocation Fund which shall remain in existence until  
24 December 31, 1999. Moneys remaining in the Fund after  
25 December 31, 1999 shall be paid into the General Revenue  
26 Fund. Until January 1, 2000, all monies paid into the Horse

1 Racing Tax Allocation Fund pursuant to this paragraph (11)  
2 by inter-track wagering location licensees located in park  
3 districts of 500,000 population or less, or in a  
4 municipality that is not included within any park district  
5 but is included within a conservation district and is the  
6 county seat of a county that (i) is contiguous to the state  
7 of Indiana and (ii) has a 1990 population of 88,257  
8 according to the United States Bureau of the Census, and  
9 operating on May 1, 1994 shall be allocated by  
10 appropriation as follows:

11 Two-sevenths to the Department of Agriculture.  
12 Fifty percent of this two-sevenths shall be used to  
13 promote the Illinois horse racing and breeding  
14 industry, and shall be distributed by the Department of  
15 Agriculture upon the advice of a 9-member committee  
16 appointed by the Governor consisting of the following  
17 members: the Director of Agriculture, who shall serve  
18 as chairman; 2 representatives of organization  
19 licensees conducting thoroughbred race meetings in  
20 this State, recommended by those licensees; 2  
21 representatives of organization licensees conducting  
22 standardbred race meetings in this State, recommended  
23 by those licensees; a representative of the Illinois  
24 Thoroughbred Breeders and Owners Foundation,  
25 recommended by that Foundation; a representative of  
26 the Illinois Standardbred Owners and Breeders

1 Association, recommended by that Association; a  
2 representative of the Horsemen's Benevolent and  
3 Protective Association or any successor organization  
4 thereto established in Illinois comprised of the  
5 largest number of owners and trainers, recommended by  
6 that Association or that successor organization; and a  
7 representative of the Illinois Harness Horsemen's  
8 Association, recommended by that Association.  
9 Committee members shall serve for terms of 2 years,  
10 commencing January 1 of each even-numbered year. If a  
11 representative of any of the above-named entities has  
12 not been recommended by January 1 of any even-numbered  
13 year, the Governor shall appoint a committee member to  
14 fill that position. Committee members shall receive no  
15 compensation for their services as members but shall be  
16 reimbursed for all actual and necessary expenses and  
17 disbursements incurred in the performance of their  
18 official duties. The remaining 50% of this  
19 two-sevenths shall be distributed to county fairs for  
20 premiums and rehabilitation as set forth in the  
21 Agricultural Fair Act;

22 Four-sevenths to park districts or municipalities  
23 that do not have a park district of 500,000 population  
24 or less for museum purposes (if an inter-track wagering  
25 location licensee is located in such a park district)  
26 or to conservation districts for museum purposes (if an



1 inter-track wagering location licensee is located in a  
2 municipality that is not included within any park  
3 district but is included within a conservation  
4 district and is the county seat of a county that (i) is  
5 contiguous to the state of Indiana and (ii) has a 1990  
6 population of 88,257 according to the United States  
7 Bureau of the Census, except that if the conservation  
8 district does not maintain a museum, the monies shall  
9 be allocated equally between the county and the  
10 municipality in which the inter-track wagering  
11 location licensee is located for general purposes) or  
12 to a municipal recreation board for park purposes (if  
13 an inter-track wagering location licensee is located  
14 in a municipality that is not included within any park  
15 district and park maintenance is the function of the  
16 municipal recreation board and the municipality has a  
17 1990 population of 9,302 according to the United States  
18 Bureau of the Census); provided that the monies are  
19 distributed to each park district or conservation  
20 district or municipality that does not have a park  
21 district in an amount equal to four-sevenths of the  
22 amount collected by each inter-track wagering location  
23 licensee within the park district or conservation  
24 district or municipality for the Fund. Monies that were  
25 paid into the Horse Racing Tax Allocation Fund before  
26 August 9, 1991 (the effective date of Public Act

1 87-110) by an inter-track wagering location licensee  
2 located in a municipality that is not included within  
3 any park district but is included within a conservation  
4 district as provided in this paragraph shall, as soon  
5 as practicable after August 9, 1991 (the effective date  
6 of Public Act 87-110), be allocated and paid to that  
7 conservation district as provided in this paragraph.  
8 Any park district or municipality not maintaining a  
9 museum may deposit the monies in the corporate fund of  
10 the park district or municipality where the  
11 inter-track wagering location is located, to be used  
12 for general purposes; and

13 One-seventh to the Agricultural Premium Fund to be  
14 used for distribution to agricultural home economics  
15 extension councils in accordance with "An Act in  
16 relation to additional support and finances for the  
17 Agricultural and Home Economic Extension Councils in  
18 the several counties of this State and making an  
19 appropriation therefor", approved July 24, 1967.

20 Until January 1, 2000, all other monies paid into the  
21 Horse Racing Tax Allocation Fund pursuant to this paragraph  
22 (11) shall be allocated by appropriation as follows:

23 Two-sevenths to the Department of Agriculture.  
24 Fifty percent of this two-sevenths shall be used to  
25 promote the Illinois horse racing and breeding  
26 industry, and shall be distributed by the Department of

1 Agriculture upon the advice of a 9-member committee  
2 appointed by the Governor consisting of the following  
3 members: the Director of Agriculture, who shall serve  
4 as chairman; 2 representatives of organization  
5 licensees conducting thoroughbred race meetings in  
6 this State, recommended by those licensees; 2  
7 representatives of organization licensees conducting  
8 standardbred race meetings in this State, recommended  
9 by those licensees; a representative of the Illinois  
10 Thoroughbred Breeders and Owners Foundation,  
11 recommended by that Foundation; a representative of  
12 the Illinois Standardbred Owners and Breeders  
13 Association, recommended by that Association; a  
14 representative of the Horsemen's Benevolent and  
15 Protective Association or any successor organization  
16 thereto established in Illinois comprised of the  
17 largest number of owners and trainers, recommended by  
18 that Association or that successor organization; and a  
19 representative of the Illinois Harness Horsemen's  
20 Association, recommended by that Association.  
21 Committee members shall serve for terms of 2 years,  
22 commencing January 1 of each even-numbered year. If a  
23 representative of any of the above-named entities has  
24 not been recommended by January 1 of any even-numbered  
25 year, the Governor shall appoint a committee member to  
26 fill that position. Committee members shall receive no

1 compensation for their services as members but shall be  
2 reimbursed for all actual and necessary expenses and  
3 disbursements incurred in the performance of their  
4 official duties. The remaining 50% of this  
5 two-sevenths shall be distributed to county fairs for  
6 premiums and rehabilitation as set forth in the  
7 Agricultural Fair Act;

8 Four-sevenths to museums and aquariums located in  
9 park districts of over 500,000 population; provided  
10 that the monies are distributed in accordance with the  
11 previous year's distribution of the maintenance tax  
12 for such museums and aquariums as provided in Section 2  
13 of the Park District Aquarium and Museum Act; 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. This  
21 subparagraph (C) shall be inoperative and of no force  
22 and effect on and after January 1, 2000.

23 (D) Except as provided in paragraph (11) of this  
24 subsection (h), with respect to purse allocation from  
25 inter-track wagering, the monies so retained shall be  
26 divided as follows:

1           (i) If the inter-track wagering licensee,  
2           except an inter-track wagering licensee that  
3           derives its license from an organization licensee  
4           located in a county with a population in excess of  
5           230,000 and bounded by the Mississippi River, is  
6           not conducting its own race meeting during the same  
7           dates, then the entire purse allocation shall be to  
8           purses at the track where the races wagered on are  
9           being conducted.

10          (ii) If the inter-track wagering licensee,  
11          except an inter-track wagering licensee that  
12          derives its license from an organization licensee  
13          located in a county with a population in excess of  
14          230,000 and bounded by the Mississippi River, is  
15          also conducting its own race meeting during the  
16          same dates, then the purse allocation shall be as  
17          follows: 50% to purses at the track where the races  
18          wagered on are being conducted; 50% to purses at  
19          the track where the inter-track wagering licensee  
20          is accepting such wagers.

21          (iii) If the inter-track wagering is being  
22          conducted by an inter-track wagering location  
23          licensee, except an inter-track wagering location  
24          licensee that derives its license from an  
25          organization licensee located in a county with a  
26          population in excess of 230,000 and bounded by the

1           Mississippi River, the entire purse allocation for  
2           Illinois races shall be to purses at the track  
3           where the race meeting being wagered on is being  
4           held.

5           (12) The Board shall have all powers necessary and  
6           proper to fully supervise and control the conduct of  
7           inter-track wagering and simulcast wagering by inter-track  
8           wagering licensees and inter-track wagering location  
9           licensees, including, but not limited to the following:

10           (A) The Board is vested with power to promulgate  
11           reasonable rules and regulations for the purpose of  
12           administering the conduct of this wagering and to  
13           prescribe reasonable rules, regulations and conditions  
14           under which such wagering shall be held and conducted.  
15           Such rules and regulations are to provide for the  
16           prevention of practices detrimental to the public  
17           interest and for the best interests of said wagering  
18           and to impose penalties for violations thereof.

19           (B) The Board, and any person or persons to whom it  
20           delegates this power, is vested with the power to enter  
21           the facilities of any licensee to determine whether  
22           there has been compliance with the provisions of this  
23           Act and the rules and regulations relating to the  
24           conduct of such wagering.

25           (C) The Board, and any person or persons to whom it  
26           delegates this power, may eject or exclude from any

1           licensee's facilities, any person whose conduct or  
2           reputation is such that his presence on such premises  
3           may, in the opinion of the Board, call into the  
4           question the honesty and integrity of, or interfere  
5           with the orderly conduct of such wagering; provided,  
6           however, that no person shall be excluded or ejected  
7           from such premises solely on the grounds of race,  
8           color, creed, national origin, ancestry, or sex.

9           (D) (Blank).

10           (E) The Board is vested with the power to appoint  
11           delegates to execute any of the powers granted to it  
12           under this Section for the purpose of administering  
13           this wagering and any rules and regulations  
14           promulgated in accordance with this Act.

15           (F) The Board shall name and appoint a State  
16           director of this wagering who shall be a representative  
17           of the Board and whose duty it shall be to supervise  
18           the conduct of inter-track wagering as may be provided  
19           for by the rules and regulations of the Board; such  
20           rules and regulation shall specify the method of  
21           appointment and the Director's powers, authority and  
22           duties.

23           (G) The Board is vested with the power to impose  
24           civil penalties of up to \$5,000 against individuals and  
25           up to \$10,000 against licensees for each violation of  
26           any provision of this Act relating to the conduct of

1           this wagering, any rules adopted by the Board, any  
2           order of the Board or any other action which in the  
3           Board's discretion, is a detriment or impediment to  
4           such wagering.

5           (13) The Department of Agriculture may enter into  
6           agreements with licensees authorizing such licensees to  
7           conduct inter-track wagering on races to be held at the  
8           licensed race meetings conducted by the Department of  
9           Agriculture. Such agreement shall specify the races of the  
10          Department of Agriculture's licensed race meeting upon  
11          which the licensees will conduct wagering. In the event  
12          that a licensee conducts inter-track pari-mutuel wagering  
13          on races from the Illinois State Fair or DuQuoin State Fair  
14          which are in addition to the licensee's previously approved  
15          racing program, those races shall be considered a separate  
16          racing day for the purpose of determining the daily handle  
17          and computing the privilege or pari-mutuel tax on that  
18          daily handle as provided in Sections 27 and 27.1. Such  
19          agreements shall be approved by the Board before such  
20          wagering may be conducted. In determining whether to grant  
21          approval, the Board shall give due consideration to the  
22          best interests of the public and of horse racing. The  
23          provisions of paragraphs (1), (8), (8.1), and (8.2) of  
24          subsection (h) of this Section which are not specified in  
25          this paragraph (13) shall not apply to licensed race  
26          meetings conducted by the Department of Agriculture at the



1 Illinois State Fair in Sangamon County or the DuQuoin State  
2 Fair in Perry County, or to any wagering conducted on those  
3 race meetings.

4 (14) An inter-track wagering location license  
5 authorized by the Board in 2016 that is owned and operated  
6 by a race track in Rock Island County shall be transferred  
7 to a commonly owned race track in Cook County on August 12,  
8 2016 (the effective date of Public Act 99-757). The  
9 licensee shall retain its status in relation to purse  
10 distribution under paragraph (11) of this subsection (h)  
11 following the transfer to the new entity. The pari-mutuel  
12 tax credit under Section 32.1 shall not be applied toward  
13 any pari-mutuel tax obligation of the inter-track wagering  
14 location licensee of the license that is transferred under  
15 this paragraph (14).

16 (i) Notwithstanding the other provisions of this Act, the  
17 conduct of wagering at wagering facilities is authorized on all  
18 days, except as limited by subsection (b) of Section 19 of this  
19 Act.

20 (Source: P.A. 99-756, eff. 8-12-16; 99-757, eff. 8-12-16;  
21 100-201, eff. 8-18-17; 100-627, eff. 7-20-18; 100-1152, eff.  
22 12-14-18; revised 1-13-19.)

23 (230 ILCS 5/26.8)

24 Sec. 26.8. Beginning on February 1, 2014 ~~and through~~  
25 ~~December 31, 2020~~, each wagering licensee may impose a

1 surcharge of up to 0.5% on winning wagers and winnings from  
2 wagers. The surcharge shall be deducted from winnings prior to  
3 payout. All amounts collected from the imposition of this  
4 surcharge shall be evenly distributed to the organization  
5 licensee and the purse account of the organization licensee  
6 with which the licensee is affiliated. The amounts distributed  
7 under this Section shall be in addition to the amounts paid  
8 pursuant to paragraph (10) of subsection (h) of Section 26,  
9 Section 26.3, Section 26.4, Section 26.5, and Section 26.7.

10 (Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

11 (230 ILCS 5/26.9)

12 Sec. 26.9. Beginning on February 1, 2014 ~~and through~~  
13 ~~December 31, 2020~~, in addition to the surcharge imposed in  
14 Sections 26.3, 26.4, 26.5, 26.7, and 26.8 of this Act, each  
15 licensee shall impose a surcharge of 0.2% on winning wagers and  
16 winnings from wagers. The surcharge shall be deducted from  
17 winnings prior to payout. All amounts collected from the  
18 surcharges imposed under this Section shall be remitted to the  
19 Board. From amounts collected under this Section, the Board  
20 shall deposit an amount not to exceed \$100,000 annually into  
21 the Quarter Horse Purse Fund and all remaining amounts into the  
22 Horse Racing Fund.

23 (Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

24 (230 ILCS 5/27) (from Ch. 8, par. 37-27)

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

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

1 the close of the racing day on which it is assessed or within  
2 such other time as the Board prescribes.

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

5 (a-5) Beginning on January 1, 2000, a flat pari-mutuel tax  
6 at the rate of 1.5% of the daily pari-mutuel handle is imposed  
7 at all pari-mutuel wagering facilities and on advance deposit  
8 wagering from a location other than a wagering facility, except  
9 as otherwise provided for in this subsection (a-5). In addition  
10 to the pari-mutuel tax imposed on advance deposit wagering  
11 pursuant to this subsection (a-5), beginning on August 24, 2012  
12 (the effective date of Public Act 97-1060) ~~and through December~~  
13 ~~31, 2020~~, an additional pari-mutuel tax at the rate of 0.25%  
14 shall be imposed on advance deposit wagering. Until August 25,  
15 2012, the additional 0.25% pari-mutuel tax imposed on advance  
16 deposit wagering by Public Act 96-972 shall be deposited into  
17 the Quarter Horse Purse Fund, which shall be created as a  
18 non-appropriated trust fund administered by the Board for  
19 grants to thoroughbred organization licensees for payment of  
20 purses for quarter horse races conducted by the organization  
21 licensee. Beginning on August 26, 2012, the additional 0.25%  
22 pari-mutuel tax imposed on advance deposit wagering shall be  
23 deposited into the Standardbred Purse Fund, which shall be  
24 created as a non-appropriated trust fund administered by the  
25 Board, for grants to the standardbred organization licensees  
26 for payment of purses for standardbred horse races conducted by

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

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

21 1.5% of the pari-mutuel handle at or below the average  
22 daily pari-mutuel handle for 2011.

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

26 2.5% of the pari-mutuel handle 125% or more above the

1       average daily pari-mutuel handle for 2011 up to 150% of the  
2       average daily pari-mutuel handle for 2011.

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

6       3.5% of the pari-mutuel handle 175% or more above the  
7       average daily pari-mutuel handle for 2011.

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

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

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

1 monies wagered daily at each wagering facility upon which the  
2 taxes are assessed and may prescribe forms upon which such  
3 reports and statement shall be made.

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

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

1 (f) No other license fee, privilege tax, excise tax or  
2 racing fee shall be assessed or collected from any such  
3 licensee by units of local government except as provided in  
4 paragraph 10.1 of subsection (h) and subsection (f) of Section  
5 26 of this Act. However, any municipality that has a Board  
6 licensed horse race meeting at a race track wholly within its  
7 corporate boundaries or a township that has a Board licensed  
8 horse race meeting at a race track wholly within the  
9 unincorporated area of the township may charge a local  
10 amusement tax not to exceed 10¢ per admission to such horse  
11 race meeting by the enactment of an ordinance. However, any  
12 municipality or county that has a Board licensed inter-track  
13 wagering location facility wholly within its corporate  
14 boundaries may each impose an admission fee not to exceed \$1.00  
15 per admission to such inter-track wagering location facility,  
16 so that a total of not more than \$2.00 per admission may be  
17 imposed. Except as provided in subparagraph (g) of Section 27  
18 of this Act, the inter-track wagering location licensee shall  
19 collect any and all such fees and ~~within 48 hours~~ remit the  
20 fees to the Board as the Board prescribes, which shall,  
21 pursuant to rule, cause the fees to be distributed to the  
22 county or municipality.

23 (g) Notwithstanding any provision in this Act to the  
24 contrary, if in any calendar year the total taxes and fees from  
25 wagering on live racing and from inter-track wagering required  
26 to be collected from licensees and distributed under this Act



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

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

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

1 provided that the first \$1,500,000 of the amount allocated  
2 to standardbred purses under item (i) shall be allocated to  
3 the Department of Agriculture to be expended with the  
4 assistance and advice of the Illinois Standardbred  
5 Breeders Funds Advisory Board for the purposes listed in  
6 subsection (g) of Section 31 of this Act, before the amount  
7 allocated to standardbred purses under item (i) is  
8 allocated to standardbred organization licensees in the  
9 succeeding allocation year.

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

15 (Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

16 (230 ILCS 5/29) (from Ch. 8, par. 37-29)

17 Sec. 29. (a) After the privilege or pari-mutuel tax  
18 established in Sections 26(f), 27, and 27.1 is paid to the  
19 State from the monies retained by the organization licensee  
20 pursuant to Sections 26, 26.2, and 26.3, the remainder of those  
21 monies retained pursuant to Sections 26 and 26.2, except as  
22 provided in subsection (g) of Section 27 of this Act, shall be  
23 allocated evenly to the organization licensee and as purses.

24 (b) (Blank).

25 (c) (Blank).

1           (d) From the amounts generated for purses from all sources,  
2 including, but not limited to, amounts generated from wagering  
3 conducted by organization licensees, organization gaming  
4 licensees, inter-track wagering licensees, inter-track  
5 wagering location licensees, and advance deposit wagering  
6 licensees, an organization licensee shall pay to an  
7 organization representing the largest number of horse owners  
8 and trainers in Illinois, for thoroughbred and standardbred  
9 horses that race at the track of the organization licensee, an  
10 amount equal to at least 5% of any and all revenue earned by  
11 the organization licensee for purses for that calendar year. A  
12 contract with the appropriate thoroughbred or standardbred  
13 horsemen organization shall be negotiated and signed by the  
14 organization licensee before the beginning of each calendar  
15 year. Amounts may be used for any legal purpose, including, but  
16 not limited to, operational expenses, programs for backstretch  
17 workers, retirement plans, diversity scholarships, horse  
18 aftercare programs, workers compensation insurance fees, and  
19 horse ownership programs. Financial statements highlighting  
20 how the funding is spent shall be provided upon request to the  
21 organization licensee. The appropriate thoroughbred or  
22 standardbred horsemen organization shall make that information  
23 available on its website.

24           ~~Each organization licensee and inter-track wagering~~  
25 ~~licensee from the money retained for purses as set forth in~~  
26 ~~subsection (a) of this Section, shall pay to an organization~~

1 ~~representing the largest number of horse owners and trainers~~  
2 ~~which has negotiated a contract with the organization licensee~~  
3 ~~for such purpose an amount equal to at least 1% of the~~  
4 ~~organization licensee's and inter-track wagering licensee's~~  
5 ~~retention of the pari mutuel handle for the racing season. Each~~  
6 ~~inter track wagering location licensee, from the 4% of its~~  
7 ~~handle required to be paid as purses under paragraph (11) of~~  
8 ~~subsection (h) of Section 26 of this Act, shall pay to the~~  
9 ~~contractually established representative organization 2% of~~  
10 ~~that 4%, provided that the payments so made to the organization~~  
11 ~~shall not exceed a total of \$125,000 in any calendar year. Such~~  
12 ~~contract shall be negotiated and signed prior to the beginning~~  
13 ~~of the racing season.~~

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

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

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

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

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

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

19           Beginning on the effective date of this amendatory Act of  
20 the 101st General Assembly, the Illinois Thoroughbred Breeders  
21 Fund shall become a non-appropriated trust fund held separate  
22 from State moneys. Expenditures from this Fund shall no longer  
23 be subject to appropriation.

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

1 Illinois Thoroughbred Breeders Fund.

2 Notwithstanding any provision of law to the contrary,  
3 amounts deposited into the Illinois Thoroughbred Breeders Fund  
4 from revenues generated by gaming pursuant to an organization  
5 gaming license issued under the Illinois Gambling Act after the  
6 effective date of this amendatory Act of the 101st General  
7 Assembly shall be in addition to tax and fee amounts paid under  
8 this Section for calendar year 2019 and thereafter.

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

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

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

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

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

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

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

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



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

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

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

1 (5) No less than 90% ~~80%~~ of all monies expended  
2 ~~appropriated~~ from the Illinois Thoroughbred Breeders Fund  
3 shall be expended for the purposes in (1), (2), (2.5), (3),  
4 (4), (4.1), and (5) as shown above.

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

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

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

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

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

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

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

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

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

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

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

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

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

3           (1) 60% of such sum shall be paid to the breeder of the  
4 horse which finishes in the official first position;

5           (2) 20% of such sum shall be paid to the breeder of the  
6 horse which finishes in the official second position;

7           (3) 15% of such sum shall be paid to the breeder of the  
8 horse which finishes in the official third position; and

9           (4) 5% of such sum shall be paid to the breeder of the  
10 horse which finishes in the official fourth position.

11           Such payments shall not reduce any award to the owners of a  
12 horse or reduce the taxes payable under this Act. Upon  
13 completion of its racing meet, each organization licensee shall  
14 deliver to the organization representing thoroughbred breeders  
15 and owners whose representative serves on the Illinois  
16 Thoroughbred Breeders Fund Advisory Board a listing of all the  
17 Illinois foaled and the Illinois conceived and foaled horses  
18 which won breeders' awards and the amount of such breeders'  
19 awards in accordance with the provisions of this Act. Such  
20 payments shall be delivered by the organization licensee within  
21 30 days of the end of each race meeting.

22           (k) The term "breeder", as used herein, means the owner of  
23 the mare at the time the foal is dropped. An "Illinois foaled  
24 horse" is a foal dropped by a mare which enters this State on  
25 or before December 1, in the year in which the horse is bred,  
26 provided the mare remains continuously in this State until its



1 foal is born. An "Illinois foaled horse" also means a foal born  
2 of a mare in the same year as the mare enters this State on or  
3 before March 1, and remains in this State at least 30 days  
4 after foaling, is bred back during the season of the foaling to  
5 an Illinois Registered Stallion (unless a veterinarian  
6 certifies that the mare should not be bred for health reasons),  
7 and is not bred to a stallion standing in any other state  
8 during the season of foaling. An "Illinois foaled horse" also  
9 means a foal born in Illinois of a mare purchased at public  
10 auction subsequent to the mare entering this State on or before  
11 March 1 ~~prior to February 1~~ of the foaling year providing the  
12 mare is owned solely by one or more Illinois residents or an  
13 Illinois entity that is entirely owned by one or more Illinois  
14 residents.

15 (1) The Department of Agriculture shall, by rule, with the  
16 advice and assistance of the Illinois Thoroughbred Breeders  
17 Fund Advisory Board:

18 (1) Qualify stallions for Illinois breeding; such  
19 stallions to stand for service within the State of Illinois  
20 at the time of a foal's conception. Such stallion must not  
21 stand for service at any place outside the State of  
22 Illinois during the calendar year in which the foal is  
23 conceived. The Department of Agriculture may assess and  
24 collect an application fee of up to \$500 ~~fees~~ for the  
25 registration of Illinois-eligible stallions. All fees  
26 collected are to be held in trust accounts for the purposes

1        set forth in this Act and in accordance with Section 205-15  
2        of the Department of Agriculture Law ~~paid into the Illinois~~  
3        ~~Thoroughbred Breeders Fund.~~

4            (2) Provide for the registration of Illinois conceived  
5        and foaled horses and Illinois foaled horses. No such horse  
6        shall compete in the races limited to Illinois conceived  
7        and foaled horses or Illinois foaled horses or both unless  
8        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 held in trust accounts  
14       for the purposes set forth in this Act and in accordance  
15       with Section 205-15 of the Department of Agriculture Law  
16       ~~paid into the Illinois Thoroughbred Breeders Fund.~~ No  
17       person shall knowingly prepare or cause preparation of an  
18       application for registration of such foals containing  
19       false information.

20            (m) The Department of Agriculture, with the advice and  
21       assistance of the Illinois Thoroughbred Breeders Fund Advisory  
22       Board, shall provide that certain races limited to Illinois  
23       conceived and foaled and Illinois foaled horses be stakes races  
24       and determine the total amount of stakes and awards to be paid  
25       to the owners of the winning horses in such races.

26            In determining the stakes races and the amount of awards

1 for such races, the Department of Agriculture shall consider  
2 factors, including but not limited to, the amount of money  
3 appropriated for the Illinois Thoroughbred Breeders Fund  
4 program, organization licensees' contributions, availability  
5 of stakes caliber horses as demonstrated by past performances,  
6 whether the race can be coordinated into the proposed racing  
7 dates within organization licensees' racing dates, opportunity  
8 for colts and fillies and various age groups to race, public  
9 wagering on such races, and the previous racing schedule.

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

24 (o) (Blank).

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

1 (230 ILCS 5/30.5)

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

3 (a) The General Assembly declares that it is the policy of  
4 this State to encourage the breeding of racing quarter horses  
5 in this State and the ownership of such horses by residents of  
6 this State in order to provide for sufficient numbers of high  
7 quality racing quarter horses 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) There is hereby created a special fund in the State  
13 Treasury to be known as the Illinois Racing Quarter Horse  
14 Breeders Fund. Except as provided in subsection (g) of Section  
15 27 of this Act, 8.5% of all the moneys received by the State as  
16 pari-mutuel taxes on quarter horse racing shall be paid into  
17 the Illinois Racing Quarter Horse Breeders Fund. The Illinois  
18 Racing Quarter Horse Breeders Fund shall not be subject to  
19 administrative charges or chargebacks, including, but not  
20 limited to, those authorized under Section 8h of the State  
21 Finance Act.

22 (c) The Illinois Racing Quarter Horse Breeders Fund shall  
23 be administered by the Department of Agriculture with the  
24 advice and assistance of the Advisory Board created in  
25 subsection (d) of this Section.

26 (d) The Illinois Racing Quarter Horse Breeders Fund

1 Advisory Board shall consist of the Director of the Department  
2 of Agriculture, who shall serve as Chairman; a member of the  
3 Illinois Racing Board, designated by it; one representative of  
4 the organization licensees conducting pari-mutuel quarter  
5 horse racing meetings, recommended by them; 2 representatives  
6 of the Illinois Running Quarter Horse Association, recommended  
7 by it; and the Superintendent of Fairs and Promotions from the  
8 Department of Agriculture. Advisory Board members shall serve  
9 for 2 years commencing January 1 of each odd numbered year. If  
10 representatives have not been recommended by January 1 of each  
11 odd numbered year, the Director of the Department of  
12 Agriculture may 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 may be reimbursed for all actual and  
16 necessary expenses and disbursements incurred in the execution  
17 of their official duties.

18 (e) Moneys in ~~No moneys shall be expended from the Illinois~~  
19 ~~Racing Quarter Horse Breeders Fund except as appropriated by~~  
20 ~~the General Assembly. Moneys appropriated from the Illinois~~  
21 Racing Quarter Horse Breeders Fund shall be expended by the  
22 Department of Agriculture, with the advice and assistance of  
23 the Illinois Racing Quarter Horse Breeders Fund Advisory Board,  
24 for the following purposes only:

25 (1) To provide stakes and awards to be paid to the  
26 owners of the winning horses in certain races. This

1 provision is limited to Illinois conceived and foaled  
2 horses.

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

7 (3) To provide purse money for an Illinois stallion  
8 stakes program.

9 (4) To provide for purses to be distributed for the  
10 running of races during the Illinois State Fair and the  
11 DuQuoin State Fair exclusively for quarter horses  
12 conceived and foaled in Illinois.

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

16 (6) To provide for purses to be distributed for running  
17 races exclusively for quarter horses conceived and foaled  
18 in Illinois at locations in Illinois determined by the  
19 Department of Agriculture with advice and consent of the  
20 Illinois Racing Quarter Horse Breeders Fund Advisory  
21 Board.

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

26 (8) To provide for research programs concerning the

1 health, development, and care of racing quarter horses.

2 (9) To provide for dissemination of public information  
3 designed to promote the breeding of racing quarter horses  
4 in Illinois.

5 (10) To provide for expenses incurred in the  
6 administration of the Illinois Racing Quarter Horse  
7 Breeders Fund.

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

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

20 (2) Provide for the registration of Illinois conceived  
21 and foaled horses. No such horse shall compete in the races  
22 limited to Illinois conceived and foaled horses unless it  
23 is registered with the Department of Agriculture. The  
24 Department of Agriculture may prescribe such forms as are  
25 necessary to determine the eligibility of such horses. The  
26 Department of Agriculture may assess and collect

1 application fees for the registration of Illinois-eligible  
2 foals. All fees collected are to be paid into the Illinois  
3 Racing Quarter Horse Breeders Fund. No person shall  
4 knowingly prepare or cause preparation of an application  
5 for registration of such foals that contains false  
6 information.

7 (g) The Department of Agriculture, with the advice and  
8 assistance of the Illinois Racing Quarter Horse Breeders Fund  
9 Advisory Board, shall provide that certain races limited to  
10 Illinois conceived and foaled be stakes races and determine the  
11 total amount of stakes and awards to be paid to the owners of  
12 the winning horses in such races.

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

14 (230 ILCS 5/31) (from Ch. 8, par. 37-31)

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

25 (b) Each organization licensee conducting a harness racing



1 meeting pursuant to this Act shall provide for at least two  
2 races each race program limited to Illinois conceived and  
3 foaled horses. A minimum of 6 races shall be conducted each  
4 week limited to Illinois conceived and foaled horses. No horses  
5 shall be permitted to start in such races unless duly  
6 registered under the rules of the Department of Agriculture.

7 (b-5) Organization licensees, not including the Illinois  
8 State Fair or the DuQuoin State Fair, shall provide stake races  
9 and early closer races for Illinois conceived and foaled horses  
10 so that purses distributed for such races shall be no less than  
11 17% of total purses distributed for harness racing in that  
12 calendar year in addition to any stakes payments and starting  
13 fees contributed by horse owners.

14 (b-10) Each organization licensee conducting a harness  
15 racing meeting pursuant to this Act shall provide an owner  
16 award to be paid from the purse account equal to 12% of the  
17 amount earned by Illinois conceived and foaled horses finishing  
18 in the first 3 positions in races that are not restricted to  
19 Illinois conceived and foaled horses. The owner awards shall  
20 not be paid on races below the \$10,000 claiming class.

21 (c) Conditions of races under subsection (b) shall be  
22 commensurate with past performance, quality and class of  
23 Illinois conceived and foaled horses available. If, however,  
24 sufficient competition cannot be had among horses of that class  
25 on any day, the races may, with consent of the Board, be  
26 eliminated for that day and substitute races provided.

1 (d) There is hereby created a special fund of the State  
2 Treasury to be known as the Illinois Standardbred Breeders  
3 Fund. Beginning on the effective date of this amendatory Act of  
4 the 101st General Assembly, the Illinois Standardbred Breeders  
5 Fund shall become a non-appropriated trust fund held separate  
6 and apart from State moneys. Expenditures from this Fund shall  
7 no longer be subject to appropriation.

8 During the calendar year 1981, and each year thereafter,  
9 except as provided in subsection (g) of Section 27 of this Act,  
10 eight and one-half per cent of all the monies received by the  
11 State as privilege taxes on harness racing meetings shall be  
12 paid into the Illinois Standardbred Breeders Fund.

13 (e) Notwithstanding any provision of law to the contrary,  
14 amounts deposited into the Illinois Standardbred 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. The  
20 Illinois Standardbred Breeders Fund shall be administered by  
21 the Department of Agriculture with the assistance and advice of  
22 the Advisory Board created in subsection (f) of this Section.

23 (f) The Illinois Standardbred Breeders Fund Advisory Board  
24 is hereby created. The Advisory Board shall consist of the  
25 Director of the Department of Agriculture, who shall serve as  
26 Chairman; the Superintendent of the Illinois State Fair; a

1 member of the Illinois Racing Board, designated by it; a  
2 representative of the largest association of Illinois  
3 standardbred owners and breeders, recommended by it; a  
4 representative of a statewide association representing  
5 agricultural fairs in Illinois, recommended by it, such  
6 representative to be from a fair at which Illinois conceived  
7 and foaled racing is conducted; a representative of the  
8 organization licensees conducting harness racing meetings,  
9 recommended by them; a representative of the Breeder's  
10 Committee of the association representing the largest number of  
11 standardbred owners, breeders, trainers, caretakers, and  
12 drivers, recommended by it; and a representative of the  
13 association representing the largest number of standardbred  
14 owners, breeders, trainers, caretakers, and drivers,  
15 recommended by it. Advisory Board members shall serve for 2  
16 years commencing January 1 of each odd numbered year. If  
17 representatives of the largest association of Illinois  
18 standardbred owners and breeders, a statewide association of  
19 agricultural fairs in Illinois, the association representing  
20 the largest number of standardbred owners, breeders, trainers,  
21 caretakers, and drivers, a member of the Breeder's Committee of  
22 the association representing the largest number of  
23 standardbred owners, breeders, trainers, caretakers, and  
24 drivers, and the organization licensees conducting harness  
25 racing meetings have not been recommended by January 1 of each  
26 odd numbered year, the Director of the Department of

1 Agriculture shall make an appointment for the organization  
2 failing to so recommend a member of the Advisory Board.  
3 Advisory Board members shall receive no compensation for their  
4 services as members but shall be reimbursed for all actual and  
5 necessary expenses and disbursements incurred in the execution  
6 of their official duties.

7 ~~(g) No monies shall be expended from the Illinois~~  
8 ~~Standardbred Breeders Fund except as appropriated by the~~  
9 ~~General Assembly. Monies expended ~~appropriated~~ from the~~  
10 Illinois Standardbred Breeders Fund shall be expended by the  
11 Department of Agriculture, with the assistance and advice of  
12 the Illinois Standardbred Breeders Fund Advisory Board for the  
13 following purposes only:

14 1. To provide purses for races limited to Illinois  
15 conceived and foaled horses at the State Fair and the  
16 DuQuoin State Fair.

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

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

22 4. No less than 75% of all monies in the Illinois  
23 Standardbred Breeders Fund shall be expended for purses in  
24 1, 2 and 3 as shown above.

25 5. In the discretion of the Department of Agriculture  
26 to provide awards to harness breeders of Illinois conceived

1 and foaled horses which win races conducted by organization  
2 licensees conducting harness racing meetings. A breeder is  
3 the owner of a mare at the time of conception. No more than  
4 10% of all monies appropriated from the Illinois  
5 Standardbred Breeders Fund shall be expended for such  
6 harness breeders awards. No more than 25% of the amount  
7 expended for harness breeders awards shall be expended for  
8 expenses incurred in the administration of such harness  
9 breeders awards.

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

12 7. To pay the expenses incurred in the administration  
13 of the Illinois Standardbred Breeders Fund.

14 8. To promote the sport of harness racing, including  
15 grants up to a maximum of \$7,500 per fair per year for  
16 conducting pari-mutuel wagering during the advertised  
17 dates of a county fair.

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

21 (h) The Illinois Standardbred Breeders Fund is not subject  
22 to administrative charges or chargebacks, including, but not  
23 limited to, those authorized under Section 8h of the State  
24 Finance Act. ~~Whenever the Governor finds that the amount in the~~  
25 ~~Illinois Standardbred Breeders Fund is more than the total of~~  
26 ~~the outstanding appropriations from such fund, the Governor~~

1 ~~shall notify the State Comptroller and the State Treasurer of~~  
2 ~~such fact. The Comptroller and the State Treasurer, upon~~  
3 ~~receipt of such notification, shall transfer such excess amount~~  
4 ~~from the Illinois Standardbred Breeders Fund to the General~~  
5 ~~Revenue Fund.~~

6 (i) A sum equal to 13% ~~12 1/2%~~ of the first prize money of  
7 the gross every purse won by an Illinois conceived and foaled  
8 horse shall be paid 50% by the organization licensee conducting  
9 the horse race meeting to the breeder of such winning horse  
10 from the organization licensee's account and 50% from the purse  
11 account of the licensee ~~share of the money wagered~~. Such  
12 payment shall not reduce any award to the owner of the horse or  
13 reduce the taxes payable under this Act. Such payment shall be  
14 delivered by the organization licensee at the end of each  
15 quarter ~~race meeting~~.

16 (j) The Department of Agriculture shall, by rule, with the  
17 assistance and advice of the Illinois Standardbred Breeders  
18 Fund Advisory Board:

19 1. Qualify stallions for Illinois Standardbred  
20 Breeders Fund breeding; such stallion shall be owned by a  
21 resident of the State of Illinois or by an Illinois  
22 corporation all of whose shareholders, directors, officers  
23 and incorporators are residents of the State of Illinois.  
24 Such stallion shall stand for service at and within the  
25 State of Illinois at the time of a foal's conception, and  
26 such stallion must not stand for service at any place, nor

1 may semen from such stallion be transported, outside the  
2 State of Illinois during that calendar year in which the  
3 foal is conceived and that the owner of the stallion was  
4 for the 12 months prior, a resident of Illinois. However,  
5 from January 1, 2018 until January 1, 2022, semen from an  
6 Illinois stallion may be transported outside the State of  
7 Illinois. The articles of agreement of any partnership,  
8 joint venture, limited partnership, syndicate, association  
9 or corporation and any bylaws and stock certificates must  
10 contain a restriction that provides that the ownership or  
11 transfer of interest by any one of the persons a party to  
12 the agreement can only be made to a person who qualifies as  
13 an Illinois resident.

14 2. Provide for the registration of Illinois conceived  
15 and foaled horses and no such horse shall compete in the  
16 races limited to Illinois conceived and foaled horses  
17 unless registered with the Department of Agriculture. The  
18 Department of Agriculture may prescribe such forms as may  
19 be necessary to determine the eligibility of such horses.  
20 No person shall knowingly prepare or cause preparation of  
21 an application for registration of such foals containing  
22 false information. A mare (dam) must be in the State at  
23 least 30 days prior to foaling or remain in the State at  
24 least 30 days at the time of foaling. However, the  
25 requirement that a mare (dam) must be in the State at least  
26 30 days before foaling or remain in the State at least 30

1 days at the time of foaling shall not be in effect from  
2 January 1, 2018 until January 1, 2022. Beginning with the  
3 1996 breeding season and for foals of 1997 and thereafter,  
4 a foal conceived by transported semen may be eligible for  
5 Illinois conceived and foaled registration provided all  
6 breeding and foaling requirements are met. The stallion  
7 must be qualified for Illinois Standardbred Breeders Fund  
8 breeding at the time of conception and the mare must be  
9 inseminated within the State of Illinois. The foal must be  
10 dropped in Illinois and properly registered with the  
11 Department of Agriculture in accordance with this Act.  
12 However, from January 1, 2018 until January 1, 2022, the  
13 requirement for a mare to be inseminated within the State  
14 of Illinois and the requirement for a foal to be dropped in  
15 Illinois are inapplicable.

16 3. Provide that at least a 5 day racing program shall  
17 be conducted at the State Fair each year, which program  
18 shall include at least the following races limited to  
19 Illinois conceived and foaled horses: (a) a two year old  
20 Trot and Pace, and Filly Division of each; (b) a three year  
21 old Trot and Pace, and Filly Division of each; (c) an aged  
22 Trot and Pace, and Mare Division of each.

23 4. Provide for the payment of nominating, sustaining  
24 and starting fees for races promoting the sport of harness  
25 racing and for the races to be conducted at the State Fair  
26 as provided in subsection (j) 3 of this Section provided



1 that the nominating, sustaining and starting payment  
2 required from an entrant shall not exceed 2% of the purse  
3 of such race. All nominating, sustaining and starting  
4 payments shall be held for the benefit of entrants and  
5 shall be paid out as part of the respective purses for such  
6 races. Nominating, sustaining and starting fees shall be  
7 held in trust accounts for the purposes as set forth in  
8 this Act and in accordance with Section 205-15 of the  
9 Department of Agriculture Law ~~(20 ILCS 205/205-15)~~.

10 5. Provide for the registration with the Department of  
11 Agriculture of Colt Associations or county fairs desiring  
12 to sponsor races at county fairs.

13 6. Provide for the promotion of producing standardbred  
14 racehorses by providing a bonus award program for owners of  
15 2-year-old horses that win multiple major stakes races that  
16 are limited to Illinois conceived and foaled horses.

17 (k) The Department of Agriculture, with the advice and  
18 assistance of the Illinois Standardbred Breeders Fund Advisory  
19 Board, may allocate monies for purse supplements for such  
20 races. In determining whether to allocate money and the amount,  
21 the Department of Agriculture shall consider factors,  
22 including but not limited to, the amount of money appropriated  
23 for the Illinois Standardbred Breeders Fund program, the number  
24 of races that may occur, and an organization ~~organizational~~  
25 licensee's purse structure. The organization ~~organizational~~  
26 licensee shall notify the Department of Agriculture of the

1 conditions and minimum purses for races limited to Illinois  
2 conceived and foaled horses to be conducted by each  
3 organization ~~organizational~~ licensee conducting a harness  
4 racing meeting for which purse supplements have been  
5 negotiated.

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

11 (m) At all standardbred race meetings held or conducted  
12 under authority of a license granted by the Board, and at all  
13 standardbred races held at county fairs which are approved by  
14 the Department of Agriculture or at the Illinois or DuQuoin  
15 State Fairs, no one shall jog, train, warm up or drive a  
16 standardbred horse unless he or she is wearing a protective  
17 safety helmet, with the chin strap fastened and in place, which  
18 meets the standards and requirements as set forth in the 1984  
19 Standard for Protective Headgear for Use in Harness Racing and  
20 Other Equestrian Sports published by the Snell Memorial  
21 Foundation, or any standards and requirements for headgear the  
22 Illinois Racing Board may approve. Any other standards and  
23 requirements so approved by the Board shall equal or exceed  
24 those published by the Snell Memorial Foundation. Any  
25 equestrian helmet bearing the Snell label shall be deemed to  
26 have met those standards and requirements.

1 (Source: P.A. 99-756, eff. 8-12-16; 100-777, eff. 8-10-18.)

2 (230 ILCS 5/31.1) (from Ch. 8, par. 37-31.1)

3 Sec. 31.1. (a) Unless subsection (a-5) applies,  
4 organization ~~Organization~~ licensees collectively shall  
5 contribute annually to charity the sum of \$750,000 to  
6 non-profit organizations that provide medical and family,  
7 counseling, and similar services to persons who reside or work  
8 on the backstretch of Illinois racetracks. Unless subsection  
9 (a-5) applies, these ~~These~~ contributions shall be collected as  
10 follows: (i) no later than July 1st of each year the Board  
11 shall assess each organization licensee, except those tracks  
12 located in Madison County, ~~which are not within 100 miles of~~  
13 ~~each other~~ which tracks shall pay \$30,000 annually apiece into  
14 the Board charity fund, that amount which equals \$690,000  
15 multiplied by the amount of pari-mutuel wagering handled by the  
16 organization licensee in the year preceding assessment and  
17 divided by the total pari-mutuel wagering handled by all  
18 Illinois organization licensees, except those tracks located  
19 in Madison and Rock Island counties ~~which are not within 100~~  
20 ~~miles of each other,~~ in the year preceding assessment; (ii)  
21 notice of the assessed contribution shall be mailed to each  
22 organization licensee; (iii) within thirty days of its receipt  
23 of such notice, each organization licensee shall remit the  
24 assessed contribution to the Board. Unless subsection (a-5)  
25 applies, if an organization licensee commences operation of

1 gaming at its facility pursuant to an organization gaming  
2 license under the Illinois Gambling Act, then the organization  
3 licensee shall contribute an additional \$83,000 per year  
4 beginning in the year subsequent to the first year in which the  
5 organization licensee begins receiving funds from gaming  
6 pursuant to an organization gaming license. If an organization  
7 licensee wilfully fails to so remit the contribution, the Board  
8 may revoke its license to conduct horse racing.

9 (a-5) If (1) an organization licensee that did not operate  
10 live racing in 2017 is awarded racing dates in 2018 or in any  
11 subsequent year and (2) all organization licensees are  
12 operating gaming pursuant to an organization gaming license  
13 under the Illinois Gambling Act, then subsection (a) does not  
14 apply and organization licensees collectively shall contribute  
15 annually to charity the sum of \$1,000,000 to non-profit  
16 organizations that provide medical and family, counseling, and  
17 similar services to persons who reside or work on the  
18 backstretch of Illinois racetracks. These contributions shall  
19 be collected as follows: (i) no later than July 1st of each  
20 year the Board shall assess each organization licensee an  
21 amount based on the proportionate amount of live racing days in  
22 the calendar year for which the Board has awarded to the  
23 organization licensee out of the total aggregate number of live  
24 racing days awarded; (ii) notice of the assessed contribution  
25 shall be mailed to each organization licensee; (iii) within 30  
26 days after its receipt of such notice, each organization

1 licensee shall remit the assessed contribution to the Board. If  
2 an organization licensee willfully fails to so remit the  
3 contribution, the Board may revoke its license to conduct horse  
4 racing.

5 (b) No later than October 1st of each year, any qualified  
6 charitable organization seeking an allotment of contributed  
7 funds shall submit to the Board an application for those funds,  
8 using the Board's approved form. No later than December 31st of  
9 each year, the Board shall distribute all such amounts  
10 collected that year to such charitable organization  
11 applicants.

12 (Source: P.A. 87-110.)

13 (230 ILCS 5/32.1)

14 Sec. 32.1. Pari-mutuel tax credit; statewide racetrack  
15 real estate equalization.

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

1 paid in the prior year for all racetracks awarded live horse  
2 racing meets in the current year.

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

21 (b) If the organization licensee is operating gaming  
22 pursuant to an organization gaming license issued under the  
23 Illinois Gambling Act, except the organization licensee  
24 described in Section 19.5, then, for the 5-year period  
25 beginning on the January 1 of the calendar year immediately  
26 following the calendar year during which an organization

1 licensee begins conducting gaming operations pursuant to an  
2 organization gaming license issued under the Illinois Gambling  
3 Act, the organization licensee shall make capital  
4 expenditures, in an amount equal to no less than 50% of the tax  
5 credit under this Section, to the improvement and maintenance  
6 of the backstretch, including, but not limited to, backstretch  
7 barns, dormitories, and services for backstretch workers.  
8 Those capital expenditures must be in addition to, and not in  
9 lieu of, the capital expenditures made for backstretch  
10 improvements in calendar year 2015, as reported to the Board in  
11 the organization licensee's application for racing dates and as  
12 certified by the Board. The organization licensee is required  
13 to annually submit the list and amounts of these capital  
14 expenditures to the Board by January 30th of the year following  
15 the expenditure.

16 (c) If the organization licensee is conducting gaming in  
17 accordance with paragraph (b), then, after the 5-year period  
18 beginning on January 1 of the calendar year immediately  
19 following the calendar year during which an organization  
20 licensee begins conducting gaming operations pursuant to an  
21 organization gaming license issued under the Illinois Gambling  
22 Act, the organization license is ineligible to receive a tax  
23 credit under this Section.

24 (Source: P.A. 100-201, eff. 8-18-17.)

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (4) late filing of application for foal eligibility

1 certificate:

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

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

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

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

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

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

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

25 (Source: P.A. 99-933, eff. 1-27-17; 100-201, eff. 8-18-17.)

1 (230 ILCS 5/54.75)

2 Sec. 54.75. Horse Racing Equity Trust Fund.

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

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

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

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

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

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

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

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

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

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

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

12 (230 ILCS 5/56 new)

13 Sec. 56. Gaming pursuant to an organization gaming license.

14 (a) A person, firm, corporation, partnership, or limited  
15 liability company having operating control of a racetrack may  
16 apply to the Gaming Board for an organization gaming license.  
17 An organization gaming license shall authorize its holder to  
18 conduct gaming on the grounds of the racetrack of which the  
19 organization gaming licensee has operating control. Only one  
20 organization gaming license may be awarded for any racetrack. A  
21 holder of an organization gaming license shall be subject to  
22 the Illinois Gambling Act and rules of the Illinois Gaming  
23 Board concerning gaming pursuant to an organization gaming  
24 license issued under the Illinois Gambling Act. If the person,  
25 firm, corporation, or limited liability company having

1 operating control of a racetrack is found by the Illinois  
2 Gaming Board to be unsuitable for an organization gaming  
3 license under the Illinois Gambling Act and rules of the Gaming  
4 Board, that person, firm, corporation, or limited liability  
5 company shall not be granted an organization gaming license.  
6 Each license shall specify the number of gaming positions that  
7 its holder may operate.

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

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

22 (1) Amounts shall be paid to the purse account at the  
23 track at which the organization licensee is conducting  
24 racing equal to the following:

25 12.75% of annual adjusted gross receipts up to and  
26 including \$93,000,000;

1           20% of annual adjusted gross receipts in excess of  
2           \$93,000,000 but not exceeding \$100,000,000;

3           26.5% of annual adjusted gross receipts in excess  
4           of \$100,000,000 but not exceeding \$125,000,000; and

5           20.5% of annual adjusted gross receipts in excess  
6           of \$125,000,000.

7           If 2 different breeds race at the same racetrack in the  
8           same calendar year, the purse moneys allocated under this  
9           subsection (b) shall be divided pro rata based on live  
10           racing days awarded by the Board to that race track for  
11           each breed. However, the ratio may not exceed 60% for  
12           either breed, except if one breed is awarded fewer than 20  
13           live racing days, in which case the purse moneys allocated  
14           shall be divided pro rata based on live racing days.

15           (2) The remainder shall be retained by the organization  
16           gaming licensee.

17           (c) Annually, from the purse account of an organization  
18           licensee racing thoroughbred horses in this State, except for  
19           in Madison County, an amount equal to 12% of the gaming  
20           receipts from gaming pursuant to an organization gaming license  
21           placed into the purse accounts shall be paid to the Illinois  
22           Thoroughbred Breeders Fund and shall be used for owner awards;  
23           a stallion program pursuant to paragraph (3) of subsection (g)  
24           of Section 30 of this Act; and Illinois conceived and foaled  
25           stakes races pursuant to paragraph (2) of subsection (g) of  
26           Section 30 of this Act, as specifically designated by the



1 horsemen association representing the largest number of owners  
2 and trainers who race at the organization licensee's race  
3 meetings.

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

16 Annually, from the amounts generated for purses from all  
17 sources, including, but not limited to, amounts generated from  
18 wagering conducted by organization licensees, organization  
19 gaming licensees, inter-track wagering licensees, inter-track  
20 wagering locations licensees, and advance deposit wagering  
21 licensees, or an organization licensee to the purse account of  
22 an organization licensee conducting thoroughbred races at a  
23 track in Madison County, an amount equal to 10% of adjusted  
24 gross receipts as defined in subsection (b) of this Section  
25 shall be paid to the horsemen association representing the  
26 largest number of owners and trainers who race at the

1 organization licensee's race meets, to be used to for  
2 operational expenses and may be also used for after care  
3 programs for retired thoroughbred race horses, backstretch  
4 laundry and kitchen facilities, a health insurance or  
5 retirement program, the Future Farmers of America, and such  
6 other programs.

7 Annually, from the purse account of organization licensees  
8 conducting thoroughbred races at racetracks in Cook County,  
9 \$100,000 shall be paid for division and equal distribution to  
10 the animal sciences department of each Illinois public  
11 university system engaged in equine research and education on  
12 or before the effective date of this amendatory Act of the  
13 101st General Assembly for equine research and education.

14 (d) Annually, from the purse account of an organization  
15 licensee racing standardbred horses, an amount equal to 15% of  
16 the gaming receipts from gaming pursuant to an organization  
17 gaming license placed into that purse account shall be paid to  
18 the Illinois Standardbred Breeders Fund. Moneys deposited into  
19 the Illinois Standardbred Breeders Fund shall be used for  
20 standardbred racing as authorized in paragraphs 1, 2, 3, 8, and  
21 9 of subsection (g) of Section 31 of this Act and for bonus  
22 awards as authorized under paragraph 6 of subsection (j) of  
23 Section 31 of this Act.

24 Section 35-55. The Riverboat Gambling Act is amended by  
25 changing Sections 1, 2, 3, 4, 5, 5.1, 6, 7, 7.3, 7.5, 8, 9, 11,

1 11.1, 12, 13, 14, 15, 17, 17.1, 18, 18.1, 19, 20, and 24 and by  
2 adding Sections 5.3, 7.7, 7.8, 7.10, 7.11, 7.12, 7.13, 7.14,  
3 and 7.15 as follows:

4 (230 ILCS 10/1) (from Ch. 120, par. 2401)

5 Sec. 1. Short title. This Act shall be known and may be  
6 cited as the Illinois Riverboat Gambling Act.

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

8 (230 ILCS 10/2) (from Ch. 120, par. 2402)

9 Sec. 2. Legislative Intent.

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

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

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

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

6 (230 ILCS 10/3) (from Ch. 120, par. 2403)

7 Sec. 3. ~~Riverboat~~ Gambling Authorized.

8 (a) Riverboat and casino gambling operations and gaming  
9 operations pursuant to an organization gaming license ~~and the~~  
10 ~~system of wagering incorporated therein~~, as defined in this  
11 Act, are hereby authorized to the extent that they are carried  
12 out in accordance with the provisions of this Act.

13 (b) This Act does not apply to the pari-mutuel system of  
14 wagering used or intended to be used in connection with the  
15 horse-race meetings as authorized under the Illinois Horse  
16 Racing Act of 1975, lottery games authorized under the Illinois  
17 Lottery Law, bingo authorized under the Bingo License and Tax  
18 Act, charitable games authorized under the Charitable Games Act  
19 or pull tabs and jar games conducted under the Illinois Pull  
20 Tabs and Jar Games Act. This Act applies to gaming by an  
21 organization gaming licensee authorized under the Illinois  
22 Horse Racing Act of 1975 to the extent provided in that Act and  
23 in this Act.

24 (c) Riverboat gambling conducted pursuant to this Act may  
25 be authorized upon any water within the State of Illinois or

1 any water other than Lake Michigan which constitutes a boundary  
2 of the State of Illinois. Notwithstanding any provision in this  
3 subsection (c) to the contrary, a licensee that receives its  
4 license pursuant to subsection (e-5) of Section 7 may conduct  
5 riverboat gambling on Lake Michigan from a home dock located on  
6 Lake Michigan subject to any limitations contained in Section  
7 7. Notwithstanding any provision in this subsection (c) to the  
8 contrary, a licensee may conduct gambling at its home dock  
9 facility as provided in Sections 7 and 11. A licensee may  
10 conduct riverboat gambling authorized under this Act  
11 regardless of whether it conducts excursion cruises. A licensee  
12 may permit the continuous ingress and egress of passengers for  
13 the purpose of gambling.

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

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

19 (230 ILCS 10/4) (from Ch. 120, par. 2404)

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

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

22 ~~(b)~~ "Occupational license" means a license issued by the  
23 Board to a person or entity to perform an occupation which the  
24 Board has identified as requiring a license to engage in  
25 riverboat gambling, casino gambling, or gaming pursuant to an

1 organization gaming license issued under this Act in Illinois.

2 ~~(e)~~ "Gambling game" includes, but is not limited to,  
3 baccarat, twenty-one, poker, craps, slot machine, video game of  
4 chance, roulette wheel, klondike table, punchboard, faro  
5 layout, keno layout, numbers ticket, push card, jar ticket, or  
6 pull tab which is authorized by the Board as a wagering device  
7 under this Act.

8 ~~(d)~~ "Riverboat" means a self-propelled excursion boat, a  
9 permanently moored barge, or permanently moored barges that are  
10 permanently fixed together to operate as one vessel, on which  
11 lawful gambling is authorized and licensed as provided in this  
12 Act.

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

23 (1) may utilize spinning reels or video displays or  
24 both;

25 (2) may or may not dispense coins, tickets, or tokens  
26 to winning patrons;

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

3           (4) may simulate a table game.

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

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

9           ~~(f)~~ "Dock" means the location where a riverboat moors for  
10          the purpose of embarking passengers for and disembarking  
11          passengers from the riverboat.

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

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

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

20          ~~(j) (Blank).~~

21          ~~(k)~~ "Gambling operation" means the conduct of ~~authorized~~  
22          gambling games authorized under this Act upon a riverboat or in  
23          a casino or authorized under this Act and the Illinois Horse  
24          Racing Act of 1975 at an organization gaming facility.

25          ~~(l)~~ "License bid" means the lump sum amount of money that  
26          an applicant bids and agrees to pay the State in return for an

1 owners license that is issued or re-issued on or after July 1,  
2 2003.

3 "Table game" means a live gaming apparatus upon which  
4 gaming is conducted or that determines an outcome that is the  
5 object of a wager, including, but not limited to, baccarat,  
6 twenty-one, blackjack, poker, craps, roulette wheel, klondike  
7 table, punchboard, faro layout, keno layout, numbers ticket,  
8 push card, jar ticket, pull tab, or other similar games that  
9 are authorized by the Board as a wagering device under this  
10 Act. "Table game" does not include slot machines or video games  
11 of chance.

12 ~~(m)~~ The terms "minority person", "woman", and "person with  
13 a disability" shall have the same meaning as defined in Section  
14 2 of the Business Enterprise for Minorities, Women, and Persons  
15 with Disabilities Act.

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

18 "Owners license" means a license to conduct riverboat or  
19 casino gambling operations, but does not include an  
20 organization gaming license.

21 "Licensed owner" means a person who holds an owners  
22 license.

23 "Organization gaming facility" means that portion of an  
24 organization licensee's racetrack facilities at which gaming  
25 authorized under Section 7.7 is conducted.

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



1 Illinois Gaming Board under Section 7.7 of this Act authorizing  
2 gaming pursuant to that Section at an organization gaming  
3 facility.

4 "Organization gaming licensee" means an entity that holds  
5 an organization gaming license.

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

13 (Source: P.A. 100-391, eff. 8-25-17.)

14 (230 ILCS 10/5) (from Ch. 120, par. 2405)

15 Sec. 5. Gaming Board.

16 (a) (1) There is hereby established the Illinois Gaming  
17 Board, which shall have the powers and duties specified in this  
18 Act, and all other powers necessary and proper to fully and  
19 effectively execute this Act for the purpose of administering,  
20 regulating, and enforcing the system of riverboat and casino  
21 gambling established by this Act and gaming pursuant to an  
22 organization gaming license issued under this Act. Its  
23 jurisdiction shall extend under this Act to every person,  
24 association, corporation, partnership and trust involved in  
25 riverboat and casino gambling operations and gaming pursuant to

1 an organization gaming license issued under this Act in the  
2 State of Illinois.

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

11 On and after the effective date of this amendatory Act of  
12 the 101st General Assembly, new appointees to the Board must  
13 include the following:

14 (A) One member who has received, at a minimum, a  
15 bachelor's degree from an accredited school and at least 10  
16 years of verifiable experience in the fields of  
17 investigation and law enforcement.

18 (B) One member who is a certified public accountant  
19 with experience in auditing and with knowledge of complex  
20 corporate structures and transactions.

21 (C) One member who has 5 years' experience as a  
22 principal, senior officer, or director of a company or  
23 business with either material responsibility for the daily  
24 operations and management of the overall company or  
25 business or material responsibility for the policy making  
26 of the company or business.

1           (D) One member who is an attorney licensed to practice  
2           law in Illinois for at least 5 years.

3           Notwithstanding any provision of this subsection (a), the  
4           requirements of subparagraphs (A) through (D) of this paragraph  
5           (2) shall not apply to any person reappointed pursuant to  
6           paragraph (3).

7           No more than 3 members of the Board may be from the same  
8           political party. No Board member shall, within a period of one  
9           year immediately preceding nomination, have been employed or  
10           received compensation or fees for services from a person or  
11           entity, or its parent or affiliate, that has engaged in  
12           business with the Board, a licensee, or a licensee under the  
13           Illinois Horse Racing Act of 1975. Board members must publicly  
14           disclose all prior affiliations with gaming interests,  
15           including any compensation, fees, bonuses, salaries, and other  
16           reimbursement received from a person or entity, or its parent  
17           or affiliate, that has engaged in business with the Board, a  
18           licensee, or a licensee under the Illinois Horse Racing Act of  
19           1975. This disclosure must be made within 30 days after  
20           nomination but prior to confirmation by the Senate and must be  
21           made available to the members of the Senate. At least one  
22           member shall be experienced in law enforcement and criminal  
23           investigation, at least one member shall be a certified public  
24           accountant experienced in accounting and auditing, and at least  
25           one member shall be a lawyer licensed to practice law in  
26           Illinois.

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

14           (4) Each member of the Board shall receive \$300 for each  
15 day the Board meets and for each day the member conducts any  
16 hearing pursuant to this Act. Each member of the Board shall  
17 also be reimbursed for all actual and necessary expenses and  
18 disbursements incurred in the execution of official duties.

19           (5) No person shall be appointed a member of the Board or  
20 continue to be a member of the Board who is, or whose spouse,  
21 child or parent is, a member of the board of directors of, or a  
22 person financially interested in, any gambling operation  
23 subject to the jurisdiction of this Board, or any race track,  
24 race meeting, racing association or the operations thereof  
25 subject to the jurisdiction of the Illinois Racing Board. No  
26 Board member shall hold any other public office. No person

1 shall be a member of the Board who is not of good moral  
2 character or who has been convicted of, or is under indictment  
3 for, a felony under the laws of Illinois or any other state, or  
4 the United States.

5 (5.5) No member of the Board shall engage in any political  
6 activity. For the purposes of this Section, "political" means  
7 any activity in support of or in connection with any campaign  
8 for federal, State, or local elective office or any political  
9 organization, but does not include activities (i) relating to  
10 the support or opposition of any executive, legislative, or  
11 administrative action (as those terms are defined in Section 2  
12 of the Lobbyist Registration Act), (ii) relating to collective  
13 bargaining, or (iii) that are otherwise in furtherance of the  
14 person's official State duties or governmental and public  
15 service functions.

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

19 (7) Before entering upon the discharge of the duties of his  
20 office, each member of the Board shall take an oath that he  
21 will faithfully execute the duties of his office according to  
22 the laws of the State and the rules and regulations adopted  
23 therewith and shall give bond to the State of Illinois,  
24 approved by the Governor, in the sum of \$25,000. Every such  
25 bond, when duly executed and approved, shall be recorded in the  
26 office of the Secretary of State. Whenever the Governor

1 determines that the bond of any member of the Board has become  
2 or is likely to become invalid or insufficient, he shall  
3 require such member forthwith to renew his bond, which is to be  
4 approved by the Governor. Any member of the Board who fails to  
5 take oath and give bond within 30 days from the date of his  
6 appointment, or who fails to renew his bond within 30 days  
7 after it is demanded by the Governor, shall be guilty of  
8 neglect of duty and may be removed by the Governor. The cost of  
9 any bond given by any member of the Board under this Section  
10 shall be taken to be a part of the necessary expenses of the  
11 Board.

12 (7.5) For the examination of all mechanical,  
13 electromechanical, or electronic table games, slot machines,  
14 slot accounting systems, sports wagering systems, and other  
15 electronic gaming equipment, and the field inspection of such  
16 systems, games, and machines, for compliance with this Act, the  
17 Board shall ~~may~~ utilize the services of ~~one or more~~ independent  
18 outside testing laboratories that have been accredited in  
19 accordance with ISO/IEC 17025 by an accreditation body that is  
20 a signatory to the International Laboratory Accreditation  
21 Cooperation Mutual Recognition Agreement signifying they ~~by a~~  
22 ~~national accreditation body and that, in the judgment of the~~  
23 ~~Board,~~ are qualified to perform such examinations.  
24 Notwithstanding any law to the contrary, the Board shall  
25 consider the licensing of independent outside testing  
26 laboratory applicants in accordance with procedures

1 established by the Board by rule. The Board shall not withhold  
2 its approval of an independent outside testing laboratory  
3 license applicant that has been accredited as required under  
4 this paragraph (7.5) and is licensed in gaming jurisdictions  
5 comparable to Illinois. Upon the finalization of required  
6 rules, the Board shall license independent testing  
7 laboratories and accept the test reports of any licensed  
8 testing laboratory of the system's, game's, or machine  
9 manufacturer's choice, notwithstanding the existence of  
10 contracts between the Board and any independent testing  
11 laboratory.

12 (8) The Board shall employ such personnel as may be  
13 necessary to carry out its functions and shall determine the  
14 salaries of all personnel, except those personnel whose  
15 salaries are determined under the terms of a collective  
16 bargaining agreement. No person shall be employed to serve the  
17 Board who is, or whose spouse, parent or child is, an official  
18 of, or has a financial interest in or financial relation with,  
19 any operator engaged in gambling operations within this State  
20 or any organization engaged in conducting horse racing within  
21 this State. For the one year immediately preceding employment,  
22 an employee shall not have been employed or received  
23 compensation or fees for services from a person or entity, or  
24 its parent or affiliate, that has engaged in business with the  
25 Board, a licensee, or a licensee under the Illinois Horse  
26 Racing Act of 1975. Any employee violating these prohibitions

1 shall be subject to termination of employment.

2 (9) An Administrator shall perform any and all duties that  
3 the Board shall assign him. The salary of the Administrator  
4 shall be determined by the Board and, in addition, he shall be  
5 reimbursed for all actual and necessary expenses incurred by  
6 him in discharge of his official duties. The Administrator  
7 shall keep records of all proceedings of the Board and shall  
8 preserve all records, books, documents and other papers  
9 belonging to the Board or entrusted to its care. The  
10 Administrator shall devote his full time to the duties of the  
11 office and shall not hold any other office or employment.

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

15 (1) To decide promptly and in reasonable order all  
16 license applications. Any party aggrieved by an action of  
17 the Board denying, suspending, revoking, restricting or  
18 refusing to renew a license may request a hearing before  
19 the Board. A request for a hearing must be made to the  
20 Board in writing within 5 days after service of notice of  
21 the action of the Board. Notice of the action of the Board  
22 shall be served either by personal delivery or by certified  
23 mail, postage prepaid, to the aggrieved party. Notice  
24 served by certified mail shall be deemed complete on the  
25 business day following the date of such mailing. The Board  
26 shall conduct any such ~~all requested~~ hearings promptly and



1 in reasonable order;

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

5 (3) To promulgate such rules and regulations as in its  
6 judgment may be necessary to protect or enhance the  
7 credibility and integrity of gambling operations  
8 authorized by this Act and the regulatory process  
9 hereunder;

10 (4) To provide for the establishment and collection of  
11 all license and registration fees and taxes imposed by this  
12 Act and the rules and regulations issued pursuant hereto.  
13 All such fees and taxes shall be deposited into the State  
14 Gaming Fund;

15 (5) To provide for the levy and collection of penalties  
16 and fines for the violation of provisions of this Act and  
17 the rules and regulations promulgated hereunder. All such  
18 fines and penalties shall be deposited into the Education  
19 Assistance Fund, created by Public Act 86-0018, of the  
20 State of Illinois;

21 (6) To be present through its inspectors and agents any  
22 time gambling operations are conducted on any riverboat, in  
23 any casino, or at any organization gaming facility for the  
24 purpose of certifying the revenue thereof, receiving  
25 complaints from the public, and conducting such other  
26 investigations into the conduct of the gambling games and

1 the maintenance of the equipment as from time to time the  
2 Board may deem necessary and proper;

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

12 (8) To hold at least one meeting each quarter of the  
13 fiscal year. In addition, special meetings may be called by  
14 the Chairman or any 2 Board members upon 72 hours written  
15 notice to each member. All Board meetings shall be subject  
16 to the Open Meetings Act. Three members of the Board shall  
17 constitute a quorum, and 3 votes shall be required for any  
18 final determination by the Board. The Board shall keep a  
19 complete and accurate record of all its meetings. A  
20 majority of the members of the Board shall constitute a  
21 quorum for the transaction of any business, for the  
22 performance of any duty, or for the exercise of any power  
23 which this Act requires the Board members to transact,  
24 perform or exercise en banc, except that, upon order of the  
25 Board, one of the Board members or an administrative law  
26 judge designated by the Board may conduct any hearing

1 provided for under this Act or by Board rule and may  
2 recommend findings and decisions to the Board. The Board  
3 member or administrative law judge conducting such hearing  
4 shall have all powers and rights granted to the Board in  
5 this Act. The record made at the time of the hearing shall  
6 be reviewed by the Board, or a majority thereof, and the  
7 findings and decision of the majority of the Board shall  
8 constitute the order of the Board in such case;

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

13 (10) To file a written annual report with the Governor  
14 on or before July 1 each year and such additional reports  
15 as the Governor may request. The annual report shall  
16 include a statement of receipts and disbursements by the  
17 Board, actions taken by the Board, and any additional  
18 information and recommendations which the Board may deem  
19 valuable or which the Governor may request;

20 (11) (Blank);

21 (12) (Blank);

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

24 (13.1) To assume responsibility for the administration  
25 and enforcement of operations at organization gaming  
26 facilities pursuant to this Act and the Illinois Horse

1       Racing Act of 1975;

2           (13.2) To assume responsibility for the administration  
3       and enforcement of the Sports Wagering Act; and

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

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

23           (c) The Board shall have jurisdiction over and shall  
24       supervise all gambling operations governed by this Act. The  
25       Board shall have all powers necessary and proper to fully and  
26       effectively execute the provisions of this Act, including, but

1 not limited to, the following:

2 (1) To investigate applicants and determine the  
3 eligibility of applicants for licenses and to select among  
4 competing applicants the applicants which best serve the  
5 interests of the citizens of Illinois.

6 (2) To have jurisdiction and supervision over all  
7 riverboat gambling operations authorized under this Act ~~in~~  
8 ~~this State~~ and all persons in places ~~on riverboats~~ where  
9 gambling operations are conducted.

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

25 (4) To enter the office, riverboats, casinos,  
26 organization gaming facilities, and other facilities, or

1 other places of business of a licensee, where evidence of  
2 the compliance or noncompliance with the provisions of this  
3 Act is likely to be found.

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

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

13 (7) To adopt appropriate standards for all  
14 organization gaming facilities, riverboats, casinos, and  
15 other facilities authorized under this Act.

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

1 promulgated under this Act.

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

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

14 (11) To revoke or suspend licenses, as the Board may  
15 see fit and in compliance with applicable laws of the State  
16 regarding administrative procedures, and to review  
17 applications for the renewal of licenses. The Board may  
18 suspend an owners license or an organization gaming  
19 license, without notice or hearing upon a determination  
20 that the safety or health of patrons or employees is  
21 jeopardized by continuing a gambling operation conducted  
22 under that license ~~riverboat's operation~~. The suspension  
23 may remain in effect until the Board determines that the  
24 cause for suspension has been abated. The Board may revoke  
25 an the owners license or organization gaming license upon a  
26 determination that the licensee ~~owner~~ has not made

1           satisfactory progress toward abating the hazard.

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

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

18          (14) (Blank).

19          (15) To suspend, revoke or restrict licenses, to  
20          require the removal of a licensee or an employee of a  
21          licensee for a violation of this Act or a Board rule or for  
22          engaging in a fraudulent practice, and to impose civil  
23          penalties of up to \$5,000 against individuals and up to  
24          \$10,000 or an amount equal to the daily gross receipts,  
25          whichever is larger, against licensees for each violation  
26          of any provision of the Act, any rules adopted by the



1 Board, any order of the Board or any other action which, in  
2 the Board's discretion, is a detriment or impediment to  
3 ~~riverboat~~ gambling operations.

4 (16) To hire employees to gather information, conduct  
5 investigations and carry out any other tasks contemplated  
6 under this Act.

7 (17) To establish minimum levels of insurance to be  
8 maintained by licensees.

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

26 (19) After consultation with the U.S. Army Corps of

1 Engineers, to establish binding emergency orders upon the  
2 concurrence of a majority of the members of the Board  
3 regarding the navigability of water, relative to  
4 excursions, in the event of extreme weather conditions,  
5 acts of God or other extreme circumstances.

6 (20) To delegate the execution of any of its powers  
7 under this Act for the purpose of administering and  
8 enforcing this Act and the its rules adopted by the Board  
9 ~~and regulations hereunder.~~

10 (20.5) To approve any contract entered into on its  
11 behalf.

12 (20.6) To appoint investigators to conduct  
13 investigations, searches, seizures, arrests, and other  
14 duties imposed under this Act, as deemed necessary by the  
15 Board. These investigators have and may exercise all of the  
16 rights and powers of peace officers, provided that these  
17 powers shall be limited to offenses or violations occurring  
18 or committed in a casino, in an organization gaming  
19 facility, or on a riverboat or dock, as defined in  
20 subsections (d) and (f) of Section 4, or as otherwise  
21 provided by this Act or any other law.

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

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

14 (21) To adopt rules concerning the conduct of gaming  
15 pursuant to an organization gaming license issued under  
16 this Act.

17 (22) To have the same jurisdiction and supervision over  
18 casinos and organization gaming facilities as the Board has  
19 over riverboats, including, but not limited to, the power  
20 to (i) investigate, review, and approve contracts as that  
21 power is applied to riverboats, (ii) adopt rules for  
22 administering the provisions of this Act, (iii) adopt  
23 standards for the licensing of all persons involved with a  
24 casino or organization gaming facility, (iv) investigate  
25 alleged violations of this Act by any person involved with  
26 a casino or organization gaming facility, and (v) require

1       that records, including financial or other statements of  
2       any casino or organization gaming facility, shall be kept  
3       in such manner as prescribed by the Board.

4           (23) ~~(21)~~ To take any other action as may be reasonable  
5       or appropriate to enforce this Act and the rules adopted by  
6       the Board ~~and regulations hereunder.~~

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

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

21       (Source: P.A. 100-1152, eff. 12-14-18.)

22           (230 ILCS 10/5.1) (from Ch. 120, par. 2405.1)

23       Sec. 5.1. Disclosure of records.

24           (a) Notwithstanding any applicable statutory provision to  
25       the contrary, the Board shall, on written request from any

1 person, provide information furnished by an applicant or  
2 licensee concerning the applicant or licensee, his products,  
3 services or gambling enterprises and his business holdings, as  
4 follows:

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

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

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

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

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

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

26 (6) Whether an applicant or licensee has ever filed or

1 had filed against it a proceeding in bankruptcy or has ever  
2 been involved in any formal process to adjust, defer,  
3 suspend or otherwise work out the payment of any debt  
4 including the date of filing, the name and location of the  
5 court, the case and number of the disposition.

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

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

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

1           (10) The name and business telephone number of the  
2           counsel representing an applicant or licensee in matters  
3           before the Board.

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

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

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

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

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

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

26          (c) Subject to the above provisions, the Board shall not



1 disclose any information which would be barred by:

2 (1) Section 7 of the Freedom of Information Act; or

3 (2) The statutes, rules, regulations or  
4 intergovernmental agreements of any jurisdiction.

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

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

9 (230 ILCS 10/5.3 new)

10 Sec. 5.3. Ethical conduct.

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

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

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

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

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

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

1 person or entity, or its parent or affiliate.

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

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

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

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

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

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

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

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

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

19 (l) For purposes of this Section, "host community" or "host  
20 municipality" means a unit of local government that contains a  
21 riverboat or casino within its borders.

22 (230 ILCS 10/6) (from Ch. 120, par. 2406)

23 Sec. 6. Application for Owners License.

24 (a) A qualified person may apply to the Board for an owners  
25 license to conduct a ~~riverboat~~ gambling operation as provided

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

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

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

26 (2) The likelihood that granting a license to the

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

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

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

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

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

24               (A) federal, state, and local discrimination, wage  
25               and hour, disability, and occupational and  
26               environmental health and safety laws; and

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

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

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

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

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

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

24           (d) An application shall be filed and considered in  
25 accordance with the rules of the Board. Each application shall  
26 be accompanied by a nonrefundable ~~An~~ application fee of



1 \$250,000. In addition, a nonrefundable fee of \$50,000 shall be  
2 paid at the time of filing to defray the costs associated with  
3 the background investigation conducted by the Board. If the  
4 costs of the investigation exceed \$50,000, the applicant shall  
5 pay the additional amount to the Board within 7 days after  
6 requested by the Board. If the costs of the investigation are  
7 less than \$50,000, the applicant shall receive a refund of the  
8 remaining amount. All information, records, interviews,  
9 reports, statements, memoranda or other data supplied to or  
10 used by the Board in the course of its review or investigation  
11 of an application for a license or a renewal under this Act  
12 shall be privileged, strictly confidential and shall be used  
13 only for the purpose of evaluating an applicant for a license  
14 or a renewal. Such information, records, interviews, reports,  
15 statements, memoranda or other data shall not be admissible as  
16 evidence, nor discoverable in any action of any kind in any  
17 court or before any tribunal, board, agency or person, except  
18 for any action deemed necessary by the Board. The application  
19 fee shall be deposited into the State Gaming Fund.

20 (e) The Board shall charge each applicant a fee set by the  
21 Department of State Police to defray the costs associated with  
22 the search and classification of fingerprints obtained by the  
23 Board with respect to the applicant's application. These fees  
24 shall be paid into the State Police Services Fund. In order to  
25 expedite the application process, the Board may establish rules  
26 allowing applicants to acquire criminal background checks and

1 financial integrity reviews as part of the initial application  
2 process from a list of vendors approved by the Board.

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

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

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

15 (230 ILCS 10/7) (from Ch. 120, par. 2407)

16 Sec. 7. Owners licenses.

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

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

1 or entity ~~corporation~~ is ineligible to receive an owners  
2 license if:

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

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

9 (3) the person has submitted an application for a  
10 license under this Act which contains false information;

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

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

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

19 (7) (blank); or

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

24 The Board is expressly prohibited from making changes to  
25 the requirement that licensees make payment into the Horse  
26 Racing Equity Trust Fund without the express authority of the

1 Illinois General Assembly and making any other rule to  
2 implement or interpret this amendatory Act of the 95th General  
3 Assembly. For the purposes of this paragraph, "rules" is given  
4 the meaning given to that term in Section 1-70 of the Illinois  
5 Administrative Procedure Act.

6 (b) In determining whether to grant an owners license to an  
7 applicant, the Board shall consider:

8 (1) the character, reputation, experience and  
9 financial integrity of the applicants and of any other or  
10 separate person that either:

11 (A) controls, directly or indirectly, such  
12 applicant, or

13 (B) is controlled, directly or indirectly, by such  
14 applicant or by a person which controls, directly or  
15 indirectly, such applicant;

16 (2) the facilities or proposed facilities for the  
17 conduct of ~~riverboat~~ gambling;

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

20 (4) the extent to which the ownership of the applicant  
21 reflects the diversity of the State by including minority  
22 persons, women, and persons with a disability and the good  
23 faith affirmative action plan of each applicant to recruit,  
24 train and upgrade minority persons, women, and persons with  
25 a disability in all employment classifications; the Board  
26 shall further consider granting an owners license and

1 giving preference to an applicant under this Section to  
2 applicants in which minority persons and women hold  
3 ownership interest of at least 16% and 4%, respectively.

4 (4.5) the extent to which the ownership of the  
5 applicant includes veterans of service in the armed forces  
6 of the United States, and the good faith affirmative action  
7 plan of each applicant to recruit, train, and upgrade  
8 veterans of service in the armed forces of the United  
9 States in all employment classifications;

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

12 (6) whether the applicant has adequate capitalization  
13 to provide and maintain, for the duration of a license, a  
14 riverboat or casino;

15 (7) the extent to which the applicant exceeds or meets  
16 other standards for the issuance of an owners license which  
17 the Board may adopt by rule; ~~and~~

18 (8) ~~the~~ the amount of the applicant's license bid; ~~-~~

19 (9) the extent to which the applicant or the proposed  
20 host municipality plans to enter into revenue sharing  
21 agreements with communities other than the host  
22 municipality; and

23 (10) the extent to which the ownership of an applicant  
24 includes the most qualified number of minority persons,  
25 women, and persons with a disability.

26 (c) Each owners license shall specify the place where the

1 casino ~~riverboats~~ shall operate or the riverboat shall operate  
2 and dock.

3 (d) Each applicant shall submit with his application, on  
4 forms provided by the Board, 2 sets of his fingerprints.

5 (e) In addition to any licenses authorized under subsection  
6 (e-5) of this Section, the ~~The~~ Board may issue up to 10  
7 licenses authorizing the holders of such licenses to own  
8 riverboats. In the application for an owners license, the  
9 applicant shall state the dock at which the riverboat is based  
10 and the water on which the riverboat will be located. The Board  
11 shall issue 5 licenses to become effective not earlier than  
12 January 1, 1991. Three of such licenses shall authorize  
13 riverboat gambling on the Mississippi River, or, with approval  
14 by the municipality in which the riverboat was docked on August  
15 7, 2003 and with Board approval, be authorized to relocate to a  
16 new location, in a municipality that (1) borders on the  
17 Mississippi River or is within 5 miles of the city limits of a  
18 municipality that borders on the Mississippi River and (2), on  
19 August 7, 2003, had a riverboat conducting riverboat gambling  
20 operations pursuant to a license issued under this Act; one of  
21 which shall authorize riverboat gambling from a home dock in  
22 the city of East St. Louis; and one of which shall authorize  
23 riverboat gambling from a home dock in the City of Alton. One  
24 other license shall authorize riverboat gambling on the  
25 Illinois River in the City of East Peoria or, with Board  
26 approval, shall authorize land-based gambling operations

1 anywhere within the corporate limits of the City of Peoria  
2 ~~south of Marshall County~~. The Board shall issue one additional  
3 license to become effective not earlier than March 1, 1992,  
4 which shall authorize riverboat gambling on the Des Plaines  
5 River in Will County. The Board may issue 4 additional licenses  
6 to become effective not earlier than March 1, 1992. In  
7 determining the water upon which riverboats will operate, the  
8 Board shall consider the economic benefit which riverboat  
9 gambling confers on the State, and shall seek to assure that  
10 all regions of the State share in the economic benefits of  
11 riverboat gambling.

12 In granting all licenses, the Board may give favorable  
13 consideration to economically depressed areas of the State, to  
14 applicants presenting plans which provide for significant  
15 economic development over a large geographic area, and to  
16 applicants who currently operate non-gambling riverboats in  
17 Illinois. The Board shall review all applications for owners  
18 licenses, and shall inform each applicant of the Board's  
19 decision. The Board may grant an owners license to an applicant  
20 that has not submitted the highest license bid, but if it does  
21 not select the highest bidder, the Board shall issue a written  
22 decision explaining why another applicant was selected and  
23 identifying the factors set forth in this Section that favored  
24 the winning bidder. The fee for issuance or renewal of a  
25 license pursuant to this subsection (e) shall be \$250,000.

26 (e-5) In addition to licenses authorized under subsection



1 (e) of this Section:

2 (1) the Board may issue one owners license authorizing  
3 the conduct of casino gambling in the City of Chicago;

4 (2) the Board may issue one owners license authorizing  
5 the conduct of riverboat gambling in the City of Danville;

6 (3) the Board may issue one owners license authorizing  
7 the conduct of riverboat gambling located in the City of  
8 Waukegan;

9 (4) the Board may issue one owners license authorizing  
10 the conduct of riverboat gambling in the City of Rockford;

11 (5) the Board may issue one owners license authorizing  
12 the conduct of riverboat gambling in a municipality that is  
13 wholly or partially located in one of the following  
14 townships of Cook County: Bloom, Bremen, Calumet, Rich,  
15 Thornton, or Worth Township; and

16 (6) the Board may issue one owners license authorizing  
17 the conduct of riverboat gambling in the unincorporated  
18 area of Williamson County adjacent to the Big Muddy River.

19 Except for the license authorized under paragraph (1), each  
20 application for a license pursuant to this subsection (e-5)  
21 shall be submitted to the Board no later than 120 days after  
22 the effective date of this amendatory Act of the 101st General  
23 Assembly. All applications for a license under this subsection  
24 (e-5) shall include the nonrefundable application fee and the  
25 nonrefundable background investigation fee as provided in  
26 subsection (d) of Section 6 of this Act. In the event that an

1 applicant submits an application for a license pursuant to this  
2 subsection (e-5) prior to the effective date of this amendatory  
3 Act of the 101st General Assembly, such applicant shall submit  
4 the nonrefundable application fee and background investigation  
5 fee as provided in subsection (d) of Section 6 of this Act no  
6 later than 6 months after the effective date of this amendatory  
7 Act of the 101st General Assembly.

8 The Board shall consider issuing a license pursuant to  
9 paragraphs (1) through (6) of this subsection only after the  
10 corporate authority of the municipality or the county board of  
11 the county in which the riverboat or casino shall be located  
12 has certified to the Board the following:

13 (i) that the applicant has negotiated with the  
14 corporate authority or county board in good faith;

15 (ii) that the applicant and the corporate authority or  
16 county board have mutually agreed on the permanent location  
17 of the riverboat or casino;

18 (iii) that the applicant and the corporate authority or  
19 county board have mutually agreed on the temporary location  
20 of the riverboat or casino;

21 (iv) that the applicant and the corporate authority or  
22 the county board have mutually agreed on the percentage of  
23 revenues that will be shared with the municipality or  
24 county, if any;

25 (v) that the applicant and the corporate authority or  
26 county board have mutually agreed on any zoning, licensing,

1       public health, or other issues that are within the  
2       jurisdiction of the municipality or county; and

3               (vi) that the corporate authority or county board has  
4       passed a resolution or ordinance in support of the  
5       riverboat or casino in the municipality or county.

6       At least 7 days before the corporate authority of a  
7       municipality or county board of the county submits a  
8       certification to the Board concerning items (i) through (vi) of  
9       this subsection, it shall hold a public hearing to discuss  
10      items (i) through (vi), as well as any other details concerning  
11      the proposed riverboat or casino in the municipality or county.  
12      The corporate authority or county board must subsequently  
13      memorialize the details concerning the proposed riverboat or  
14      casino in a resolution that must be adopted by a majority of  
15      the corporate authority or county board before any  
16      certification is sent to the Board. The Board shall not alter,  
17      amend, change, or otherwise interfere with any agreement  
18      between the applicant and the corporate authority of the  
19      municipality or county board of the county regarding the  
20      location of any temporary or permanent facility.

21              In addition, within 10 days after the effective date of  
22      this amendatory Act of the 101st General Assembly, the Board,  
23      with consent and at the expense of the City of Chicago, shall  
24      select and retain the services of a nationally recognized  
25      casino gaming feasibility consultant. Within 45 days after the  
26      effective date of this amendatory Act of the 101st General

1 Assembly, the consultant shall prepare and deliver to the Board  
2 a study concerning the feasibility of, and the ability to  
3 finance, a casino in the City of Chicago. The feasibility study  
4 shall be delivered to the Mayor of the City of Chicago, the  
5 Governor, the President of the Senate, and the Speaker of the  
6 House of Representatives. Ninety days after receipt of the  
7 feasibility study, the Board shall make a determination, based  
8 on the results of the feasibility study, whether to recommend  
9 to the General Assembly that the terms of the license under  
10 paragraph (1) of this subsection (e-5) should be modified. The  
11 Board may begin accepting applications for the owners license  
12 under paragraph (1) of this subsection (e-5) upon the  
13 determination to issue such an owners license.

14 In addition, prior to the Board issuing the owners license  
15 authorized under paragraph (4) of subsection (e-5), an impact  
16 study shall be completed to determine what location in the city  
17 will provide the greater impact to the region, including the  
18 creation of jobs and the generation of tax revenue.

19 (e-10) The licenses authorized under subsection (e-5) of  
20 this Section shall be issued within 12 months after the date  
21 the license application is submitted. If the Board does not  
22 issue the licenses within that time period, then the Board  
23 shall give a written explanation to the applicant as to why it  
24 has not reached a determination and when it reasonably expects  
25 to make a determination. The fee for the issuance or renewal of  
26 a license issued pursuant to this subsection (e-10) shall be

1 \$250,000. Additionally, a licensee located outside of Cook  
2 County shall pay a minimum initial fee of \$17,500 per gaming  
3 position, and a licensee located in Cook County shall pay a  
4 minimum initial fee of \$30,000 per gaming position. The initial  
5 fees payable under this subsection (e-10) shall be deposited  
6 into the Rebuild Illinois Projects Fund.

7 (e-15) Each licensee of a license authorized under  
8 subsection (e-5) of this Section shall make a reconciliation  
9 payment 3 years after the date the licensee begins operating in  
10 an amount equal to 75% of the adjusted gross receipts for the  
11 most lucrative 12-month period of operations, minus an amount  
12 equal to the initial payment per gaming position paid by the  
13 specific licensee. Each licensee shall pay a \$15,000,000  
14 reconciliation fee upon issuance of an owners license. If this  
15 calculation results in a negative amount, then the licensee is  
16 not entitled to any reimbursement of fees previously paid. This  
17 reconciliation payment may be made in installments over a  
18 period of no more than 2 years, subject to Board approval. Any  
19 installment payments shall include an annual market interest  
20 rate as determined by the Board. All payments by licensees  
21 under this subsection (e-15) shall be deposited into the  
22 Rebuild Illinois Projects Fund.

23 (e-20) In addition to any other revocation powers granted  
24 to the Board under this Act, the Board may revoke the owners  
25 license of a licensee which fails to begin conducting gambling  
26 within 15 months of receipt of the Board's approval of the

1 application if the Board determines that license revocation is  
2 in the best interests of the State.

3 (f) The first 10 owners licenses issued under this Act  
4 shall permit the holder to own up to 2 riverboats and equipment  
5 thereon for a period of 3 years after the effective date of the  
6 license. Holders of the first 10 owners licenses must pay the  
7 annual license fee for each of the 3 years during which they  
8 are authorized to own riverboats.

9 (g) Upon the termination, expiration, or revocation of each  
10 of the first 10 licenses, which shall be issued for a 3 year  
11 period, all licenses are renewable annually upon payment of the  
12 fee and a determination by the Board that the licensee  
13 continues to meet all of the requirements of this Act and the  
14 Board's rules. However, for licenses renewed on or after May 1,  
15 1998, renewal shall be for a period of 4 years, unless the  
16 Board sets a shorter period.

17 (h) An owners license, except for an owners license issued  
18 under subsection (e-5) of this Section, shall entitle the  
19 licensee to own up to 2 riverboats.

20 An owners licensee of a casino or riverboat that is located  
21 in the City of Chicago pursuant to paragraph (1) of subsection  
22 (e-5) of this Section shall limit the number of gaming  
23 positions to 4,000 for such owner. An owners licensee  
24 authorized under subsection (e) or paragraph (2), (3), (4), or  
25 (5) of subsection (e-5) of this Section shall limit the number  
26 of gaming positions to 2,000 for any such owners license. An

1 owners licensee authorized under paragraph (6) of subsection  
2 (e-5) of this Section ~~A licensee~~ shall limit the number of  
3 gaming positions ~~gambling participants~~ to 1,200 for ~~any~~ such  
4 owner. The initial fee for each gaming position obtained on or  
5 after the effective date of this amendatory Act of the 101st  
6 General Assembly shall be a minimum of \$17,500 for licensees  
7 not located in Cook County and a minimum of \$30,000 for  
8 licensees located in Cook County, in addition to the  
9 reconciliation payment, as set forth in subsection (e-15) of  
10 this Section ~~owners license~~. The fees under this subsection (h)  
11 shall be deposited into the Rebuild Illinois Projects Fund. The  
12 fees under this subsection (h) that are paid by an owners  
13 licensee authorized under subsection (e) shall be paid by July  
14 1, 2020.

15 Each owners licensee under subsection (e) of this Section  
16 shall reserve its gaming positions within 30 days after the  
17 effective date of this amendatory Act of the 101st General  
18 Assembly. The Board may grant an extension to this 30-day  
19 period, provided that the owners licensee submits a written  
20 request and explanation as to why it is unable to reserve its  
21 positions within the 30-day period.

22 Each owners licensee under subsection (e-5) of this  
23 Section shall reserve its gaming positions within 30 days after  
24 issuance of its owners license. The Board may grant an  
25 extension to this 30-day period, provided that the owners  
26 licensee submits a written request and explanation as to why it

1 is unable to reserve its positions within the 30-day period.

2 A licensee may operate both of its riverboats concurrently,  
3 provided that the total number of gaming positions ~~gambling~~  
4 ~~participants~~ on both riverboats does not exceed the limit  
5 established pursuant to this subsection ~~1,200~~. Riverboats  
6 licensed to operate on the Mississippi River and the Illinois  
7 River south of Marshall County shall have an authorized  
8 capacity of at least 500 persons. Any other riverboat licensed  
9 under this Act shall have an authorized capacity of at least  
10 400 persons.

11 (h-5) An owners licensee who conducted gambling operations  
12 prior to January 1, 2012 and obtains positions pursuant to this  
13 amendatory Act of the 101st General Assembly shall make a  
14 reconciliation payment 3 years after any additional gaming  
15 positions begin operating in an amount equal to 75% of the  
16 owners licensee's average gross receipts for the most lucrative  
17 12-month period of operations minus an amount equal to the  
18 initial fee that the owners licensee paid per additional gaming  
19 position. For purposes of this subsection (h-5), "average gross  
20 receipts" means (i) the increase in adjusted gross receipts for  
21 the most lucrative 12-month period of operations over the  
22 adjusted gross receipts for 2019, multiplied by (ii) the  
23 percentage derived by dividing the number of additional gaming  
24 positions that an owners licensee had obtained by the total  
25 number of gaming positions operated by the owners licensee. If  
26 this calculation results in a negative amount, then the owners



1 licensee is not entitled to any reimbursement of fees  
2 previously paid. This reconciliation payment may be made in  
3 installments over a period of no more than 2 years, subject to  
4 Board approval. Any installment payments shall include an  
5 annual market interest rate as determined by the Board. These  
6 reconciliation payments shall be deposited into the Rebuild  
7 Illinois Projects Fund.

8 (i) A licensed owner is authorized to apply to the Board  
9 for and, if approved therefor, to receive all licenses from the  
10 Board necessary for the operation of a riverboat or casino,  
11 including a liquor license, a license to prepare and serve food  
12 for human consumption, and other necessary licenses. All use,  
13 occupation and excise taxes which apply to the sale of food and  
14 beverages in this State and all taxes imposed on the sale or  
15 use of tangible personal property apply to such sales aboard  
16 the riverboat or in the casino.

17 (j) The Board may issue or re-issue a license authorizing a  
18 riverboat to dock in a municipality or approve a relocation  
19 under Section 11.2 only if, prior to the issuance or  
20 re-issuance of the license or approval, the governing body of  
21 the municipality in which the riverboat will dock has by a  
22 majority vote approved the docking of riverboats in the  
23 municipality. The Board may issue or re-issue a license  
24 authorizing a riverboat to dock in areas of a county outside  
25 any municipality or approve a relocation under Section 11.2  
26 only if, prior to the issuance or re-issuance of the license or

1 approval, the governing body of the county has by a majority  
2 vote approved of the docking of riverboats within such areas.

3 (k) An owners licensee may conduct land-based gambling  
4 operations upon approval by the Board and payment of a fee of  
5 \$250,000, which shall be deposited into the State Gaming Fund.

6 (l) An owners licensee may conduct gaming at a temporary  
7 facility pending the construction of a permanent facility or  
8 the remodeling or relocation of an existing facility to  
9 accommodate gaming participants for up to 24 months after the  
10 temporary facility begins to conduct gaming. Upon request by an  
11 owners licensee and upon a showing of good cause by the owners  
12 licensee, the Board shall extend the period during which the  
13 licensee may conduct gaming at a temporary facility by up to 12  
14 months. The Board shall make rules concerning the conduct of  
15 gaming from temporary facilities.

16 (Source: P.A. 100-391, eff. 8-25-17; 100-1152, eff. 12-14-18.)

17 (230 ILCS 10/7.3)

18 Sec. 7.3. State conduct of gambling operations.

19 (a) If, after reviewing each application for a re-issued  
20 license, the Board determines that the highest prospective  
21 total revenue to the State would be derived from State conduct  
22 of the gambling operation in lieu of re-issuing the license,  
23 the Board shall inform each applicant of its decision. The  
24 Board shall thereafter have the authority, without obtaining an  
25 owners license, to conduct casino or riverboat gambling

1 operations as previously authorized by the terminated,  
2 expired, revoked, or nonrenewed license through a licensed  
3 manager selected pursuant to an open and competitive bidding  
4 process as set forth in Section 7.5 and as provided in Section  
5 7.4.

6 (b) The Board may locate any casino or riverboat on which a  
7 gambling operation is conducted by the State in any home dock  
8 or other location authorized by Section 3(c) upon receipt of  
9 approval from a majority vote of the governing body of the  
10 municipality or county, as the case may be, in which the  
11 riverboat will dock.

12 (c) The Board shall have jurisdiction over and shall  
13 supervise all gambling operations conducted by the State  
14 provided for in this Act and shall have all powers necessary  
15 and proper to fully and effectively execute the provisions of  
16 this Act relating to gambling operations conducted by the  
17 State.

18 (d) The maximum number of owners licenses authorized under  
19 Section 7 ~~7(e)~~ shall be reduced by one for each instance in  
20 which the Board authorizes the State to conduct a casino or  
21 riverboat gambling operation under subsection (a) in lieu of  
22 re-issuing a license to an applicant under Section 7.1.

23 (Source: P.A. 93-28, eff. 6-20-03.)

24 (230 ILCS 10/7.5)

25 Sec. 7.5. Competitive Bidding. When the Board determines

1 that (i) it will re-issue an owners license pursuant to an open  
2 and competitive bidding process, as set forth in Section 7.1,  
3 (ii) ~~or that~~ it will issue a managers license pursuant to an  
4 open and competitive bidding process, as set forth in Section  
5 7.4, or (iii) it will issue an owners license pursuant to an  
6 open and competitive bidding process, as set forth in Section  
7 7.12, the open and competitive bidding process shall adhere to  
8 the following procedures:

9 (1) The Board shall make applications for owners and  
10 managers licenses available to the public and allow a  
11 reasonable time for applicants to submit applications to the  
12 Board.

13 (2) During the filing period for owners or managers license  
14 applications, the Board may retain the services of an  
15 investment banking firm to assist the Board in conducting the  
16 open and competitive bidding process.

17 (3) After receiving all of the bid proposals, the Board  
18 shall open all of the proposals in a public forum and disclose  
19 the prospective owners or managers names, venture partners, if  
20 any, and, in the case of applicants for owners licenses, the  
21 locations of the proposed development sites.

22 (4) The Board shall summarize the terms of the proposals  
23 and may make this summary available to the public.

24 (5) The Board shall evaluate the proposals within a  
25 reasonable time and select no more than 3 final applicants to  
26 make presentations of their proposals to the Board.

1           (6) The final applicants shall make their presentations to  
2 the Board on the same day during an open session of the Board.

3           (7) As soon as practicable after the public presentations  
4 by the final applicants, the Board, in its discretion, may  
5 conduct further negotiations among the 3 final applicants.  
6 During such negotiations, each final applicant may increase its  
7 license bid or otherwise enhance its bid proposal. At the  
8 conclusion of such negotiations, the Board shall select the  
9 winning proposal. In the case of negotiations for an owners  
10 license, the Board may, at the conclusion of such negotiations,  
11 make the determination allowed under Section 7.3(a).

12           (8) Upon selection of a winning bid, the Board shall  
13 evaluate the winning bid within a reasonable period of time for  
14 licensee suitability in accordance with all applicable  
15 statutory and regulatory criteria.

16           (9) If the winning bidder is unable or otherwise fails to  
17 consummate the transaction, (including if the Board determines  
18 that the winning bidder does not satisfy the suitability  
19 requirements), the Board may, on the same criteria, select from  
20 the remaining bidders or make the determination allowed under  
21 Section 7.3(a).

22           (Source: P.A. 93-28, eff. 6-20-03.)

23           (230 ILCS 10/7.7 new)

24           Sec. 7.7. Organization gaming licenses.

25           (a) The Illinois Gaming Board shall award one organization

1 gaming license to each person or entity having operating  
2 control of a racetrack that applies under Section 56 of the  
3 Illinois Horse Racing Act of 1975, subject to the application  
4 and eligibility requirements of this Section. Within 60 days  
5 after the effective date of this amendatory Act of the 101st  
6 General Assembly, a person or entity having operating control  
7 of a racetrack may submit an application for an organization  
8 gaming license. The application shall be made on such forms as  
9 provided by the Board and shall contain such information as the  
10 Board prescribes, including, but not limited to, the identity  
11 of any racetrack at which gaming will be conducted pursuant to  
12 an organization gaming license, detailed information regarding  
13 the ownership and management of the applicant, and detailed  
14 personal information regarding the applicant. The application  
15 shall specify the number of gaming positions the applicant  
16 intends to use and the place where the organization gaming  
17 facility will operate. A person who knowingly makes a false  
18 statement on an application is guilty of a Class A misdemeanor.

19 Each applicant shall disclose the identity of every person  
20 or entity having a direct or indirect pecuniary interest  
21 greater than 1% in any racetrack with respect to which the  
22 license is sought. If the disclosed entity is a corporation,  
23 the applicant shall disclose the names and addresses of all  
24 stockholders and directors. If the disclosed entity is a  
25 limited liability company, the applicant shall disclose the  
26 names and addresses of all members and managers. If the

1 disclosed entity is a partnership, the applicant shall disclose  
2 the names and addresses of all partners, both general and  
3 limited. If the disclosed entity is a trust, the applicant  
4 shall disclose the names and addresses of all beneficiaries.

5 An application shall be filed and considered in accordance  
6 with the rules of the Board. Each application for an  
7 organization gaming license shall include a nonrefundable  
8 application fee of \$250,000. In addition, a nonrefundable fee  
9 of \$50,000 shall be paid at the time of filing to defray the  
10 costs associated with background investigations conducted by  
11 the Board. If the costs of the background investigation exceed  
12 \$50,000, the applicant shall pay the additional amount to the  
13 Board within 7 days after a request by the Board. If the costs  
14 of the investigation are less than \$50,000, the applicant shall  
15 receive a refund of the remaining amount. All information,  
16 records, interviews, reports, statements, memoranda, or other  
17 data supplied to or used by the Board in the course of this  
18 review or investigation of an applicant for an organization  
19 gaming license under this Act shall be privileged and strictly  
20 confidential and shall be used only for the purpose of  
21 evaluating an applicant for an organization gaming 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. The application

1 fee shall be deposited into the State Gaming Fund.

2 Each applicant shall submit with his or her application, on  
3 forms provided by the Board, a set of his or her fingerprints.  
4 The Board shall charge each applicant a fee set by the  
5 Department of State Police to defray the costs associated with  
6 the search and classification of fingerprints obtained by the  
7 Board with respect to the applicant's application. This fee  
8 shall be paid into the State Police Services Fund.

9 (b) The Board shall determine within 120 days after  
10 receiving an application for an organization gaming license  
11 whether to grant an organization gaming license to the  
12 applicant. If the Board does not make a determination within  
13 that time period, then the Board shall give a written  
14 explanation to the applicant as to why it has not reached a  
15 determination and when it reasonably expects to make a  
16 determination.

17 The organization gaming licensee shall purchase up to the  
18 amount of gaming positions authorized under this Act within 120  
19 days after receiving its organization gaming license. If an  
20 organization gaming licensee is prepared to purchase the gaming  
21 positions, but is temporarily prohibited from doing so by order  
22 of a court of competent jurisdiction or the Board, then the  
23 120-day period is tolled until a resolution is reached.

24 An organization gaming license shall authorize its holder  
25 to conduct gaming under this Act at its racetracks on the same  
26 days of the year and hours of the day that owners licenses are



1 allowed to operate under approval of the Board.

2 An organization gaming license and any renewal of an  
3 organization gaming license shall authorize gaming pursuant to  
4 this Section for a period of 4 years. The fee for the issuance  
5 or renewal of an organization gaming license shall be \$250,000.

6 All payments by licensees under this subsection (b) shall  
7 be deposited into the Rebuild Illinois Projects Fund.

8 (c) To be eligible to conduct gaming under this Section, a  
9 person or entity having operating control of a racetrack must  
10 (i) obtain an organization gaming license, (ii) hold an  
11 organization license under the Illinois Horse Racing Act of  
12 1975, (iii) hold an inter-track wagering license, (iv) pay an  
13 initial fee of \$30,000 per gaming position from organization  
14 gaming licensees where gaming is conducted in Cook County and,  
15 except as provided in subsection (c-5), \$17,500 for  
16 organization gaming licensees where gaming is conducted  
17 outside of Cook County before beginning to conduct gaming plus  
18 make the reconciliation payment required under subsection (k),  
19 (v) conduct live racing in accordance with subsections (e-1),  
20 (e-2), and (e-3) of Section 20 of the Illinois Horse Racing Act  
21 of 1975, (vi) meet the requirements of subsection (a) of  
22 Section 56 of the Illinois Horse Racing Act of 1975, (vii) for  
23 organization licensees conducting standardbred race meetings,  
24 keep backstretch barns and dormitories open and operational  
25 year-round unless a lesser schedule is mutually agreed to by  
26 the organization licensee and the horsemen association racing

1 at that organization licensee's race meeting, (viii) for  
2 organization licensees conducting thoroughbred race meetings,  
3 the organization licensee must maintain accident medical  
4 expense liability insurance coverage of \$1,000,000 for  
5 jockeys, and (ix) meet all other requirements of this Act that  
6 apply to owners licensees.

7 An organization gaming licensee may enter into a joint  
8 venture with a licensed owner to own, manage, conduct, or  
9 otherwise operate the organization gaming licensee's  
10 organization gaming facilities, unless the organization gaming  
11 licensee has a parent company or other affiliated company that  
12 is, directly or indirectly, wholly owned by a parent company  
13 that is also licensed to conduct organization gaming, casino  
14 gaming, or their equivalent in another state.

15 All payments by licensees under this subsection (c) shall  
16 be deposited into the Rebuild Illinois Projects Fund.

17 (c-5) A person or entity having operating control of a  
18 racetrack located in Madison County shall only pay the initial  
19 fees specified in subsection (c) for 540 of the gaming  
20 positions authorized under the license.

21 (d) A person or entity is ineligible to receive an  
22 organization gaming license if:

23 (1) the person or entity has been convicted of a felony  
24 under the laws of this State, any other state, or the  
25 United States, including a conviction under the Racketeer  
26 Influenced and Corrupt Organizations Act;

1           (2) the person or entity has been convicted of any  
2           violation of Article 28 of the Criminal Code of 2012, or  
3           substantially similar laws of any other jurisdiction;

4           (3) the person or entity has submitted an application  
5           for a license under this Act that contains false  
6           information;

7           (4) the person is a member of the Board;

8           (5) a person defined in (1), (2), (3), or (4) of this  
9           subsection (d) is an officer, director, or managerial  
10           employee of the entity;

11           (6) the person or entity employs a person defined in  
12           (1), (2), (3), or (4) of this subsection (d) who  
13           participates in the management or operation of gambling  
14           operations authorized under this Act; or

15           (7) a license of the person or entity issued under this  
16           Act or a license to own or operate gambling facilities in  
17           any other jurisdiction has been revoked.

18           (e) The Board may approve gaming positions pursuant to an  
19           organization gaming license statewide as provided in this  
20           Section. The authority to operate gaming positions under this  
21           Section shall be allocated as follows: up to 1,200 gaming  
22           positions for any organization gaming licensee in Cook County  
23           and up to 900 gaming positions for any organization gaming  
24           licensee outside of Cook County.

25           (f) Each applicant for an organization gaming license shall  
26           specify in its application for licensure the number of gaming

1 positions it will operate, up to the applicable limitation set  
2 forth in subsection (e) of this Section. Any unreserved gaming  
3 positions that are not specified shall be forfeited and  
4 retained by the Board. For the purposes of this subsection (f),  
5 an organization gaming licensee that did not conduct live  
6 racing in 2010 and is located within 3 miles of the Mississippi  
7 River may reserve up to 900 positions and shall not be  
8 penalized under this Section for not operating those positions  
9 until it meets the requirements of subsection (e) of this  
10 Section, but such licensee shall not request unreserved gaming  
11 positions under this subsection (f) until its 900 positions are  
12 all operational.

13 Thereafter, the Board shall publish the number of  
14 unreserved gaming positions and shall accept requests for  
15 additional positions from any organization gaming licensee  
16 that initially reserved all of the positions that were offered.  
17 The Board shall allocate expeditiously the unreserved gaming  
18 positions to requesting organization gaming licensees in a  
19 manner that maximizes revenue to the State. The Board may  
20 allocate any such unused gaming positions pursuant to an open  
21 and competitive bidding process, as provided under Section 7.5  
22 of this Act. This process shall continue until all unreserved  
23 gaming positions have been purchased. All positions obtained  
24 pursuant to this process and all positions the organization  
25 gaming licensee specified it would operate in its application  
26 must be in operation within 18 months after they were obtained

1 or the organization gaming licensee forfeits the right to  
2 operate those positions, but is not entitled to a refund of any  
3 fees paid. The Board may, after holding a public hearing, grant  
4 extensions so long as the organization gaming licensee is  
5 working in good faith to make the positions operational. The  
6 extension may be for a period of 6 months. If, after the period  
7 of the extension, the organization gaming licensee has not made  
8 the positions operational, then another public hearing must be  
9 held by the Board before it may grant another extension.

10 Unreserved gaming positions retained from and allocated to  
11 organization gaming licensees by the Board pursuant to this  
12 subsection (f) shall not be allocated to owners licensees under  
13 this Act.

14 For the purpose of this subsection (f), the unreserved  
15 gaming positions for each organization gaming licensee shall be  
16 the applicable limitation set forth in subsection (e) of this  
17 Section, less the number of reserved gaming positions by such  
18 organization gaming licensee, and the total unreserved gaming  
19 positions shall be the aggregate of the unreserved gaming  
20 positions for all organization gaming licensees.

21 (g) An organization gaming licensee is authorized to  
22 conduct the following at a racetrack:

23 (1) slot machine gambling;

24 (2) video game of chance gambling;

25 (3) gambling with electronic gambling games as defined

26 in this Act or defined by the Illinois Gaming Board; and

1           (4) table games.

2           (h) Subject to the approval of the Illinois Gaming Board,  
3 an organization gaming licensee may make modification or  
4 additions to any existing buildings and structures to comply  
5 with the requirements of this Act. The Illinois Gaming Board  
6 shall make its decision after consulting with the Illinois  
7 Racing Board. In no case, however, shall the Illinois Gaming  
8 Board approve any modification or addition that alters the  
9 grounds of the organization licensee such that the act of live  
10 racing is an ancillary activity to gaming authorized under this  
11 Section. Gaming authorized under this Section may take place in  
12 existing structures where inter-track wagering is conducted at  
13 the racetrack or a facility within 300 yards of the racetrack  
14 in accordance with the provisions of this Act and the Illinois  
15 Horse Racing Act of 1975.

16           (i) An organization gaming licensee may conduct gaming at a  
17 temporary facility pending the construction of a permanent  
18 facility or the remodeling or relocation of an existing  
19 facility to accommodate gaming participants for up to 24 months  
20 after the temporary facility begins to conduct gaming  
21 authorized under this Section. Upon request by an organization  
22 gaming licensee and upon a showing of good cause by the  
23 organization gaming licensee, the Board shall extend the period  
24 during which the licensee may conduct gaming authorized under  
25 this Section at a temporary facility by up to 12 months. The  
26 Board shall make rules concerning the conduct of gaming

1 authorized under this Section from temporary facilities.

2 The gaming authorized under this Section may take place in  
3 existing structures where inter-track wagering is conducted at  
4 the racetrack or a facility within 300 yards of the racetrack  
5 in accordance with the provisions of this Act and the Illinois  
6 Horse Racing Act of 1975.

7 (i-5) Under no circumstances shall an organization gaming  
8 licensee conduct gaming at any State or county fair.

9 (j) The Illinois Gaming Board must adopt emergency rules in  
10 accordance with Section 5-45 of the Illinois Administrative  
11 Procedure Act as necessary to ensure compliance with the  
12 provisions of this amendatory Act of the 101st General Assembly  
13 concerning the conduct of gaming by an organization gaming  
14 licensee. The adoption of emergency rules authorized by this  
15 subsection (j) shall be deemed to be necessary for the public  
16 interest, safety, and welfare.

17 (k) Each organization gaming licensee who obtains gaming  
18 positions must make a reconciliation payment 3 years after the  
19 date the organization gaming licensee begins operating the  
20 positions in an amount equal to 75% of the difference between  
21 its adjusted gross receipts from gaming authorized under this  
22 Section and amounts paid to its purse accounts pursuant to item  
23 (1) of subsection (b) of Section 56 of the Illinois Horse  
24 Racing Act of 1975 for the 12-month period for which such  
25 difference was the largest, minus an amount equal to the  
26 initial per position fee paid by the organization gaming

1 licensee. If this calculation results in a negative amount,  
2 then the organization gaming licensee is not entitled to any  
3 reimbursement of fees previously paid. This reconciliation  
4 payment may be made in installments over a period of no more  
5 than 2 years, subject to Board approval. Any installment  
6 payments shall include an annual market interest rate as  
7 determined by the Board.

8 All payments by licensees under this subsection (k) shall  
9 be deposited into the Rebuild Illinois Projects Fund.

10 (l) As soon as practical after a request is made by the  
11 Illinois Gaming Board, to minimize duplicate submissions by the  
12 applicant, the Illinois Racing Board must provide information  
13 on an applicant for an organization gaming license to the  
14 Illinois Gaming Board.

15 (230 ILCS 10/7.8 new)

16 Sec. 7.8. Home rule. The regulation and licensing of  
17 organization gaming licensees and gaming conducted pursuant to  
18 an organization gaming license are exclusive powers and  
19 functions of the State. A home rule unit may not regulate or  
20 license such gaming or organization gaming licensees. This  
21 Section is a denial and limitation of home rule powers and  
22 functions under subsection (h) of Section 6 of Article VII of  
23 the Illinois Constitution.

24 (230 ILCS 10/7.10 new)



1       Sec. 7.10. Diversity program.

2       (a) Each owners licensee, organization gaming licensee,  
3 and suppliers licensee shall establish and maintain a diversity  
4 program to ensure non-discrimination in the award and  
5 administration of contracts. The programs shall establish  
6 goals of awarding not less than 25% of the annual dollar value  
7 of all contracts, purchase orders, or other agreements to  
8 minority-owned businesses and 5% of the annual dollar value of  
9 all contracts to women-owned businesses.

10       (b) Each owners licensee, organization gaming licensee,  
11 and suppliers licensee shall establish and maintain a diversity  
12 program designed to promote equal opportunity for employment.  
13 The program shall establish hiring goals as the Board and each  
14 licensee determines appropriate. The Board shall monitor the  
15 progress of the gaming licensee's progress with respect to the  
16 program's goals.

17       (c) No later than May 31 of each year, each licensee shall  
18 report to the Board (1) the number of respective employees and  
19 the number of its respective employees who have designated  
20 themselves as members of a minority group and gender and (2)  
21 the total goals achieved under subsection (a) of this Section  
22 as a percentage of the total contracts awarded by the license.  
23 In addition, all licensees shall submit a report with respect  
24 to the minority-owned and women-owned businesses program  
25 created in this Section to the Board.

26       (d) When considering whether to re-issue or renew a license

1 to an owners licensee, organization gaming licensee, or  
2 suppliers licensee, the Board shall take into account the  
3 licensee's success in complying with the provisions of this  
4 Section. If an owners licensee, organization gaming licensee,  
5 or suppliers licensee has not satisfied the goals contained in  
6 this Section, the Board shall require a written explanation as  
7 to why the licensee is not in compliance and shall require the  
8 licensee to file multi-year metrics designed to achieve  
9 compliance with the provisions by the next renewal period,  
10 consistent with State and federal law.

11 (230 ILCS 10/7.11 new)

12 Sec. 7.11. Annual report on diversity.

13 (a) Each licensee that receives a license under Sections 7,  
14 7.1, and 7.7 shall execute and file a report with the Board no  
15 later than December 31 of each year that shall contain, but not  
16 be limited to, the following information:

17 (i) a good faith affirmative action plan to recruit,  
18 train, and upgrade minority persons, women, and persons  
19 with a disability in all employment classifications;

20 (ii) the total dollar amount of contracts that were  
21 awarded to businesses owned by minority persons, women, and  
22 persons with a disability;

23 (iii) the total number of businesses owned by minority  
24 persons, women, and persons with a disability that were  
25 utilized by the licensee;

1           (iv) the utilization of businesses owned by minority  
2           persons, women, and persons with disabilities during the  
3           preceding year; and

4           (v) the outreach efforts used by the licensee to  
5           attract investors and businesses consisting of minority  
6           persons, women, and persons with a disability.

7           (b) The Board shall forward a copy of each licensee's  
8           annual reports to the General Assembly no later than February 1  
9           of each year. The reports to the General Assembly shall be  
10           filed with the Clerk of the House of Representatives and the  
11           Secretary of the Senate in electronic form only, in the manner  
12           that the Clerk and the Secretary shall direct.

13           (230 ILCS 10/7.12 new)

14           Sec. 7.12. Issuance of new owners licenses.

15           (a) Owners licenses newly authorized pursuant to this  
16           amendatory Act of the 101st General Assembly may be issued by  
17           the Board to a qualified applicant pursuant to an open and  
18           competitive bidding process, as set forth in Section 7.5, and  
19           subject to the maximum number of authorized licenses set forth  
20           in subsection (e-5) of Section 7 of this Act.

21           (b) To be a qualified applicant, a person or entity may not  
22           be ineligible to receive an owners license under subsection (a)  
23           of Section 7 of this Act and must submit an application for an  
24           owners license that complies with Section 6 of this Act.

25           (c) In determining whether to grant an owners license to an

1 applicant, the Board shall consider all of the factors set  
2 forth in subsections (b) and (e-10) of Section 7 of this Act,  
3 as well as the amount of the applicant's license bid. The Board  
4 may grant the owners license to an applicant that has not  
5 submitted the highest license bid, but if it does not select  
6 the highest bidder, the Board shall issue a written decision  
7 explaining why another applicant was selected and identifying  
8 the factors set forth in subsections (b) and (e-10) of Section  
9 7 of this Act that favored the winning bidder.

10 (230 ILCS 10/7.13 new)

11 Sec. 7.13. Environmental standards. All permanent  
12 casinos, riverboats, and organization gaming facilities shall  
13 consist of buildings that are certified as meeting the U.S.  
14 Green Building Council's Leadership in Energy and  
15 Environmental Design standards. The provisions of this Section  
16 apply to a holder of an owners license or organization gaming  
17 license that (i) begins operations on or after January 1, 2019  
18 or (ii) relocates its facilities on or after the effective date  
19 of this amendatory Act of the 101st General Assembly.

20 (230 ILCS 10/7.14 new)

21 Sec. 7.14. Chicago Casino Advisory Committee. An Advisory  
22 Committee is established to monitor, review, and report on (1)  
23 the utilization of minority-owned business enterprises and  
24 women-owned business enterprises by the owners licensee, (2)

1 employment of women, and (3) employment of minorities with  
2 regard to the development and construction of the casino as  
3 authorized under paragraph (1) of subsection (e-5) of Section 7  
4 of the Illinois Gambling Act. The owners licensee under  
5 paragraph (1) of subsection (e-5) of Section 7 of the Illinois  
6 Gambling Act shall work with the Advisory Committee in  
7 accumulating necessary information for the Advisory Committee  
8 to submit reports, as necessary, to the General Assembly and to  
9 the City of Chicago.

10 The Advisory Committee shall consist of 9 members as  
11 provided in this Section. Five members shall be selected by the  
12 Governor and 4 members shall be selected by the Mayor of the  
13 City of Chicago. The Governor and the Mayor of the City of  
14 Chicago shall each appoint at least one current member of the  
15 General Assembly. The Advisory Committee shall meet  
16 periodically and shall report the information to the Mayor of  
17 the City of Chicago and to the General Assembly by December  
18 31st of every year.

19 The Advisory Committee shall be dissolved on the date that  
20 casino gambling operations are first conducted at a permanent  
21 facility under the license authorized under paragraph (1) of  
22 subsection (e-5) Section 7 of the Illinois Gambling Act. For  
23 the purposes of this Section, the terms "woman" and "minority  
24 person" have the meanings provided in Section 2 of the Business  
25 Enterprise for Minorities, Women, and Persons with  
26 Disabilities Act.

1 (230 ILCS 10/7.15 new)

2 Sec. 7.15. Limitations on gaming at Chicago airports. The  
3 Chicago casino may conduct gaming operations in an airport  
4 under the administration or control of the Chicago Department  
5 of Aviation. Gaming operations may be conducted pursuant to  
6 this Section so long as: (i) gaming operations are conducted in  
7 a secured area that is beyond the Transportation Security  
8 Administration security checkpoints and only available to  
9 airline passengers at least 21 years of age who are members of  
10 a private club, and not to the general public, (ii) gaming  
11 operations are limited to slot machines, as defined in Section  
12 4 of the Illinois Gambling Act, and (iii) the combined number  
13 of gaming positions operating in the City of Chicago at the  
14 airports and at the temporary and permanent casino facility  
15 does not exceed the maximum number of gaming positions  
16 authorized pursuant to subsection (h) of Section 7 of the  
17 Illinois Gambling Act. Gaming operations at an airport are  
18 subject to all applicable laws and rules that apply to any  
19 other gaming facility under the Illinois Gambling Act.

20 (230 ILCS 10/8) (from Ch. 120, par. 2408)

21 Sec. 8. Suppliers licenses.

22 (a) The Board may issue a suppliers license to such  
23 persons, firms or corporations which apply therefor upon the  
24 payment of a non-refundable application fee set by the Board,

1 upon a determination by the Board that the applicant is  
2 eligible for a suppliers license and upon payment of a \$5,000  
3 annual license fee.

4 (b) The holder of a suppliers license is authorized to sell  
5 or lease, and to contract to sell or lease, gambling equipment  
6 and supplies to any licensee involved in the ownership or  
7 management of gambling operations.

8 (c) Gambling supplies and equipment may not be distributed  
9 unless supplies and equipment conform to standards adopted by  
10 rules of the Board.

11 (d) A person, firm or corporation is ineligible to receive  
12 a suppliers license if:

13 (1) the person has been convicted of a felony under the  
14 laws of this State, any other state, or the United States;

15 (2) the person has been convicted of any violation of  
16 Article 28 of the Criminal Code of 1961 or the Criminal  
17 Code of 2012, or substantially similar laws of any other  
18 jurisdiction;

19 (3) the person has submitted an application for a  
20 license under this Act which contains false information;

21 (4) the person is a member of the Board;

22 (5) the entity ~~firm or corporation~~ is one in which a  
23 person defined in (1), (2), (3) or (4), is an officer,  
24 director or managerial employee;

25 (6) the firm or corporation employs a person who  
26 participates in the management or operation of ~~riverboat~~

1 gambling authorized under this Act;

2 (7) the license of the person, firm or corporation  
3 issued under this Act, or a license to own or operate  
4 gambling facilities in any other jurisdiction, has been  
5 revoked.

6 (e) Any person that supplies any equipment, devices, or  
7 supplies to a licensed ~~riverboat~~ gambling operation must first  
8 obtain a suppliers license. A supplier shall furnish to the  
9 Board a list of all equipment, devices and supplies offered for  
10 sale or lease in connection with gambling games authorized  
11 under this Act. A supplier shall keep books and records for the  
12 furnishing of equipment, devices and supplies to gambling  
13 operations separate and distinct from any other business that  
14 the supplier might operate. A supplier shall file a quarterly  
15 return with the Board listing all sales and leases. A supplier  
16 shall permanently affix its name or a distinctive logo or other  
17 mark or design element identifying the manufacturer or supplier  
18 to all its equipment, devices, and supplies, except gaming  
19 chips without a value impressed, engraved, or imprinted on it,  
20 for gambling operations. The Board may waive this requirement  
21 for any specific product or products if it determines that the  
22 requirement is not necessary to protect the integrity of the  
23 game. Items purchased from a licensed supplier may continue to  
24 be used even though the supplier subsequently changes its name,  
25 distinctive logo, or other mark or design element; undergoes a  
26 change in ownership; or ceases to be licensed as a supplier for



1 any reason. Any supplier's equipment, devices or supplies which  
2 are used by any person in an unauthorized gambling operation  
3 shall be forfeited to the State. A holder of an owners license  
4 or an organization gaming license ~~A licensed owner~~ may own its  
5 own equipment, devices and supplies. Each holder of an owners  
6 license or an organization gaming license under the Act shall  
7 file an annual report listing its inventories of gambling  
8 equipment, devices and supplies.

9 (f) Any person who knowingly makes a false statement on an  
10 application is guilty of a Class A misdemeanor.

11 (g) Any gambling equipment, devices and supplies provided  
12 by any licensed supplier may either be repaired on the  
13 riverboat, in the casino, or at the organization gaming  
14 facility or removed from the riverboat, casino, or organization  
15 gaming facility to a ~~an on-shore~~ facility owned by the holder  
16 of an owners license, organization gaming license, or suppliers  
17 license for repair.

18 (Source: P.A. 97-1150, eff. 1-25-13; 98-12, eff. 5-10-13;  
19 98-756, eff. 7-16-14.)

20 (230 ILCS 10/9) (from Ch. 120, par. 2409)

21 Sec. 9. Occupational licenses.

22 (a) The Board may issue an occupational license to an  
23 applicant upon the payment of a non-refundable fee set by the  
24 Board, upon a determination by the Board that the applicant is  
25 eligible for an occupational license and upon payment of an

1 annual license fee in an amount to be established. To be  
2 eligible for an occupational license, an applicant must:

3 (1) be at least 21 years of age if the applicant will  
4 perform any function involved in gaming by patrons. Any  
5 applicant seeking an occupational license for a non-gaming  
6 function shall be at least 18 years of age;

7 (2) not have been convicted of a felony offense, a  
8 violation of Article 28 of the Criminal Code of 1961 or the  
9 Criminal Code of 2012, or a similar statute of any other  
10 jurisdiction;

11 (2.5) not have been convicted of a crime, other than a  
12 crime described in item (2) of this subsection (a),  
13 involving dishonesty or moral turpitude, except that the  
14 Board may, in its discretion, issue an occupational license  
15 to a person who has been convicted of a crime described in  
16 this item (2.5) more than 10 years prior to his or her  
17 application and has not subsequently been convicted of any  
18 other crime;

19 (3) have demonstrated a level of skill or knowledge  
20 which the Board determines to be necessary in order to  
21 operate gambling aboard a riverboat, in a casino, or at an  
22 organization gaming facility; and

23 (4) have met standards for the holding of an  
24 occupational license as adopted by rules of the Board. Such  
25 rules shall provide that any person or entity seeking an  
26 occupational license to manage gambling operations under

1        this Act ~~hereunder~~ shall be subject to background inquiries  
2        and further requirements similar to those required of  
3        applicants for an owners license. Furthermore, such rules  
4        shall provide that each such entity shall be permitted to  
5        manage gambling operations for only one licensed owner.

6        (b) Each application for an occupational license shall be  
7        on forms prescribed by the Board and shall contain all  
8        information required by the Board. The applicant shall set  
9        forth in the application: whether he has been issued prior  
10       gambling related licenses; whether he has been licensed in any  
11       other state under any other name, and, if so, such name and his  
12       age; and whether or not a permit or license issued to him in  
13       any other state has been suspended, restricted or revoked, and,  
14       if so, for what period of time.

15       (c) Each applicant shall submit with his application, on  
16       forms provided by the Board, 2 sets of his fingerprints. The  
17       Board shall charge each applicant a fee set by the Department  
18       of State Police to defray the costs associated with the search  
19       and classification of fingerprints obtained by the Board with  
20       respect to the applicant's application. These fees shall be  
21       paid into the State Police Services Fund.

22       (d) The Board may in its discretion refuse an occupational  
23       license to any person: (1) who is unqualified to perform the  
24       duties required of such applicant; (2) who fails to disclose or  
25       states falsely any information called for in the application;  
26       (3) who has been found guilty of a violation of this Act or

1 whose prior gambling related license or application therefor  
2 has been suspended, restricted, revoked or denied for just  
3 cause in any other state; or (4) for any other just cause.

4 (e) The Board may suspend, revoke or restrict any  
5 occupational licensee: (1) for violation of any provision of  
6 this Act; (2) for violation of any of the rules and regulations  
7 of the Board; (3) for any cause which, if known to the Board,  
8 would have disqualified the applicant from receiving such  
9 license; or (4) for default in the payment of any obligation or  
10 debt due to the State of Illinois; or (5) for any other just  
11 cause.

12 (f) A person who knowingly makes a false statement on an  
13 application is guilty of a Class A misdemeanor.

14 (g) Any license issued pursuant to this Section shall be  
15 valid for a period of one year from the date of issuance.

16 (h) Nothing in this Act shall be interpreted to prohibit a  
17 licensed owner or organization gaming licensee from entering  
18 into an agreement with a public community college or a school  
19 approved under the Private Business and Vocational Schools Act  
20 of 2012 for the training of any occupational licensee. Any  
21 training offered by such a school shall be in accordance with a  
22 written agreement between the licensed owner or organization  
23 gaming licensee and the school.

24 (i) Any training provided for occupational licensees may be  
25 conducted either at the site of the gambling facility ~~on the~~  
26 ~~riverboat~~ or at a school with which a licensed owner or

1 organization gaming licensee has entered into an agreement  
2 pursuant to subsection (h).

3 (Source: P.A. 96-1392, eff. 1-1-11; 97-650, eff. 2-1-12;  
4 97-1150, eff. 1-25-13.)

5 (230 ILCS 10/11) (from Ch. 120, par. 2411)

6 Sec. 11. Conduct of gambling. Gambling may be conducted by  
7 licensed owners or licensed managers on behalf of the State  
8 aboard riverboats. Gambling may be conducted by organization  
9 gaming licensees at organization gaming facilities. Gambling  
10 authorized under this Section is subject to the following  
11 standards:

12 (1) A licensee may conduct riverboat gambling  
13 authorized under this Act regardless of whether it conducts  
14 excursion cruises. A licensee may permit the continuous  
15 ingress and egress of patrons ~~passengers~~ on a riverboat not  
16 used for excursion cruises for the purpose of gambling.  
17 Excursion cruises shall not exceed 4 hours for a round  
18 trip. However, the Board may grant express approval for an  
19 extended cruise on a case-by-case basis.

20 (1.5) An owners licensee may conduct gambling  
21 operations authorized under this Act 24 hours a day.

22 (2) (Blank).

23 (3) Minimum and maximum wagers on games shall be set by  
24 the licensee.

25 (4) Agents of the Board and the Department of State

1 Police may board and inspect any riverboat, enter and  
2 inspect any portion of a casino, or enter and inspect any  
3 portion of an organization gaming facility at any time for  
4 the purpose of determining whether this Act is being  
5 complied with. Every riverboat, if under way and being  
6 hailed by a law enforcement officer or agent of the Board,  
7 must stop immediately and lay to.

8 (5) Employees of the Board shall have the right to be  
9 present on the riverboat or in the casino or on adjacent  
10 facilities under the control of the licensee and at the  
11 organization gaming facility under the control of the  
12 organization gaming licensee.

13 (6) Gambling equipment and supplies customarily used  
14 in conducting ~~riverboat~~ gambling must be purchased or  
15 leased only from suppliers licensed for such purpose under  
16 this Act. The Board may approve the transfer, sale, or  
17 lease of gambling equipment and supplies by a licensed  
18 owner from or to an affiliate of the licensed owner as long  
19 as the gambling equipment and supplies were initially  
20 acquired from a supplier licensed in Illinois.

21 (7) Persons licensed under this Act shall permit no  
22 form of wagering on gambling games except as permitted by  
23 this Act.

24 (8) Wagers may be received only from a person present  
25 on a licensed riverboat, in a casino, or at an organization  
26 gaming facility. No person present on a licensed riverboat,

1       in a casino, or at an organization gaming facility shall  
2 place or attempt to place a wager on behalf of another  
3 person who is not present on the riverboat, in a casino, or  
4 at the organization gaming facility.

5       (9) Wagering, including gaming authorized under  
6 Section 7.7, shall not be conducted with money or other  
7 negotiable currency.

8       (10) A person under age 21 shall not be permitted on an  
9 area of a riverboat or casino where gambling is being  
10 conducted or at an organization gaming facility where  
11 gambling is being conducted, except for a person at least  
12 18 years of age who is an employee of the riverboat or  
13 casino gambling operation or gaming operation. No employee  
14 under age 21 shall perform any function involved in  
15 gambling by the patrons. No person under age 21 shall be  
16 permitted to make a wager under this Act, and any winnings  
17 that are a result of a wager by a person under age 21,  
18 whether or not paid by a licensee, shall be treated as  
19 winnings for the privilege tax purposes, confiscated, and  
20 forfeited to the State and deposited into the Education  
21 Assistance Fund.

22       (11) Gambling excursion cruises are permitted only  
23 when the waterway for which the riverboat is licensed is  
24 navigable, as determined by the Board in consultation with  
25 the U.S. Army Corps of Engineers. This paragraph (11) does  
26 not limit the ability of a licensee to conduct gambling

1 authorized under this Act when gambling excursion cruises  
2 are not permitted.

3 (12) All tickets ~~tokens~~, chips, or electronic cards  
4 used to make wagers must be purchased (i) from a licensed  
5 owner or manager, in the case of a riverboat, either aboard  
6 a riverboat or at an onshore facility which has been  
7 approved by the Board and which is located where the  
8 riverboat docks, (ii) in the case of a casino, from a  
9 licensed owner at the casino, or (iii) from an organization  
10 gaming licensee at the organization gaming facility. The  
11 tickets ~~tokens~~, chips, or electronic cards may be purchased  
12 by means of an agreement under which the owner or manager  
13 extends credit to the patron. Such tickets ~~tokens~~, chips,  
14 or electronic cards may be used while aboard the riverboat,  
15 in the casino, or at the organization gaming facility only  
16 for the purpose of making wagers on gambling games.

17 (13) Notwithstanding any other Section of this Act, in  
18 addition to the other licenses authorized under this Act,  
19 the Board may issue special event licenses allowing persons  
20 who are not otherwise licensed to conduct riverboat  
21 gambling to conduct such gambling on a specified date or  
22 series of dates. Riverboat gambling under such a license  
23 may take place on a riverboat not normally used for  
24 riverboat gambling. The Board shall establish standards,  
25 fees and fines for, and limitations upon, such licenses,  
26 which may differ from the standards, fees, fines and



1 limitations otherwise applicable under this Act. All such  
2 fees shall be deposited into the State Gaming Fund. All  
3 such fines shall be deposited into the Education Assistance  
4 Fund, created by Public Act 86-0018, of the State of  
5 Illinois.

6 (14) In addition to the above, gambling must be  
7 conducted in accordance with all rules adopted by the  
8 Board.

9 (Source: P.A. 96-1392, eff. 1-1-11.)

10 (230 ILCS 10/11.1) (from Ch. 120, par. 2411.1)

11 Sec. 11.1. Collection of amounts owing under credit  
12 agreements. Notwithstanding any applicable statutory provision  
13 to the contrary, a licensed owner, licensed ~~or~~ manager, or  
14 organization gaming licensee who extends credit to a ~~riverboat~~  
15 gambling patron pursuant to paragraph (12) of Section 11  
16 ~~Section 11 (a) (12)~~ of this Act is expressly authorized to  
17 institute a cause of action to collect any amounts due and  
18 owing under the extension of credit, as well as the licensed  
19 owner's, licensed ~~or~~ manager's, or organization gaming  
20 licensee's costs, expenses and reasonable attorney's fees  
21 incurred in collection.

22 (Source: P.A. 93-28, eff. 6-20-03.)

23 (230 ILCS 10/12) (from Ch. 120, par. 2412)

24 Sec. 12. Admission tax; fees.

1 (a) A tax is hereby imposed upon admissions to riverboat  
2 and casino gambling facilities ~~riverboats~~ operated by licensed  
3 owners authorized pursuant to this Act. Until July 1, 2002, the  
4 rate is \$2 per person admitted. From July 1, 2002 until July 1,  
5 2003, the rate is \$3 per person admitted. From July 1, 2003  
6 until August 23, 2005 (the effective date of Public Act  
7 94-673), for a licensee that admitted 1,000,000 persons or  
8 fewer in the previous calendar year, the rate is \$3 per person  
9 admitted; for a licensee that admitted more than 1,000,000 but  
10 no more than 2,300,000 persons in the previous calendar year,  
11 the rate is \$4 per person admitted; and for a licensee that  
12 admitted more than 2,300,000 persons in the previous calendar  
13 year, the rate is \$5 per person admitted. Beginning on August  
14 23, 2005 (the effective date of Public Act 94-673), for a  
15 licensee that admitted 1,000,000 persons or fewer in calendar  
16 year 2004, the rate is \$2 per person admitted, and for all  
17 other licensees, including licensees that were not conducting  
18 gambling operations in 2004, the rate is \$3 per person  
19 admitted. This admission tax is imposed upon the licensed owner  
20 conducting gambling.

21 (1) The admission tax shall be paid for each admission,  
22 except that a person who exits a riverboat gambling  
23 facility and reenters that riverboat gambling facility  
24 within the same gaming day shall be subject only to the  
25 initial admission tax.

26 (2) (Blank).

1           (3) The riverboat licensee may issue tax-free passes to  
2 actual and necessary officials and employees of the  
3 licensee or other persons actually working on the  
4 riverboat.

5           (4) The number and issuance of tax-free passes is  
6 subject to the rules of the Board, and a list of all  
7 persons to whom the tax-free passes are issued shall be  
8 filed with the Board.

9           (a-5) A fee is hereby imposed upon admissions operated by  
10 licensed managers on behalf of the State pursuant to Section  
11 7.3 at the rates provided in this subsection (a-5). For a  
12 licensee that admitted 1,000,000 persons or fewer in the  
13 previous calendar year, the rate is \$3 per person admitted; for  
14 a licensee that admitted more than 1,000,000 but no more than  
15 2,300,000 persons in the previous calendar year, the rate is \$4  
16 per person admitted; and for a licensee that admitted more than  
17 2,300,000 persons in the previous calendar year, the rate is \$5  
18 per person admitted.

19           (1) The admission fee shall be paid for each admission.

20           (2) (Blank).

21           (3) The licensed manager may issue fee-free passes to  
22 actual and necessary officials and employees of the manager  
23 or other persons actually working on the riverboat.

24           (4) The number and issuance of fee-free passes is  
25 subject to the rules of the Board, and a list of all  
26 persons to whom the fee-free passes are issued shall be

1 filed with the Board.

2 (b) Except as provided in subsection (b-5), from ~~From~~ the  
3 tax imposed under subsection (a) and the fee imposed under  
4 subsection (a-5), a municipality shall receive from the State  
5 \$1 for each person embarking on a riverboat docked within the  
6 municipality or entering a casino located within the  
7 municipality, and a county shall receive \$1 for each person  
8 entering a casino or embarking on a riverboat docked within the  
9 county but outside the boundaries of any municipality. The  
10 municipality's or county's share shall be collected by the  
11 Board on behalf of the State and remitted quarterly by the  
12 State, subject to appropriation, to the treasurer of the unit  
13 of local government for deposit in the general fund.

14 (b-5) From the tax imposed under subsection (a) and the fee  
15 imposed under subsection (a-5), \$1 for each person embarking on  
16 a riverboat designated in paragraph (4) of subsection (e-5) of  
17 Section 7 shall be divided as follows: \$0.70 to the City of  
18 Rockford, \$0.05 to the City of Loves Park, \$0.05 to the Village  
19 of Machesney Park, and \$0.20 to Winnebago County.

20 The municipality's or county's share shall be collected by  
21 the Board on behalf of the State and remitted monthly by the  
22 State, subject to appropriation, to the treasurer of the unit  
23 of local government for deposit in the general fund.

24 (b-10) From the tax imposed under subsection (a) and the  
25 fee imposed under subsection (a-5), \$1 for each person  
26 embarking on a riverboat or entering a casino designated in

1 paragraph (1) of subsection (e-5) of Section 7 shall be divided  
2 as follows: \$0.70 to the City of Chicago, \$0.15 to the Village  
3 of Maywood, and \$0.15 to the Village of Summit.

4 The municipality's or county's share shall be collected by  
5 the Board on behalf of the State and remitted monthly by the  
6 State, subject to appropriation, to the treasurer of the unit  
7 of local government for deposit in the general fund.

8 (b-15) From the tax imposed under subsection (a) and the  
9 fee imposed under subsection (a-5), \$1 for each person  
10 embarking on a riverboat or entering a casino designated in  
11 paragraph (2) of subsection (e-5) of Section 7 shall be divided  
12 as follows: \$0.70 to the City of Danville and \$0.30 to  
13 Vermilion County.

14 The municipality's or county's share shall be collected by  
15 the Board on behalf of the State and remitted monthly by the  
16 State, subject to appropriation, to the treasurer of the unit  
17 of local government for deposit in the general fund.

18 (c) The licensed owner shall pay the entire admission tax  
19 to the Board and the licensed manager shall pay the entire  
20 admission fee to the Board. Such payments shall be made daily.  
21 Accompanying each payment shall be a return on forms provided  
22 by the Board which shall include other information regarding  
23 admissions as the Board may require. Failure to submit either  
24 the payment or the return within the specified time may result  
25 in suspension or revocation of the owners or managers license.

26 (c-5) A tax is imposed on admissions to organization gaming

1 facilities at the rate of \$3 per person admitted by an  
2 organization gaming licensee. The tax is imposed upon the  
3 organization gaming licensee.

4 (1) The admission tax shall be paid for each admission,  
5 except that a person who exits an organization gaming  
6 facility and reenters that organization gaming facility  
7 within the same gaming day, as the term "gaming day" is  
8 defined by the Board by rule, shall be subject only to the  
9 initial admission tax. The Board shall establish, by rule,  
10 a procedure to determine whether a person admitted to an  
11 organization gaming facility has paid the admission tax.

12 (2) An organization gaming licensee may issue tax-free  
13 passes to actual and necessary officials and employees of  
14 the licensee and other persons associated with its gaming  
15 operations.

16 (3) 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 (4) The organization gaming licensee shall pay the  
21 entire admission tax to the Board.

22 Such payments shall be made daily. Accompanying each  
23 payment shall be a return on forms provided by the Board, which  
24 shall include other information regarding admission as the  
25 Board may require. Failure to submit either the payment or the  
26 return within the specified time may result in suspension or

1 revocation of the organization gaming license.

2 From the tax imposed under this subsection (c-5), a  
3 municipality other than the Village of Stickney or the City of  
4 Collinsville in which an organization gaming facility is  
5 located, or if the organization gaming facility is not located  
6 within a municipality, then the county in which the  
7 organization gaming facility is located, except as otherwise  
8 provided in this Section, shall receive, subject to  
9 appropriation, \$1 for each person who enters the organization  
10 gaming facility. For each admission to the organization gaming  
11 facility in excess of 1,500,000 in a year, from the tax imposed  
12 under this subsection (c-5), the county in which the  
13 organization gaming facility is located shall receive, subject  
14 to appropriation, \$0.30, which shall be in addition to any  
15 other moneys paid to the county under this Section.

16 From the tax imposed under this subsection (c-5) on an  
17 organization gaming facility located in the Village of  
18 Stickney, \$1 for each person who enters the organization gaming  
19 facility shall be distributed as follows, subject to  
20 appropriation: \$0.24 to the Village of Stickney, \$0.49 to the  
21 Town of Cicero, \$0.05 to the City of Berwyn, and \$0.17 to the  
22 Stickney Public Health District, and \$0.05 to the City of  
23 Bridgeview.

24 From the tax imposed under this subsection (c-5) on an  
25 organization gaming facility located in the City of  
26 Collinsville, the following shall each receive 10 cents for

1 each person who enters the organization gaming facility,  
2 subject to appropriation: the Village of Alorton; the Village  
3 of Washington Park; State Park Place; the Village of Fairmont  
4 City; the City of Centreville; the Village of Brooklyn; the  
5 City of Venice; the City of Madison; the Village of Caseyville;  
6 and the Village of Pontoon Beach.

7 On the 25th day of each month, all amounts remaining after  
8 payments required under this subsection (c-5) have been made  
9 shall be transferred into the Capital Projects Fund.

10 (d) The Board shall administer and collect the admission  
11 tax imposed by this Section, to the extent practicable, in a  
12 manner consistent with the provisions of Sections 4, 5, 5a, 5b,  
13 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9 and 10 of the  
14 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
15 Penalty and Interest Act.

16 (Source: P.A. 95-663, eff. 10-11-07; 96-1392, eff. 1-1-11.)

17 (230 ILCS 10/13) (from Ch. 120, par. 2413)

18 Sec. 13. Wagering tax; rate; distribution.

19 (a) Until January 1, 1998, a tax is imposed on the adjusted  
20 gross receipts received from gambling games authorized under  
21 this Act at the rate of 20%.

22 (a-1) From January 1, 1998 until July 1, 2002, a privilege  
23 tax is imposed on persons engaged in the business of conducting  
24 riverboat gambling operations, based on the adjusted gross  
25 receipts received by a licensed owner from gambling games



1 authorized under this Act at the following rates:

2 15% of annual adjusted gross receipts up to and  
3 including \$25,000,000;

4 20% of annual adjusted gross receipts in excess of  
5 \$25,000,000 but not exceeding \$50,000,000;

6 25% of annual adjusted gross receipts in excess of  
7 \$50,000,000 but not exceeding \$75,000,000;

8 30% of annual adjusted gross receipts in excess of  
9 \$75,000,000 but not exceeding \$100,000,000;

10 35% of annual adjusted gross receipts in excess of  
11 \$100,000,000.

12 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax  
13 is imposed on persons engaged in the business of conducting  
14 riverboat gambling operations, other than licensed managers  
15 conducting riverboat gambling operations on behalf of the  
16 State, based on the adjusted gross receipts received by a  
17 licensed owner from gambling games authorized under this Act at  
18 the following rates:

19 15% of annual adjusted gross receipts up to and  
20 including \$25,000,000;

21 22.5% of annual adjusted gross receipts in excess of  
22 \$25,000,000 but not exceeding \$50,000,000;

23 27.5% of annual adjusted gross receipts in excess of  
24 \$50,000,000 but not exceeding \$75,000,000;

25 32.5% of annual adjusted gross receipts in excess of  
26 \$75,000,000 but not exceeding \$100,000,000;

1           37.5% of annual adjusted gross receipts in excess of  
2           \$100,000,000 but not exceeding \$150,000,000;

3           45% of annual adjusted gross receipts in excess of  
4           \$150,000,000 but not exceeding \$200,000,000;

5           50% of annual adjusted gross receipts in excess of  
6           \$200,000,000.

7           (a-3) Beginning July 1, 2003, a privilege tax is imposed on  
8           persons engaged in the business of conducting riverboat  
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 a licensed owner from  
12          gambling games authorized under this Act at the following  
13          rates:

14          15% of annual adjusted gross receipts up to and  
15          including \$25,000,000;

16          27.5% of annual adjusted gross receipts in excess of  
17          \$25,000,000 but not exceeding \$37,500,000;

18          32.5% of annual adjusted gross receipts in excess of  
19          \$37,500,000 but not exceeding \$50,000,000;

20          37.5% of annual adjusted gross receipts in excess of  
21          \$50,000,000 but not exceeding \$75,000,000;

22          45% of annual adjusted gross receipts in excess of  
23          \$75,000,000 but not exceeding \$100,000,000;

24          50% of annual adjusted gross receipts in excess of  
25          \$100,000,000 but not exceeding \$250,000,000;

26          70% of annual adjusted gross receipts in excess of

1           \$250,000,000.

2           An amount equal to the amount of wagering taxes collected  
3 under this subsection (a-3) that are in addition to the amount  
4 of wagering taxes that would have been collected if the  
5 wagering tax rates under subsection (a-2) were in effect shall  
6 be paid into the Common School Fund.

7           The privilege tax imposed under this subsection (a-3) shall  
8 no longer be imposed beginning on the earlier of (i) July 1,  
9 2005; (ii) the first date after June 20, 2003 that riverboat  
10 gambling operations are conducted pursuant to a dormant  
11 license; or (iii) the first day that riverboat gambling  
12 operations are conducted under the authority of an owners  
13 license that is in addition to the 10 owners licenses initially  
14 authorized under this Act. For the purposes of this subsection  
15 (a-3), the term "dormant license" means an owners license that  
16 is authorized by this Act under which no riverboat gambling  
17 operations are being conducted on June 20, 2003.

18           (a-4) Beginning on the first day on which the tax imposed  
19 under subsection (a-3) is no longer imposed and ending upon the  
20 imposition of the privilege tax under subsection (a-5) of this  
21 Section, a privilege tax is imposed on persons engaged in the  
22 business of conducting ~~riverboat~~ gambling operations, other  
23 than licensed managers conducting riverboat gambling  
24 operations on behalf of the State, based on the adjusted gross  
25 receipts received by a licensed owner from gambling games  
26 authorized under this Act at the following rates:

1           15% of annual adjusted gross receipts up to and  
2 including \$25,000,000;

3           22.5% of annual adjusted gross receipts in excess of  
4 \$25,000,000 but not exceeding \$50,000,000;

5           27.5% of annual adjusted gross receipts in excess of  
6 \$50,000,000 but not exceeding \$75,000,000;

7           32.5% of annual adjusted gross receipts in excess of  
8 \$75,000,000 but not exceeding \$100,000,000;

9           37.5% of annual adjusted gross receipts in excess of  
10 \$100,000,000 but not exceeding \$150,000,000;

11           45% of annual adjusted gross receipts in excess of  
12 \$150,000,000 but not exceeding \$200,000,000;

13           50% of annual adjusted gross receipts in excess of  
14 \$200,000,000.

15           For the imposition of the privilege tax in this subsection  
16 (a-4), amounts paid pursuant to item (1) of subsection (b) of  
17 Section 56 of the Illinois Horse Racing Act of 1975 shall not  
18 be included in the determination of adjusted gross receipts.

19           (a-5) Beginning on the first day that an owners licensee  
20 under paragraph (1), (2), (3), (4), (5), or (6) of subsection  
21 (e-5) of Section 7 conducts gambling operations, either in a  
22 temporary facility or a permanent facility, a privilege tax is  
23 imposed on persons engaged in the business of conducting  
24 gambling operations, other than licensed managers conducting  
25 riverboat gambling operations on behalf of the State, based on  
26 the adjusted gross receipts received by such licensee from the

1 gambling games authorized under this Act. The privilege tax for  
2 all gambling games other than table games, including, but not  
3 limited to, slot machines, video game of chance gambling, and  
4 electronic gambling games shall be at the following rates:

5 15% of annual adjusted gross receipts up to and  
6 including \$25,000,000;

7 22.5% of annual adjusted gross receipts in excess of  
8 \$25,000,000 but not exceeding \$50,000,000;

9 27.5% of annual adjusted gross receipts in excess of  
10 \$50,000,000 but not exceeding \$75,000,000;

11 32.5% of annual adjusted gross receipts in excess of  
12 \$75,000,000 but not exceeding \$100,000,000;

13 37.5% of annual adjusted gross receipts in excess of  
14 \$100,000,000 but not exceeding \$150,000,000;

15 45% of annual adjusted gross receipts in excess of  
16 \$150,000,000 but not exceeding \$200,000,000;

17 50% of annual adjusted gross receipts in excess of  
18 \$200,000,000.

19 The privilege tax for table games shall be at the following  
20 rates:

21 15% of annual adjusted gross receipts up to and  
22 including \$25,000,000;

23 20% of annual adjusted gross receipts in excess of  
24 \$25,000,000.

25 For the imposition of the privilege tax in this subsection  
26 (a-5), amounts paid pursuant to item (1) of subsection (b) of

1 Section 56 of the Illinois Horse Racing Act of 1975 shall not  
2 be included in the determination of adjusted gross receipts.

3 Notwithstanding the provisions of this subsection (a-5),  
4 for the first 10 years that the privilege tax is imposed under  
5 this subsection (a-5), the privilege tax shall be imposed on  
6 the modified annual adjusted gross receipts of a riverboat or  
7 casino conducting gambling operations in the City of East St.  
8 Louis, unless:

9 (1) the riverboat or casino fails to employ at least  
10 450 people;

11 (2) the riverboat or casino fails to maintain  
12 operations in a manner consistent with this Act or is not a  
13 viable riverboat or casino subject to the approval of the  
14 Board; or

15 (3) the owners licensee is not an entity in which  
16 employees participate in an employee stock ownership plan.

17 As used in this subsection (a-5), "modified annual adjusted  
18 gross receipts" means:

19 (A) for calendar year 2020, the annual adjusted gross  
20 receipts for the current year minus the difference between  
21 an amount equal to the average annual adjusted gross  
22 receipts from a riverboat or casino conducting gambling  
23 operations in the City of East St. Louis for 2014, 2015,  
24 2016, 2017, and 2018 and the annual adjusted gross receipts  
25 for 2018;

26 (B) for calendar year 2021, the annual adjusted gross

1       receipts for the current year minus the difference between  
2       an amount equal to the average annual adjusted gross  
3       receipts from a riverboat or casino conducting gambling  
4       operations in the City of East St. Louis for 2014, 2015,  
5       2016, 2017, and 2018 and the annual adjusted gross receipts  
6       for 2019; and

7       (C) for calendar years 2022 through 2029, the annual  
8       adjusted gross receipts for the current year minus the  
9       difference between an amount equal to the average annual  
10       adjusted gross receipts from a riverboat or casino  
11       conducting gambling operations in the City of East St.  
12       Louis for 3 years preceding the current year and the annual  
13       adjusted gross receipts for the immediately preceding  
14       year.

15       (a-5.5) In addition to the privilege tax imposed under  
16       subsection (a-5), a privilege tax is imposed on the owners  
17       licensee under paragraph (1) of subsection (e-5) of Section 7  
18       at the rate of one-third of the owners licensee's adjusted  
19       gross receipts.

20       For the imposition of the privilege tax in this subsection  
21       (a-5.5), amounts paid pursuant to item (1) of subsection (b) of  
22       Section 56 of the Illinois Horse Racing Act of 1975 shall not  
23       be included in the determination of adjusted gross receipts.

24       (a-6) From the effective date of this amendatory Act of the  
25       101st General Assembly until June 30, 2023, an owners licensee  
26       that conducted gambling operations prior to January 1, 2011

1 shall receive a dollar-for-dollar credit against the tax  
2 imposed under this Section for any renovation or construction  
3 costs paid by the owners licensee, but in no event shall the  
4 credit exceed \$2,000,000.

5 Additionally, from the effective date of this amendatory  
6 Act of the 101st General Assembly until December 31, 2022, an  
7 owners licensee that (i) is located within 15 miles of the  
8 Missouri border, and (ii) has at least 3 riverboats, casinos,  
9 or their equivalent within a 45-mile radius, may be authorized  
10 to relocate to a new location with the approval of both the  
11 unit of local government designated as the home dock and the  
12 Board, so long as the new location is within the same unit of  
13 local government and no more than 3 miles away from its  
14 original location. Such owners licensee shall receive a credit  
15 against the tax imposed under this Section equal to 8% of the  
16 total project costs, as approved by the Board, for any  
17 renovation or construction costs paid by the owners licensee  
18 for the construction of the new facility, provided that the new  
19 facility is operational by July 1, 2022. In determining whether  
20 or not to approve a relocation, the Board must consider the  
21 extent to which the relocation will diminish the gaming  
22 revenues received by other Illinois gaming facilities.

23 (a-7) Beginning in the initial adjustment year and through  
24 the final adjustment year, if the total obligation imposed  
25 pursuant to either subsection (a-5) or (a-6) will result in an  
26 owners licensee receiving less after-tax adjusted gross



1 receipts than it received in calendar year 2018, then the total  
2 amount of privilege taxes that the owners licensee is required  
3 to pay for that calendar year shall be reduced to the extent  
4 necessary so that the after-tax adjusted gross receipts in that  
5 calendar year equals the after-tax adjusted gross receipts in  
6 calendar year 2018, but the privilege tax reduction shall not  
7 exceed the annual adjustment cap. If pursuant to this  
8 subsection (a-7), the total obligation imposed pursuant to  
9 either subsection (a-5) or (a-6) shall be reduced, then the  
10 owners licensee shall not receive a refund from the State at  
11 the end of the subject calendar year but instead shall be able  
12 to apply that amount as a credit against any payments it owes  
13 to the State in the following calendar year to satisfy its  
14 total obligation under either subsection (a-5) or (a-6). The  
15 credit for the final adjustment year shall occur in the  
16 calendar year following the final adjustment year.

17 If an owners licensee that conducted gambling operations  
18 prior to January 1, 2019 expands its riverboat or casino,  
19 including, but not limited to, with respect to its gaming  
20 floor, additional non-gaming amenities such as restaurants,  
21 bars, and hotels and other additional facilities, and incurs  
22 construction and other costs related to such expansion from the  
23 effective date of this amendatory Act of the 101st General  
24 Assembly until the 5th anniversary of the effective date of  
25 this amendatory Act of the 101st General Assembly, then for  
26 each \$15,000,000 spent for any such construction or other costs

1 related to expansion paid by the owners licensee, the final  
2 adjustment year shall be extended by one year and the annual  
3 adjustment cap shall increase by 0.2% of adjusted gross  
4 receipts during each calendar year until and including the  
5 final adjustment year. No further modifications to the final  
6 adjustment year or annual adjustment cap shall be made after  
7 \$75,000,000 is incurred in construction or other costs related  
8 to expansion so that the final adjustment year shall not extend  
9 beyond the 9th calendar year after the initial adjustment year,  
10 not including the initial adjustment year, and the annual  
11 adjustment cap shall not exceed 4% of adjusted gross receipts  
12 in a particular calendar year. Construction and other costs  
13 related to expansion shall include all project related costs,  
14 including, but not limited to, all hard and soft costs,  
15 financing costs, on or off-site ground, road or utility work,  
16 cost of gaming equipment and all other personal property,  
17 initial fees assessed for each incremental gaming position, and  
18 the cost of incremental land acquired for such expansion. Soft  
19 costs shall include, but not be limited to, legal fees,  
20 architect, engineering and design costs, other consultant  
21 costs, insurance cost, permitting costs, and pre-opening costs  
22 related to the expansion, including, but not limited to, any of  
23 the following: marketing, real estate taxes, personnel,  
24 training, travel and out-of-pocket expenses, supply,  
25 inventory, and other costs, and any other project related soft  
26 costs.

1       To be eligible for the tax credits in subsection (a-6), all  
2 construction contracts shall include a requirement that the  
3 contractor enter into a project labor agreement with the  
4 building and construction trades council with geographic  
5 jurisdiction of the location of the proposed gaming facility.

6       Notwithstanding any other provision of this subsection  
7 (a-7), this subsection (a-7) does not apply to an owners  
8 licensee unless such owners licensee spends at least  
9 \$15,000,000 on construction and other costs related to its  
10 expansion, excluding the initial fees assessed for each  
11 incremental gaming position.

12       This subsection (a-7) does not apply to owners licensees  
13 authorized pursuant to subsection (e-5) of Section 7 of this  
14 Act.

15       For purposes of this subsection (a-7):

16       "Building and construction trades council" means any  
17 organization representing multiple construction entities that  
18 are monitoring or attentive to compliance with public or  
19 workers' safety laws, wage and hour requirements, or other  
20 statutory requirements or that are making or maintaining  
21 collective bargaining agreements.

22       "Initial adjustment year" means the year commencing on  
23 January 1 of the calendar year immediately following the  
24 earlier of the following:

25           (1) the commencement of gambling operations, either in  
26 a temporary or permanent facility, with respect to the

1 owners license authorized under paragraph (1) of  
2 subsection (e-5) of Section 7 of this Act; or

3 (2) 24 months after the effective date of this  
4 amendatory Act of the 101st General Assembly, provided the  
5 initial adjustment year shall not commence earlier than 12  
6 months after the effective date of this amendatory Act of  
7 the 101st General Assembly.

8 "Final adjustment year" means the 2nd calendar year after  
9 the initial adjustment year, not including the initial  
10 adjustment year, and as may be extended further as described in  
11 this subsection (a-7).

12 "Annual adjustment cap" means 3% of adjusted gross receipts  
13 in a particular calendar year, and as may be increased further  
14 as otherwise described in this subsection (a-7).

15 (a-8) Riverboat gambling operations conducted by a  
16 licensed manager on behalf of the State are not subject to the  
17 tax imposed under this Section.

18 (a-9) Beginning on January 1, 2020, the calculation of  
19 gross receipts or adjusted gross receipts, for the purposes of  
20 this Section, for a riverboat, a casino, or an organization  
21 gaming facility shall not include the dollar amount of  
22 non-cashable vouchers, coupons, and electronic promotions  
23 redeemed by wagerers upon the riverboat, in the casino, or in  
24 the organization gaming facility up to and including an amount  
25 not to exceed 20% of a riverboat's, a casino's, or an  
26 organization gaming facility's adjusted gross receipts.

1       The Illinois Gaming Board shall submit to the General  
2 Assembly a comprehensive report no later than March 31, 2023  
3 detailing, at a minimum, the effect of removing non-cashable  
4 vouchers, coupons, and electronic promotions from this  
5 calculation on net gaming revenues to the State in calendar  
6 years 2020 through 2022, the increase or reduction in wagers  
7 as a result of removing non-cashable vouchers, coupons, and  
8 electronic promotions from this calculation, the effect of the  
9 tax rates in subsection (a-5) on net gaming revenues to this  
10 State, and proposed modifications to the calculation.

11       (a-10) The taxes imposed by this Section shall be paid by  
12 the licensed owner or the organization gaming licensee to the  
13 Board not later than 5:00 o'clock p.m. of the day after the day  
14 when the wagers were made.

15       (a-15) If the privilege tax imposed under subsection (a-3)  
16 is no longer imposed pursuant to item (i) of the last paragraph  
17 of subsection (a-3), then by June 15 of each year, each owners  
18 licensee, other than an owners licensee that admitted 1,000,000  
19 persons or fewer in calendar year 2004, must, in addition to  
20 the payment of all amounts otherwise due under this Section,  
21 pay to the Board a reconciliation payment in the amount, if  
22 any, by which the licensed owner's base amount exceeds the  
23 amount of net privilege tax paid by the licensed owner to the  
24 Board in the then current State fiscal year. A licensed owner's  
25 net privilege tax obligation due for the balance of the State  
26 fiscal year shall be reduced up to the total of the amount paid

1 by the licensed owner in its June 15 reconciliation payment.  
2 The obligation imposed by this subsection (a-15) is binding on  
3 any person, firm, corporation, or other entity that acquires an  
4 ownership interest in any such owners license. The obligation  
5 imposed under this subsection (a-15) terminates on the earliest  
6 of: (i) July 1, 2007, (ii) the first day after the effective  
7 date of this amendatory Act of the 94th General Assembly that  
8 riverboat gambling operations are conducted pursuant to a  
9 dormant license, (iii) the first day that riverboat gambling  
10 operations are conducted under the authority of an owners  
11 license that is in addition to the 10 owners licenses initially  
12 authorized under this Act, or (iv) the first day that a  
13 licensee under the Illinois Horse Racing Act of 1975 conducts  
14 gaming operations with slot machines or other electronic gaming  
15 devices. The Board must reduce the obligation imposed under  
16 this subsection (a-15) by an amount the Board deems reasonable  
17 for any of the following reasons: (A) an act or acts of God,  
18 (B) an act of bioterrorism or terrorism or a bioterrorism or  
19 terrorism threat that was investigated by a law enforcement  
20 agency, or (C) a condition beyond the control of the owners  
21 licensee that does not result from any act or omission by the  
22 owners licensee or any of its agents and that poses a hazardous  
23 threat to the health and safety of patrons. If an owners  
24 licensee pays an amount in excess of its liability under this  
25 Section, the Board shall apply the overpayment to future  
26 payments required under this Section.

1 For purposes of this subsection (a-15):

2 "Act of God" means an incident caused by the operation of  
3 an extraordinary force that cannot be foreseen, that cannot be  
4 avoided by the exercise of due care, and for which no person  
5 can be held liable.

6 "Base amount" means the following:

7 For a riverboat in Alton, \$31,000,000.

8 For a riverboat in East Peoria, \$43,000,000.

9 For the Empress riverboat in Joliet, \$86,000,000.

10 For a riverboat in Metropolis, \$45,000,000.

11 For the Harrah's riverboat in Joliet, \$114,000,000.

12 For a riverboat in Aurora, \$86,000,000.

13 For a riverboat in East St. Louis, \$48,500,000.

14 For a riverboat in Elgin, \$198,000,000.

15 "Dormant license" has the meaning ascribed to it in  
16 subsection (a-3).

17 "Net privilege tax" means all privilege taxes paid by a  
18 licensed owner to the Board under this Section, less all  
19 payments made from the State Gaming Fund pursuant to subsection  
20 (b) of this Section.

21 The changes made to this subsection (a-15) by Public Act  
22 94-839 are intended to restate and clarify the intent of Public  
23 Act 94-673 with respect to the amount of the payments required  
24 to be made under this subsection by an owners licensee to the  
25 Board.

26 (b) ~~From Until January 1, 1998, 25% of the tax revenue~~

1 ~~deposited in the State Gaming Fund under this Section shall be~~  
2 ~~paid, subject to appropriation by the General Assembly, to the~~  
3 ~~unit of local government which is designated as the home dock~~  
4 ~~of the riverboat. Beginning January 1, 1998, from the tax~~  
5 revenue from riverboat or casino gambling deposited in the  
6 State Gaming Fund under this Section, an amount equal to 5% of  
7 adjusted gross receipts generated by a riverboat or a casino,  
8 other than a riverboat or casino designated in paragraph (1),  
9 (3), or (4) of subsection (e-5) of Section 7, shall be paid  
10 monthly, subject to appropriation by the General Assembly, to  
11 the unit of local government in which the casino is located or  
12 that is designated as the home dock of the riverboat.  
13 Notwithstanding anything to the contrary, beginning on the  
14 first day that an owners licensee under paragraph (1), (2),  
15 (3), (4), (5), or (6) of subsection (e-5) of Section 7 conducts  
16 gambling operations, either in a temporary facility or a  
17 permanent facility, and for 2 years thereafter, a unit of local  
18 government designated as the home dock of a riverboat whose  
19 license was issued before January 1, 2019, other than a  
20 riverboat conducting gambling operations in the City of East  
21 St. Louis, shall not receive less under this subsection (b)  
22 than the amount the unit of local government received under  
23 this subsection (b) in calendar year 2018. Notwithstanding  
24 anything to the contrary and because the City of East St. Louis  
25 is a financially distressed city, beginning on the first day  
26 that an owners licensee under paragraph (1), (2), (3), (4),



1 (5), or (6) of subsection (e-5) of Section 7 conducts gambling  
2 operations, either in a temporary facility or a permanent  
3 facility, and for 10 years thereafter, a unit of local  
4 government designated as the home dock of a riverboat  
5 conducting gambling operations in the City of East St. Louis  
6 shall not receive less under this subsection (b) than the  
7 amount the unit of local government received under this  
8 subsection (b) in calendar year 2018.

9 From the tax revenue deposited in the State Gaming Fund  
10 pursuant to riverboat or casino gambling operations conducted  
11 by a licensed manager on behalf of the State, an amount equal  
12 to 5% of adjusted gross receipts generated pursuant to those  
13 riverboat or casino gambling operations shall be paid monthly,  
14 subject to appropriation by the General Assembly, to the unit  
15 of local government that is designated as the home dock of the  
16 riverboat upon which those riverboat gambling operations are  
17 conducted or in which the casino is located.

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 (3) of subsection (e-5) of  
22 Section 7 shall be divided and remitted monthly, subject to  
23 appropriation, as follows: 70% to Waukegan, 10% to Park City,  
24 15% to North Chicago, and 5% to Lake County.

25 From the tax revenue from riverboat or casino gambling  
26 deposited in the State Gaming Fund under this Section, an

1 amount equal to 5% of the adjusted gross receipts generated by  
2 a riverboat designated in paragraph (4) of subsection (e-5) of  
3 Section 7 shall be remitted monthly, subject to appropriation,  
4 as follows: 70% to the City of Rockford, 5% to the City of  
5 Loves Park, 5% to the Village of Machesney, and 20% to  
6 Winnebago County.

7 From the tax revenue from riverboat or casino gambling  
8 deposited in the State Gaming Fund under this Section, an  
9 amount equal to 5% of the adjusted gross receipts generated by  
10 a riverboat designated in paragraph (5) of subsection (e-5) of  
11 Section 7 shall be remitted monthly, subject to appropriation,  
12 as follows: 2% to the unit of local government in which the  
13 riverboat or casino is located, and 3% shall be distributed:  
14 (A) in accordance with a regional capital development plan  
15 entered into by the following communities: Village of Beecher,  
16 City of Blue Island, Village of Burnham, City of Calumet City,  
17 Village of Calumet Park, City of Chicago Heights, City of  
18 Country Club Hills, Village of Crestwood, Village of Crete,  
19 Village of Dixmoor, Village of Dolton, Village of East Hazel  
20 Crest, Village of Flossmoor, Village of Ford Heights, Village  
21 of Glenwood, City of Harvey, Village of Hazel Crest, Village of  
22 Homewood, Village of Lansing, Village of Lynwood, City of  
23 Markham, Village of Matteson, Village of Midlothian, Village of  
24 Monee, City of Oak Forest, Village of Olympia Fields, Village  
25 of Orland Hills, Village of Orland Park, City of Palos Heights,  
26 Village of Park Forest, Village of Phoenix, Village of Posen,

1 Village of Richton Park, Village of Riverdale, Village of  
2 Robbins, Village of Sauk Village, Village of South Chicago  
3 Heights, Village of South Holland, Village of Steger, Village  
4 of Thornton, Village of Tinley Park, Village of University Park  
5 and Village of Worth; or (B) if no regional capital development  
6 plan exists, equally among the communities listed in item (A)  
7 to be used for capital expenditures or public pension payments,  
8 or both.

9 Units of local government may refund any portion of the  
10 payment that they receive pursuant to this subsection (b) to  
11 the riverboat or casino.

12 (b-4) Beginning on the first day the licensee under  
13 paragraph (5) of subsection (e-5) of Section 7 conducts  
14 gambling operations, either in a temporary facility or a  
15 permanent facility, and ending on July 31, 2042, from the tax  
16 revenue deposited in the State Gaming Fund under this Section,  
17 \$5,000,000 shall be paid annually, subject to appropriation, to  
18 the host municipality of that owners licensee of a license  
19 issued or re-issued pursuant to Section 7.1 of this Act before  
20 January 1, 2012. Payments received by the host municipality  
21 pursuant to this subsection (b-4) may not be shared with any  
22 other unit of local government.

23 (b-5) Beginning on the effective date of this amendatory  
24 Act of the 101st General Assembly, from the tax revenue  
25 deposited in the State Gaming Fund under this Section, an  
26 amount equal to 3% of adjusted gross receipts generated by each

1 organization gaming facility located outside Madison County  
2 shall be paid monthly, subject to appropriation by the General  
3 Assembly, to a municipality other than the Village of Stickney  
4 in which each organization gaming facility is located or, if  
5 the organization gaming facility is not located within a  
6 municipality, to the county in which the organization gaming  
7 facility is located, except as otherwise provided in this  
8 Section. From the tax revenue deposited in the State Gaming  
9 Fund under this Section, an amount equal to 3% of adjusted  
10 gross receipts generated by an organization gaming facility  
11 located in the Village of Stickney shall be paid monthly,  
12 subject to appropriation by the General Assembly, as follows:  
13 25% to the Village of Stickney, 5% to the City of Berwyn, 50%  
14 to the Town of Cicero, and 20% to the Stickney Public Health  
15 District.

16 From the tax revenue deposited in the State Gaming Fund  
17 under this Section, an amount equal to 5% of adjusted gross  
18 receipts generated by an organization gaming facility located  
19 in the City of Collinsville shall be paid monthly, subject to  
20 appropriation by the General Assembly, as follows: 30% to the  
21 City of Alton, 30% to the City of East St. Louis, and 40% to the  
22 City of Collinsville.

23 Municipalities and counties may refund any portion of the  
24 payment that they receive pursuant to this subsection (b-5) to  
25 the organization gaming facility.

26 (b-6) Beginning on the effective date of this amendatory

1 Act of the 101st General Assembly, from the tax revenue  
2 deposited in the State Gaming Fund under this Section, an  
3 amount equal to 2% of adjusted gross receipts generated by an  
4 organization gaming facility located outside Madison County  
5 shall be paid monthly, subject to appropriation by the General  
6 Assembly, to the county in which the organization gaming  
7 facility is located for the purposes of its criminal justice  
8 system or health care system.

9 Counties may refund any portion of the payment that they  
10 receive pursuant to this subsection (b-6) to the organization  
11 gaming facility.

12 (b-7) From the tax revenue from the organization gaming  
13 licensee located in one of the following townships of Cook  
14 County: Bloom, Bremen, Calumet, Orland, Rich, Thornton, or  
15 Worth, an amount equal to 5% of the adjusted gross receipts  
16 generated by that organization gaming licensee shall be  
17 remitted monthly, subject to appropriation, as follows: 2% to  
18 the unit of local government in which the organization gaming  
19 licensee is located, and 3% shall be distributed: (A) in  
20 accordance with a regional capital development plan entered  
21 into by the following communities: Village of Beecher, City of  
22 Blue Island, Village of Burnham, City of Calumet City, Village  
23 of Calumet Park, City of Chicago Heights, City of Country Club  
24 Hills, Village of Crestwood, Village of Crete, Village of  
25 Dixmoor, Village of Dolton, Village of East Hazel Crest,  
26 Village of Flossmoor, Village of Ford Heights, Village of

1 Glenwood, City of Harvey, Village of Hazel Crest, Village of  
2 Homewood, Village of Lansing, Village of Lynwood, City of  
3 Markham, Village of Matteson, Village of Midlothian, Village of  
4 Monee, City of Oak Forest, Village of Olympia Fields, Village  
5 of Orland Hills, Village of Orland Park, City of Palos Heights,  
6 Village of Park Forest, Village of Phoenix, Village of Posen,  
7 Village of Richton Park, Village of Riverdale, Village of  
8 Robbins, Village of Sauk Village, Village of South Chicago  
9 Heights, Village of South Holland, Village of Steger, Village  
10 of Thornton, Village of Tinley Park, Village of University  
11 Park, and Village of Worth; or (B) if no regional capital  
12 development plan exists, equally among the communities listed  
13 in item (A) to be used for capital expenditures or public  
14 pension payments, or both.

15 (b-8) In lieu of the payments under subsection (b) of this  
16 Section, the tax revenue from the privilege tax imposed by  
17 subsection (a-5.5) shall be paid monthly, subject to  
18 appropriation by the General Assembly, to the City of Chicago  
19 and shall be expended or obligated by the City of Chicago for  
20 pension payments in accordance with Public Act 99-506.

21 (c) Appropriations, as approved by the General Assembly,  
22 may be made from the State Gaming Fund to the Board (i) for the  
23 administration and enforcement of this Act and the Video Gaming  
24 Act, (ii) for distribution to the Department of State Police  
25 and to the Department of Revenue for the enforcement of this  
26 Act, and the Video Gaming Act, and (iii) to the Department of

1 Human Services for the administration of programs to treat  
2 problem gambling. The Board's annual appropriations request  
3 must separately state its funding needs for the regulation of  
4 gaming authorized under Section 7.7, riverboat gaming, casino  
5 gaming, video gaming, and sports wagering.

6 (c-2) An amount equal to 2% of the adjusted gross receipts  
7 generated by an organization gaming facility located within a  
8 home rule county with a population of over 3,000,000  
9 inhabitants shall be paid, subject to appropriation from the  
10 General Assembly, from the State Gaming Fund to the home rule  
11 county in which the organization gaming licensee is located for  
12 the purpose of enhancing the county's criminal justice system.

13 (c-3) Appropriations, as approved by the General Assembly,  
14 may be made from the tax revenue deposited into the State  
15 Gaming Fund from organization gaming licensees pursuant to this  
16 Section for the administration and enforcement of this Act.

17 (c-4) After payments required under subsections (b),  
18 (b-5), (b-6), (b-7), (c), (c-2), and (c-3) have been made from  
19 the tax revenue from organization gaming licensees deposited  
20 into the State Gaming Fund under this Section, all remaining  
21 amounts from organization gaming licensees shall be  
22 transferred into the Capital Projects Fund.

23 (c-5) (Blank). Before May 26, 2006 (the effective date of  
24 Public Act 94-804) and beginning on the effective date of this  
25 amendatory Act of the 95th General Assembly, unless any  
26 organization licensee under the Illinois Horse Racing Act of

1 ~~1975 begins to operate a slot machine or video game of chance~~  
2 ~~under the Illinois Horse Racing Act of 1975 or this Act, after~~  
3 ~~the payments required under subsections (b) and (c) have been~~  
4 ~~made, an amount equal to 15% of the adjusted gross receipts of~~  
5 ~~(1) an owners licensee that relocates pursuant to Section 11.2,~~  
6 ~~(2) an owners licensee conducting riverboat gambling~~  
7 ~~operations pursuant to an owners license that is initially~~  
8 ~~issued after June 25, 1999, or (3) the first riverboat gambling~~  
9 ~~operations conducted by a licensed manager on behalf of the~~  
10 ~~State under Section 7.3, whichever comes first, shall be paid~~  
11 ~~from the State Gaming Fund into the Horse Racing Equity Fund.~~

12 (c-10) Each year the General Assembly shall appropriate  
13 from the General Revenue Fund to the Education Assistance Fund  
14 an amount equal to the amount paid into the Horse Racing Equity  
15 Fund pursuant to subsection (c-5) in the prior calendar year.

16 (c-15) After the payments required under subsections (b),  
17 (c), and (c-5) have been made, an amount equal to 2% of the  
18 adjusted gross receipts of (1) an owners licensee that  
19 relocates pursuant to Section 11.2, (2) an owners licensee  
20 conducting riverboat gambling operations pursuant to an owners  
21 license that is initially issued after June 25, 1999, or (3)  
22 the first riverboat gambling operations conducted by a licensed  
23 manager on behalf of the State under Section 7.3, whichever  
24 comes first, shall be paid, subject to appropriation from the  
25 General Assembly, from the State Gaming Fund to each home rule  
26 county with a population of over 3,000,000 inhabitants for the



1 purpose of enhancing the county's criminal justice system.

2 (c-20) Each year the General Assembly shall appropriate  
3 from the General Revenue Fund to the Education Assistance Fund  
4 an amount equal to the amount paid to each home rule county  
5 with a population of over 3,000,000 inhabitants pursuant to  
6 subsection (c-15) in the prior calendar year.

7 (c-21) After the payments required under subsections (b),  
8 (b-4), (b-5), (b-6), (b-7), (b-8), (c), (c-3), and (c-4) have  
9 been made, an amount equal to 2% of the adjusted gross receipts  
10 generated by the owners licensee under paragraph (1) of  
11 subsection (e-5) of Section 7 shall be paid, subject to  
12 appropriation from the General Assembly, from the State Gaming  
13 Fund to the home rule county in which the owners licensee is  
14 located for the purpose of enhancing the county's criminal  
15 justice system.

16 (c-22) After the payments required under subsections (b),  
17 (b-4), (b-5), (b-6), (b-7), (b-8), (c), (c-3), (c-4), and  
18 (c-21) have been made, an amount equal to 2% of the adjusted  
19 gross receipts generated by the owners licensee under paragraph  
20 (5) of subsection (e-5) of Section 7 shall be paid, subject to  
21 appropriation from the General Assembly, from the State Gaming  
22 Fund to the home rule county in which the owners licensee is  
23 located for the purpose of enhancing the county's criminal  
24 justice system.

25 (c-25) From ~~on~~ July 1, 2013 and each July 1  
26 thereafter through July 1, 2019, \$1,600,000 shall be

1 transferred from the State Gaming Fund to the Chicago State  
2 University Education Improvement Fund.

3 On July 1, 2020 and each July 1 thereafter, \$3,000,000  
4 shall be transferred from the State Gaming Fund to the Chicago  
5 State University Education Improvement Fund.

6 (c-30) On July 1, 2013 or as soon as possible thereafter,  
7 \$92,000,000 shall be transferred from the State Gaming Fund to  
8 the School Infrastructure Fund and \$23,000,000 shall be  
9 transferred from the State Gaming Fund to the Horse Racing  
10 Equity Fund.

11 (c-35) Beginning on July 1, 2013, in addition to any amount  
12 transferred under subsection (c-30) of this Section,  
13 \$5,530,000 shall be transferred monthly from the State Gaming  
14 Fund to the School Infrastructure Fund.

15 (d) From time to time, the Board shall transfer the  
16 remainder of the funds generated by this Act into the Education  
17 Assistance Fund, created by Public Act 86-0018, of the State of  
18 Illinois.

19 (e) Nothing in this Act shall prohibit the unit of local  
20 government designated as the home dock of the riverboat from  
21 entering into agreements with other units of local government  
22 in this State or in other states to share its portion of the  
23 tax revenue.

24 (f) To the extent practicable, the Board shall administer  
25 and collect the wagering taxes imposed by this Section in a  
26 manner consistent with the provisions of Sections 4, 5, 5a, 5b,

1 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the  
2 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
3 Penalty and Interest Act.

4 (Source: P.A. 98-18, eff. 6-7-13.)

5 (230 ILCS 10/14) (from Ch. 120, par. 2414)

6 Sec. 14. Licensees - Records - Reports - Supervision.

7 (a) Licensed owners and organization gaming licensees ~~A~~  
8 ~~licensed owner~~ shall keep ~~his~~ books and records so as to  
9 clearly show the following:

10 (1) The amount received daily from admission fees.

11 (2) The total amount of gross receipts.

12 (3) The total amount of the adjusted gross receipts.

13 (b) Licensed owners and organization gaming licensees ~~The~~  
14 ~~licensed owner~~ shall furnish to the Board reports and  
15 information as the Board may require with respect to its  
16 activities on forms designed and supplied for such purpose by  
17 the Board.

18 (c) The books and records kept by a licensed owner as  
19 provided by this Section are public records and the  
20 examination, publication, and dissemination of the books and  
21 records are governed by the provisions of The Freedom of  
22 Information Act.

23 (Source: P.A. 86-1029.)

24 (230 ILCS 10/15) (from Ch. 120, par. 2415)

1           Sec. 15. Audit of Licensee Operations. Annually, the  
2 licensed owner, ~~or~~ manager, or organization gaming licensee  
3 shall transmit to the Board an audit of the financial  
4 transactions and condition of the licensee's or manager's total  
5 operations. Additionally, within 90 days after the end of each  
6 quarter of each fiscal year, the licensed owner, ~~or~~ manager, or  
7 organization gaming licensee shall transmit to the Board a  
8 compliance report on engagement procedures determined by the  
9 Board. All audits and compliance engagements shall be conducted  
10 by certified public accountants selected by the Board. Each  
11 certified public accountant must be registered in the State of  
12 Illinois under the Illinois Public Accounting Act. The  
13 compensation for each certified public accountant shall be paid  
14 directly by the licensed owner, ~~or~~ manager, or organization  
15 gaming licensee to the certified public accountant.

16           (Source: P.A. 96-1392, eff. 1-1-11.)

17           (230 ILCS 10/17) (from Ch. 120, par. 2417)

18           Sec. 17. Administrative Procedures. The Illinois  
19 Administrative Procedure Act shall apply to all administrative  
20 rules and procedures of the Board under this Act and ~~or~~ the  
21 Video Gaming Act, except that: (1) subsection (b) of Section  
22 5-10 of the Illinois Administrative Procedure Act does not  
23 apply to final orders, decisions and opinions of the Board; (2)  
24 subsection (a) of Section 5-10 of the Illinois Administrative  
25 Procedure Act does not apply to forms established by the Board

1 for use under this Act and or the Video Gaming Act; (3) the  
2 provisions of Section 10-45 of the Illinois Administrative  
3 Procedure Act regarding proposals for decision are excluded  
4 under this Act and ~~or~~ the Video Gaming Act; and (4) the  
5 provisions of subsection (d) of Section 10-65 of the Illinois  
6 Administrative Procedure Act do not apply so as to prevent  
7 summary suspension of any license pending revocation or other  
8 action, which suspension shall remain in effect unless modified  
9 by the Board or unless the Board's decision is reversed on the  
10 merits upon judicial review.

11 (Source: P.A. 96-34, eff. 7-13-09.)

12 (230 ILCS 10/17.1) (from Ch. 120, par. 2417.1)

13 Sec. 17.1. Judicial Review.

14 (a) Jurisdiction and venue for the judicial review of a  
15 final order of the Board relating to licensed owners,  
16 suppliers, organization gaming licensees, and ~~or~~ special event  
17 licenses is vested in the Appellate Court of the judicial  
18 district in which Sangamon County is located. A petition for  
19 judicial review of a final order of the Board must be filed in  
20 the Appellate Court, within 35 days from the date that a copy  
21 of the decision sought to be reviewed was served upon the party  
22 affected by the decision.

23 (b) Judicial review of all other final orders of the Board  
24 shall be conducted in accordance with the Administrative Review  
25 Law.

1 (Source: P.A. 88-1.)

2 (230 ILCS 10/18) (from Ch. 120, par. 2418)

3 Sec. 18. Prohibited Activities - Penalty.

4 (a) A person is guilty of a Class A misdemeanor for doing  
5 any of the following:

6 (1) Conducting gambling where wagering is used or to be  
7 used without a license issued by the Board.

8 (2) Conducting gambling where wagering is permitted  
9 other than in the manner specified by Section 11.

10 (b) A person is guilty of a Class B misdemeanor for doing  
11 any of the following:

12 (1) permitting a person under 21 years to make a wager;  
13 or

14 (2) violating paragraph (12) of subsection (a) of  
15 Section 11 of this Act.

16 (c) A person wagering or accepting a wager at any location  
17 outside the riverboat, casino, or organization gaming facility  
18 in violation of paragraph ~~is subject to the penalties in~~  
19 ~~paragraphs~~ (1) or (2) of subsection (a) of Section 28-1 of the  
20 Criminal Code of 2012 is subject to the penalties provided in  
21 that Section.

22 (d) A person commits a Class 4 felony and, in addition,  
23 shall be barred for life from gambling operations ~~riverboats~~  
24 under the jurisdiction of the Board, if the person does any of  
25 the following:

1           (1) Offers, promises, or gives anything of value or  
2 benefit to a person who is connected with a riverboat or  
3 casino owner or organization gaming licensee, including,  
4 but not limited to, an officer or employee of a licensed  
5 owner, organization gaming licensee, or holder of an  
6 occupational license pursuant to an agreement or  
7 arrangement or with the intent that the promise or thing of  
8 value or benefit will influence the actions of the person  
9 to whom the offer, promise, or gift was made in order to  
10 affect or attempt to affect the outcome of a gambling game,  
11 or to influence official action of a member of the Board.

12           (2) Solicits or knowingly accepts or receives a promise  
13 of anything of value or benefit while the person is  
14 connected with a riverboat, casino, or organization gaming  
15 facility, including, but not limited to, an officer or  
16 employee of a licensed owner or organization gaming  
17 licensee, or the holder of an occupational license,  
18 pursuant to an understanding or arrangement or with the  
19 intent that the promise or thing of value or benefit will  
20 influence the actions of the person to affect or attempt to  
21 affect the outcome of a gambling game, or to influence  
22 official action of a member of the Board.

23           (3) Uses or possesses with the intent to use a device  
24 to assist:

25           (i) In projecting the outcome of the game.

26           (ii) In keeping track of the cards played.

1           (iii) In analyzing the probability of the  
2           occurrence of an event relating to the gambling game.

3           (iv) In analyzing the strategy for playing or  
4           betting to be used in the game except as permitted by  
5           the Board.

6           (4) Cheats at a gambling game.

7           (5) Manufactures, sells, or distributes any cards,  
8           chips, dice, game or device which is intended to be used to  
9           violate any provision of this Act.

10          (6) Alters or misrepresents the outcome of a gambling  
11          game on which wagers have been made after the outcome is  
12          made sure but before it is revealed to the players.

13          (7) Places a bet after acquiring knowledge, not  
14          available to all players, of the outcome of the gambling  
15          game which is subject of the bet or to aid a person in  
16          acquiring the knowledge for the purpose of placing a bet  
17          contingent on that outcome.

18          (8) Claims, collects, or takes, or attempts to claim,  
19          collect, or take, money or anything of value in or from the  
20          gambling games, with intent to defraud, without having made  
21          a wager contingent on winning a gambling game, or claims,  
22          collects, or takes an amount of money or thing of value of  
23          greater value than the amount won.

24          (9) Uses counterfeit chips or tokens in a gambling  
25          game.

26          (10) Possesses any key or device designed for the



1           purpose of opening, entering, or affecting the operation of  
2           a gambling game, drop box, or an electronic or mechanical  
3           device connected with the gambling game or for removing  
4           coins, tokens, chips or other contents of a gambling game.  
5           This paragraph (10) does not apply to a gambling licensee  
6           or employee of a gambling licensee acting in furtherance of  
7           the employee's employment.

8           (e) The possession of more than one of the devices  
9           described in subsection (d), paragraphs (3), (5), or (10)  
10          permits a rebuttable presumption that the possessor intended to  
11          use the devices for cheating.

12          (f) A person under the age of 21 who, except as authorized  
13          under paragraph (10) of Section 11, enters upon a riverboat or  
14          in a casino or organization gaming facility commits a petty  
15          offense and is subject to a fine of not less than \$100 or more  
16          than \$250 for a first offense and of not less than \$200 or more  
17          than \$500 for a second or subsequent offense.

18          An action to prosecute any crime occurring on a riverboat  
19          shall be tried in the county of the dock at which the riverboat  
20          is based. An action to prosecute any crime occurring in a  
21          casino or organization gaming facility shall be tried in the  
22          county in which the casino or organization gaming facility is  
23          located.

24          (Source: P.A. 96-1392, eff. 1-1-11; 97-1150, eff. 1-25-13.)

1           Sec. 18.1. Distribution of certain fines. If a fine is  
2 imposed on an owners ~~owner~~ licensee or an organization gaming  
3 licensee for knowingly sending marketing or promotional  
4 materials to any person placed on the self-exclusion list, then  
5 the Board shall distribute an amount equal to 15% of the fine  
6 imposed to the unit of local government in which the casino,  
7 riverboat, or organization gaming facility is located for the  
8 purpose of awarding grants to non-profit entities that assist  
9 gambling addicts.

10       (Source: P.A. 96-224, eff. 8-11-09.)

11           (230 ILCS 10/19) (from Ch. 120, par. 2419)

12           Sec. 19. Forfeiture of property.

13           (a) Except as provided in subsection (b), any riverboat,  
14 casino, or organization gaming facility used for the conduct of  
15 gambling games in violation of this Act shall be considered a  
16 gambling place in violation of Section 28-3 of the Criminal  
17 Code of 2012. Every gambling device found on a riverboat, in a  
18 casino, or at an organization gaming facility operating  
19 gambling games in violation of this Act and every slot machine  
20 and video game of chance found at an organization gaming  
21 facility operating gambling games in violation of this Act  
22 shall be subject to seizure, confiscation and destruction as  
23 provided in Section 28-5 of the Criminal Code of 2012.

24           (b) It is not a violation of this Act for a riverboat or  
25 other watercraft which is licensed for gaming by a contiguous

1 state to dock on the shores of this State if the municipality  
2 having jurisdiction of the shores, or the county in the case of  
3 unincorporated areas, has granted permission for docking and no  
4 gaming is conducted on the riverboat or other watercraft while  
5 it is docked on the shores of this State. No gambling device  
6 shall be subject to seizure, confiscation or destruction if the  
7 gambling device is located on a riverboat or other watercraft  
8 which is licensed for gaming by a contiguous state and which is  
9 docked on the shores of this State if the municipality having  
10 jurisdiction of the shores, or the county in the case of  
11 unincorporated areas, has granted permission for docking and no  
12 gaming is conducted on the riverboat or other watercraft while  
13 it is docked on the shores of this State.

14 (Source: P.A. 97-1150, eff. 1-25-13.)

15 (230 ILCS 10/20) (from Ch. 120, par. 2420)

16 Sec. 20. Prohibited activities - civil penalties. Any  
17 person who conducts a gambling operation without first  
18 obtaining a license to do so, or who continues to conduct such  
19 games after revocation of his license, or any licensee who  
20 conducts or allows to be conducted any unauthorized gambling  
21 games on a riverboat, in a casino, or at an organization gaming  
22 facility where it is authorized to conduct its ~~riverboat~~  
23 gambling operation, in addition to other penalties provided,  
24 shall be subject to a civil penalty equal to the amount of  
25 gross receipts derived from wagering on the gambling games,

1 whether unauthorized or authorized, conducted on that day as  
2 well as confiscation and forfeiture of all gambling game  
3 equipment used in the conduct of unauthorized gambling games.

4 (Source: P.A. 86-1029.)

5 (230 ILCS 10/24)

6 Sec. 24. Applicability of this ~~Illinois Riverboat Gambling~~  
7 Act. The provisions of this ~~the Illinois Riverboat Gambling~~  
8 Act, and all rules promulgated thereunder, shall apply to the  
9 Video Gaming Act, except where there is a conflict between the  
10 ~~2~~ Acts. In the event of a conflict between this Act and the  
11 Video Gaming Act, the terms of this Act shall prevail.

12 (Source: P.A. 96-37, eff. 7-13-09.)

13 Section 35-60. The Video Gaming Act is amended by changing  
14 Sections 5, 15, 20, 25, 30, 35, 45, 55, 58, 60, 79, and 80 as  
15 follows:

16 (230 ILCS 40/5)

17 Sec. 5. Definitions. As used in this Act:

18 "Board" means the Illinois Gaming Board.

19 "Credit" means one, 5, 10, or 25 cents either won or  
20 purchased by a player.

21 "Distributor" means an individual, partnership,  
22 corporation, or limited liability company licensed under this  
23 Act to buy, sell, lease, or distribute video gaming terminals

1 or major components or parts of video gaming terminals to or  
2 from terminal operators.

3 "Electronic card" means a card purchased from a licensed  
4 establishment, licensed fraternal establishment, licensed  
5 veterans establishment, ~~or~~ licensed truck stop establishment,  
6 or licensed large truck stop establishment for use in that  
7 establishment as a substitute for cash in the conduct of gaming  
8 on a video gaming terminal.

9 "Electronic voucher" means a voucher printed by an  
10 electronic video game machine that is redeemable in the  
11 licensed establishment for which it was issued.

12 "In-location bonus jackpot" means one or more video gaming  
13 terminals at a single licensed establishment that allows for  
14 wagers placed on such video gaming terminals to contribute to a  
15 cumulative maximum jackpot of up to \$10,000.

16 "Terminal operator" means an individual, partnership,  
17 corporation, or limited liability company that is licensed  
18 under this Act and that owns, services, and maintains video  
19 gaming terminals for placement in licensed establishments,  
20 licensed truck stop establishments, licensed large truck stop  
21 establishments, licensed fraternal establishments, or licensed  
22 veterans establishments.

23 "Licensed technician" means an individual who is licensed  
24 under this Act to repair, service, and maintain video gaming  
25 terminals.

26 "Licensed terminal handler" means a person, including but

1 not limited to an employee or independent contractor working  
2 for a manufacturer, distributor, supplier, technician, or  
3 terminal operator, who is licensed under this Act to possess or  
4 control a video gaming terminal or to have access to the inner  
5 workings of a video gaming terminal. A licensed terminal  
6 handler does not include an individual, partnership,  
7 corporation, or limited liability company defined as a  
8 manufacturer, distributor, supplier, technician, or terminal  
9 operator under this Act.

10 "Manufacturer" means an individual, partnership,  
11 corporation, or limited liability company that is licensed  
12 under this Act and that manufactures or assembles video gaming  
13 terminals.

14 "Supplier" means an individual, partnership, corporation,  
15 or limited liability company that is licensed under this Act to  
16 supply major components or parts to video gaming terminals to  
17 licensed terminal operators.

18 "Net terminal income" means money put into a video gaming  
19 terminal minus credits paid out to players.

20 "Video gaming terminal" means any electronic video game  
21 machine that, upon insertion of cash, electronic cards or  
22 vouchers, or any combination thereof, is available to play or  
23 simulate the play of a video game, including but not limited to  
24 video poker, line up, and blackjack, as authorized by the Board  
25 utilizing a video display and microprocessors in which the  
26 player may receive free games or credits that can be redeemed

1 for cash. The term does not include a machine that directly  
2 dispenses coins, cash, or tokens or is for amusement purposes  
3 only.

4 "Licensed establishment" means any licensed retail  
5 establishment where alcoholic liquor is drawn, poured, mixed,  
6 or otherwise served for consumption on the premises, whether  
7 the establishment operates on a nonprofit or for-profit basis.

8 "Licensed establishment" includes any such establishment that  
9 has a contractual relationship with an inter-track wagering  
10 location licensee licensed under the Illinois Horse Racing Act  
11 of 1975, provided any contractual relationship shall not  
12 include any transfer or offer of revenue from the operation of  
13 video gaming under this Act to any licensee licensed under the  
14 Illinois Horse Racing Act of 1975. Provided, however, that the  
15 licensed establishment that has such a contractual  
16 relationship with an inter-track wagering location licensee  
17 may not, itself, be (i) an inter-track wagering location  
18 licensee, (ii) the corporate parent or subsidiary of any  
19 licensee licensed under the Illinois Horse Racing Act of 1975,  
20 or (iii) the corporate subsidiary of a corporation that is also  
21 the corporate parent or subsidiary of any licensee licensed  
22 under the Illinois Horse Racing Act of 1975. "Licensed  
23 establishment" does not include a facility operated by an  
24 organization licensee, an inter-track wagering licensee, or an  
25 inter-track wagering location licensee licensed under the  
26 Illinois Horse Racing Act of 1975 or a riverboat licensed under

1 the Illinois Riverboat Gambling Act, except as provided in this  
2 paragraph. The changes made to this definition by Public Act  
3 98-587 are declarative of existing law.

4 "Licensed fraternal establishment" means the location  
5 where a qualified fraternal organization that derives its  
6 charter from a national fraternal organization regularly  
7 meets.

8 "Licensed veterans establishment" means the location where  
9 a qualified veterans organization that derives its charter from  
10 a national veterans organization regularly meets.

11 "Licensed truck stop establishment" means a facility (i)  
12 that is at least a 3-acre facility with a convenience store,  
13 (ii) with separate diesel islands for fueling commercial motor  
14 vehicles, (iii) that sells at retail more than 10,000 gallons  
15 of diesel or biodiesel fuel per month, and (iv) with parking  
16 spaces for commercial motor vehicles. "Commercial motor  
17 vehicles" has the same meaning as defined in Section 18b-101 of  
18 the Illinois Vehicle Code. The requirement of item (iii) of  
19 this paragraph may be met by showing that estimated future  
20 sales or past sales average at least 10,000 gallons per month.

21 "Licensed large truck stop establishment" means a facility  
22 located within 3 road miles from a freeway interchange, as  
23 measured in accordance with the Department of Transportation's  
24 rules regarding the criteria for the installation of business  
25 signs: (i) that is at least a 3-acre facility with a  
26 convenience store, (ii) with separate diesel islands for



1 fueling commercial motor vehicles, (iii) that sells at retail  
2 more than 50,000 gallons of diesel or biodiesel fuel per month,  
3 and (iv) with parking spaces for commercial motor vehicles.  
4 "Commercial motor vehicles" has the same meaning as defined in  
5 Section 18b-101 of the Illinois Vehicle Code. The requirement  
6 of item (iii) of this paragraph may be met by showing that  
7 estimated future sales or past sales average at least 50,000  
8 gallons per month.

9 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13;  
10 98-582, eff. 8-27-13; 98-587, eff. 8-27-13; 98-756, eff.  
11 7-16-14.)

12 (230 ILCS 40/15)

13 Sec. 15. Minimum requirements for licensing and  
14 registration. Every video gaming terminal offered for play  
15 shall first be tested and approved pursuant to the rules of the  
16 Board, and each video gaming terminal offered in this State for  
17 play shall conform to an approved model. For the examination of  
18 video gaming machines and associated equipment as required by  
19 this Section, the Board shall ~~may~~ utilize the services of ~~one~~  
20 ~~or more~~ independent outside testing laboratories that have been  
21 accredited in accordance with ISO/IEC 17025 by an accreditation  
22 body that is a signatory to the International Laboratory  
23 Accreditation Cooperation Mutual Recognition Agreement  
24 signifying they are qualified to ~~by a national accreditation~~  
25 ~~body and that, in the judgment of the Board, are qualified to~~

1 perform such examinations. Notwithstanding any law to the  
2 contrary, the Board shall consider the licensing of independent  
3 outside testing laboratory applicants in accordance with  
4 procedures established by the Board by rule. The Board shall  
5 not withhold its approval of an independent outside testing  
6 laboratory license applicant that has been accredited as  
7 required by this Section and is licensed in gaming  
8 jurisdictions comparable to Illinois. Upon the finalization of  
9 required rules, the Board shall license independent testing  
10 laboratories and accept the test reports of any licensed  
11 testing laboratory of the video gaming machine's or associated  
12 equipment manufacturer's choice, notwithstanding the existence  
13 of contracts between the Board and any independent testing  
14 laboratory. Every video gaming terminal offered in this State  
15 for play must meet minimum standards ~~set by an independent~~  
16 ~~outside testing laboratory~~ approved by the Board. Each approved  
17 model shall, at a minimum, meet the following criteria:

18 (1) It must conform to all requirements of federal law  
19 and regulations, including FCC Class A Emissions  
20 Standards.

21 (2) It must theoretically pay out a mathematically  
22 demonstrable percentage during the expected lifetime of  
23 the machine of all amounts played, which must not be less  
24 than 80%. The Board shall establish a maximum payout  
25 percentage for approved models by rule. Video gaming  
26 terminals that may be affected by skill must meet this

1 standard when using a method of play that will provide the  
2 greatest return to the player over a period of continuous  
3 play.

4 (3) It must use a random selection process to determine  
5 the outcome of each play of a game. The random selection  
6 process must meet 99% confidence limits using a standard  
7 chi-squared test for (randomness) goodness of fit.

8 (4) It must display an accurate representation of the  
9 game outcome.

10 (5) It must not automatically alter pay tables or any  
11 function of the video gaming terminal based on internal  
12 computation of hold percentage or have any means of  
13 manipulation that affects the random selection process or  
14 probabilities of winning a game.

15 (6) It must not be adversely affected by static  
16 discharge or other electromagnetic interference.

17 (7) It must be capable of detecting and displaying the  
18 following conditions during idle states or on demand: power  
19 reset; door open; and door just closed.

20 (8) It must have the capacity to display complete play  
21 history (outcome, intermediate play steps, credits  
22 available, bets placed, credits paid, and credits cashed  
23 out) for the most recent game played and 10 games prior  
24 thereto.

25 (9) The theoretical payback percentage of a video  
26 gaming terminal must not be capable of being changed

1 without making a hardware or software change in the video  
2 gaming terminal, either on site or via the central  
3 communications system.

4 (10) Video gaming terminals must be designed so that  
5 replacement of parts or modules required for normal  
6 maintenance does not necessitate replacement of the  
7 electromechanical meters.

8 (11) It must have nonresettable meters housed in a  
9 locked area of the terminal that keep a permanent record of  
10 all cash inserted into the machine, all winnings made by  
11 the terminal printer, credits played in for video gaming  
12 terminals, and credits won by video gaming players. The  
13 video gaming terminal must provide the means for on-demand  
14 display of stored information as determined by the Board.

15 (12) Electronically stored meter information required  
16 by this Section must be preserved for a minimum of 180 days  
17 after a power loss to the service.

18 (13) It must have one or more mechanisms that accept  
19 cash in the form of bills. The mechanisms shall be designed  
20 to prevent obtaining credits without paying by stringing,  
21 slamming, drilling, or other means. If such attempts at  
22 physical tampering are made, the video gaming terminal  
23 shall suspend itself from operating until reset.

24 (14) It shall have accounting software that keeps an  
25 electronic record which includes, but is not limited to,  
26 the following: total cash inserted into the video gaming

1 terminal; the value of winning tickets claimed by players;  
2 the total credits played; the total credits awarded by a  
3 video gaming terminal; and pay back percentage credited to  
4 players of each video game.

5 (15) It shall be linked by a central communications  
6 system to provide auditing program information as approved  
7 by the Board. The central communications system shall use a  
8 standard industry protocol, as defined by the Gaming  
9 Standards Association, and shall have the functionality to  
10 enable the Board or its designee to activate or deactivate  
11 individual gaming devices from the central communications  
12 system. In no event may the communications system approved  
13 by the Board limit participation to only one manufacturer  
14 of video gaming terminals by either the cost in  
15 implementing the necessary program modifications to  
16 communicate or the inability to communicate with the  
17 central communications system.

18 (16) The Board, in its discretion, may require video  
19 gaming terminals to display Amber Alert messages if the  
20 Board makes a finding that it would be economically and  
21 technically feasible and pose no risk to the integrity and  
22 security of the central communications system and video  
23 gaming terminals.

24 Licensed terminal handlers shall have access to video  
25 gaming terminals, including, but not limited to, logic door  
26 access, without the physical presence or supervision of the

1 Board or its agent to perform, in coordination with and with  
2 project approval from the central communication system  
3 provider:

4 (i) the clearing of the random access memory and  
5 reprogramming of the video gaming terminal;

6 (ii) the installation of new video gaming terminal  
7 software and software upgrades that have been approved by  
8 the Board;

9 (iii) the placement, connection to the central  
10 communication system, and go-live operation of video  
11 gaming terminals at a licensed establishment, licensed  
12 truck stop establishment, licensed large truck stop  
13 establishment, licensed fraternal establishment, or  
14 licensed veterans establishment;

15 (iv) the repair and maintenance of a video gaming  
16 terminal located at a licensed establishment, licensed  
17 truck stop establishment, licensed large truck stop  
18 establishment, licensed fraternal establishment, or  
19 licensed veterans establishment, including, but not  
20 limited to, the replacement of the video gaming terminal  
21 with a new video gaming terminal;

22 (v) the temporary movement, disconnection,  
23 replacement, and reconnection of video gaming terminals to  
24 allow for physical improvements and repairs at a licensed  
25 establishment, licensed truck stop establishment, licensed  
26 large truck stop establishment, licensed fraternal

1       establishment, or licensed veterans establishment, such as  
2       replacement of flooring, interior repairs, and other  
3       similar activities; and

4           (vi) such other functions as the Board may otherwise  
5       authorize.

6       The Board shall, at a licensed terminal operator's expense,  
7       cause all keys and other required devices to be provided to a  
8       terminal operator necessary to allow the licensed terminal  
9       handler access to the logic door to the terminal operator's  
10       video gaming terminals.

11       The Board may adopt rules to establish additional criteria  
12       to preserve the integrity and security of video gaming in this  
13       State. The central communications system vendor may be licensed  
14       as a video gaming terminal manufacturer or a video gaming  
15       terminal distributor, or both, but in no event shall the  
16       central communications system vendor be licensed as a video  
17       gaming terminal operator.

18       The Board shall not permit the development of information  
19       or the use by any licensee of gaming device or individual game  
20       performance data. Nothing in this Act shall inhibit or prohibit  
21       the Board from the use of gaming device or individual game  
22       performance data in its regulatory duties. The Board shall  
23       adopt rules to ensure that all licensees are treated and all  
24       licensees act in a non-discriminatory manner and develop  
25       processes and penalties to enforce those rules.

26       (Source: P.A. 98-31, eff. 6-24-13; 98-377, eff. 1-1-14; 98-582,

1 eff. 8-27-13; 98-756, eff. 7-16-14.)

2 (230 ILCS 40/20)

3 Sec. 20. Video gaming terminal payouts ~~Direct dispensing of~~  
4 ~~receipt tickets only.~~

5 (a) A video gaming terminal may not directly dispense  
6 coins, cash, tokens, or any other article of exchange or value  
7 except for receipt tickets. Tickets shall be dispensed by  
8 pressing the ticket dispensing button on the video gaming  
9 terminal at the end of one's turn or play. The ticket shall  
10 indicate the total amount of credits and the cash award, the  
11 time of day in a 24-hour format showing hours and minutes, the  
12 date, the terminal serial number, the sequential number of the  
13 ticket, and an encrypted validation number from which the  
14 validity of the prize may be determined. The player shall turn  
15 in this ticket to the appropriate person at the licensed  
16 establishment, licensed truck stop establishment, licensed  
17 large truck stop establishment, licensed fraternal  
18 establishment, or licensed veterans establishment to receive  
19 the cash award.

20 (b) The cost of the credit shall be one cent, 5 cents, 10  
21 cents, ~~or~~ 25 cents, or \$1, and the maximum wager played per  
22 hand shall not exceed \$4 ~~\$2~~. No cash award for the maximum  
23 wager on any individual hand shall exceed \$1,199 ~~\$500~~. No cash  
24 award for the maximum wager on a jackpot, progressive or  
25 otherwise, shall exceed \$10,000.



1       (c) In-location bonus jackpot games are hereby authorized.  
2       The Board shall adopt emergency rules pursuant to Section 5-45  
3       of the Illinois Administrative Procedure Act to implement this  
4       subsection (c) within 90 days after the effective date of this  
5       amendatory Act of the 101st General Assembly. Jackpot winnings  
6       from in-location progressive games shall be paid by the  
7       terminal operator to the player not later than 3 days after  
8       winning such a jackpot.

9       (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

10       (230 ILCS 40/25)

11       Sec. 25. Restriction of licensees.

12       (a) Manufacturer. A person may not be licensed as a  
13 manufacturer of a video gaming terminal in Illinois unless the  
14 person has a valid manufacturer's license issued under this  
15 Act. A manufacturer may only sell video gaming terminals for  
16 use in Illinois to persons having a valid distributor's  
17 license.

18       (b) Distributor. A person may not sell, distribute, or  
19 lease or market a video gaming terminal in Illinois unless the  
20 person has a valid distributor's license issued under this Act.  
21 A distributor may only sell video gaming terminals for use in  
22 Illinois to persons having a valid distributor's or terminal  
23 operator's license.

24       (c) Terminal operator. A person may not own, maintain, or  
25 place a video gaming terminal unless he has a valid terminal

1 operator's license issued under this Act. A terminal operator  
2 may only place video gaming terminals for use in Illinois in  
3 licensed establishments, licensed truck stop establishments,  
4 licensed large truck stop establishments, licensed fraternal  
5 establishments, and licensed veterans establishments. No  
6 terminal operator may give anything of value, including but not  
7 limited to a loan or financing arrangement, to a licensed  
8 establishment, licensed truck stop establishment, licensed  
9 large truck stop establishment, licensed fraternal  
10 establishment, or licensed veterans establishment as any  
11 incentive or inducement to locate video terminals in that  
12 establishment. Of the after-tax profits from a video gaming  
13 terminal, 50% shall be paid to the terminal operator and 50%  
14 shall be paid to the licensed establishment, licensed truck  
15 stop establishment, licensed large truck stop establishment,  
16 licensed fraternal establishment, or licensed veterans  
17 establishment, notwithstanding any agreement to the contrary.  
18 A video terminal operator that violates one or more  
19 requirements of this subsection is guilty of a Class 4 felony  
20 and is subject to termination of his or her license by the  
21 Board.

22 (d) Licensed technician. A person may not service,  
23 maintain, or repair a video gaming terminal in this State  
24 unless he or she (1) has a valid technician's license issued  
25 under this Act, (2) is a terminal operator, or (3) is employed  
26 by a terminal operator, distributor, or manufacturer.

1 (d-5) Licensed terminal handler. No person, including, but  
2 not limited to, an employee or independent contractor working  
3 for a manufacturer, distributor, supplier, technician, or  
4 terminal operator licensed pursuant to this Act, shall have  
5 possession or control of a video gaming terminal, or access to  
6 the inner workings of a video gaming terminal, unless that  
7 person possesses a valid terminal handler's license issued  
8 under this Act.

9 (e) Licensed establishment. No video gaming terminal may be  
10 placed in any licensed establishment, licensed veterans  
11 establishment, licensed truck stop establishment, licensed  
12 large truck stop establishment, or licensed fraternal  
13 establishment unless the owner or agent of the owner of the  
14 licensed establishment, licensed veterans establishment,  
15 licensed truck stop establishment, licensed large truck stop  
16 establishment, or licensed fraternal establishment has entered  
17 into a written use agreement with the terminal operator for  
18 placement of the terminals. A copy of the use agreement shall  
19 be on file in the terminal operator's place of business and  
20 available for inspection by individuals authorized by the  
21 Board. A licensed establishment, licensed truck stop  
22 establishment, licensed veterans establishment, or licensed  
23 fraternal establishment may operate up to 6 ~~5~~ video gaming  
24 terminals on its premises at any time. A licensed large truck  
25 stop establishment may operate up to 10 video gaming terminals  
26 on its premises at any time.

1 (f) (Blank).

2 (g) Financial interest restrictions. As used in this Act,  
3 "substantial interest" in a partnership, a corporation, an  
4 organization, an association, a business, or a limited  
5 liability company means:

6 (A) When, with respect to a sole proprietorship, an  
7 individual or his or her spouse owns, operates, manages, or  
8 conducts, directly or indirectly, the organization,  
9 association, or business, or any part thereof; or

10 (B) When, with respect to a partnership, the individual  
11 or his or her spouse shares in any of the profits, or  
12 potential profits, of the partnership activities; or

13 (C) When, with respect to a corporation, an individual  
14 or his or her spouse is an officer or director, or the  
15 individual or his or her spouse is a holder, directly or  
16 beneficially, of 5% or more of any class of stock of the  
17 corporation; or

18 (D) When, with respect to an organization not covered  
19 in (A), (B) or (C) above, an individual or his or her  
20 spouse is an officer or manages the business affairs, or  
21 the individual or his or her spouse is the owner of or  
22 otherwise controls 10% or more of the assets of the  
23 organization; or

24 (E) When an individual or his or her spouse furnishes  
25 5% or more of the capital, whether in cash, goods, or  
26 services, for the operation of any business, association,

1 or organization during any calendar year; or

2 (F) When, with respect to a limited liability company,  
3 an individual or his or her spouse is a member, or the  
4 individual or his or her spouse is a holder, directly or  
5 beneficially, of 5% or more of the membership interest of  
6 the limited liability company.

7 For purposes of this subsection (g), "individual" includes  
8 all individuals or their spouses whose combined interest would  
9 qualify as a substantial interest under this subsection (g) and  
10 whose activities with respect to an organization, association,  
11 or business are so closely aligned or coordinated as to  
12 constitute the activities of a single entity.

13 (h) Location restriction. A licensed establishment,  
14 licensed truck stop establishment, licensed large truck stop  
15 establishment, licensed fraternal establishment, or licensed  
16 veterans establishment that is (i) located within 1,000 feet of  
17 a facility operated by an organization licensee licensed under  
18 the Illinois Horse Racing Act of 1975 or the home dock of a  
19 riverboat licensed under the Illinois Riverboat ~~Riverboat~~ Gambling Act or  
20 (ii) located within 100 feet of a school or a place of worship  
21 under the Religious Corporation Act, is ineligible to operate a  
22 video gaming terminal. The location restrictions in this  
23 subsection (h) do not apply if (A) a facility operated by an  
24 organization licensee, a school, or a place of worship moves to  
25 or is established within the restricted area after a licensed  
26 establishment, licensed truck stop establishment, licensed

1 large truck stop establishment, licensed fraternal  
2 establishment, or licensed veterans establishment becomes  
3 licensed under this Act or (B) a school or place of worship  
4 moves to or is established within the restricted area after a  
5 licensed establishment, licensed truck stop establishment,  
6 licensed large truck stop establishment, licensed fraternal  
7 establishment, or licensed veterans establishment obtains its  
8 original liquor license. For the purpose of this subsection,  
9 "school" means an elementary or secondary public school, or an  
10 elementary or secondary private school registered with or  
11 recognized by the State Board of Education.

12 Notwithstanding the provisions of this subsection (h), the  
13 Board may waive the requirement that a licensed establishment,  
14 licensed truck stop establishment, licensed large truck stop  
15 establishment, licensed fraternal establishment, or licensed  
16 veterans establishment not be located within 1,000 feet from a  
17 facility operated by an organization licensee licensed under  
18 the Illinois Horse Racing Act of 1975 or the home dock of a  
19 riverboat licensed under the Illinois Riverboat ~~Riverboat~~ Gambling Act.  
20 The Board shall not grant such waiver if there is any common  
21 ownership or control, shared business activity, or contractual  
22 arrangement of any type between the establishment and the  
23 organization licensee or owners licensee of a riverboat. The  
24 Board shall adopt rules to implement the provisions of this  
25 paragraph.

26 (h-5) Restrictions on licenses in malls. The Board shall

1 not grant an application to become a licensed video gaming  
2 location if the Board determines that granting the application  
3 would more likely than not cause a terminal operator,  
4 individually or in combination with other terminal operators,  
5 licensed video gaming location, or other person or entity, to  
6 operate the video gaming terminals in 2 or more licensed video  
7 gaming locations as a single video gaming operation.

8 (1) In making determinations under this subsection  
9 (h-5), factors to be considered by the Board shall include,  
10 but not be limited to, the following:

11 (A) the physical aspects of the location;

12 (B) the ownership, control, or management of the  
13 location;

14 (C) any arrangements, understandings, or  
15 agreements, written or otherwise, among or involving  
16 any persons or entities that involve the conducting of  
17 any video gaming business or the sharing of costs or  
18 revenues; and

19 (D) the manner in which any terminal operator or  
20 other related entity markets, advertises, or otherwise  
21 describes any location or locations to any other person  
22 or entity or to the public.

23 (2) The Board shall presume, subject to rebuttal, that  
24 the granting of an application to become a licensed video  
25 gaming location within a mall will cause a terminal  
26 operator, individually or in combination with other

1 persons or entities, to operate the video gaming terminals  
2 in 2 or more licensed video gaming locations as a single  
3 video gaming operation if the Board determines that  
4 granting the license would create a local concentration of  
5 licensed video gaming locations.

6 For the purposes of this subsection (h-5):

7 "Mall" means a building, or adjoining or connected  
8 buildings, containing 4 or more separate locations.

9 "Video gaming operation" means the conducting of video  
10 gaming and all related activities.

11 "Location" means a space within a mall containing a  
12 separate business, a place for a separate business, or a place  
13 subject to a separate leasing arrangement by the mall owner.

14 "Licensed video gaming location" means a licensed  
15 establishment, licensed fraternal establishment, licensed  
16 veterans establishment, licensed truck stop establishment, or  
17 licensed large truck stop.

18 "Local concentration of licensed video gaming locations"  
19 means that the combined number of licensed video gaming  
20 locations within a mall exceed half of the separate locations  
21 within the mall.

22 (i) Undue economic concentration. In addition to  
23 considering all other requirements under this Act, in deciding  
24 whether to approve the operation of video gaming terminals by a  
25 terminal operator in a location, the Board shall consider the  
26 impact of any economic concentration of such operation of video



1 gaming terminals. The Board shall not allow a terminal operator  
2 to operate video gaming terminals if the Board determines such  
3 operation will result in undue economic concentration. For  
4 purposes of this Section, "undue economic concentration" means  
5 that a terminal operator would have such actual or potential  
6 influence over video gaming terminals in Illinois as to:

7 (1) substantially impede or suppress competition among  
8 terminal operators;

9 (2) adversely impact the economic stability of the  
10 video gaming industry in Illinois; or

11 (3) negatively impact the purposes of the Video Gaming  
12 Act.

13 The Board shall adopt rules concerning undue economic  
14 concentration with respect to the operation of video gaming  
15 terminals in Illinois. The rules shall include, but not be  
16 limited to, (i) limitations on the number of video gaming  
17 terminals operated by any terminal operator within a defined  
18 geographic radius and (ii) guidelines on the discontinuation of  
19 operation of any such video gaming terminals the Board  
20 determines will cause undue economic concentration.

21 (j) The provisions of the Illinois Antitrust Act are fully  
22 and equally applicable to the activities of any licensee under  
23 this Act.

24 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13; 98-77,  
25 eff. 7-15-13; 98-112, eff. 7-26-13; 98-756, eff. 7-16-14.)

1 (230 ILCS 40/30)

2 Sec. 30. Multiple types of licenses prohibited. A video  
3 gaming terminal manufacturer may not be licensed as a video  
4 gaming terminal operator or own, manage, or control a licensed  
5 establishment, licensed truck stop establishment, licensed  
6 large truck stop establishment, licensed fraternal  
7 establishment, or licensed veterans establishment, and shall  
8 be licensed to sell only to persons having a valid  
9 distributor's license or, if the manufacturer also holds a  
10 valid distributor's license, to sell, distribute, lease, or  
11 market to persons having a valid terminal operator's license. A  
12 video gaming terminal distributor may not be licensed as a  
13 video gaming terminal operator or own, manage, or control a  
14 licensed establishment, licensed truck stop establishment,  
15 licensed large truck stop establishment, licensed fraternal  
16 establishment, or licensed veterans establishment, and shall  
17 only contract with a licensed terminal operator. A video gaming  
18 terminal operator may not be licensed as a video gaming  
19 terminal manufacturer or distributor or own, manage, or control  
20 a licensed establishment, licensed truck stop establishment,  
21 licensed large truck stop establishment, licensed fraternal  
22 establishment, or licensed veterans establishment, and shall  
23 be licensed only to contract with licensed distributors and  
24 licensed establishments, licensed truck stop establishments,  
25 licensed large truck stop establishments, licensed fraternal  
26 establishments, and licensed veterans establishments. An owner

1 or manager of a licensed establishment, licensed truck stop  
2 establishment, licensed large truck stop establishment,  
3 licensed fraternal establishment, or licensed veterans  
4 establishment may not be licensed as a video gaming terminal  
5 manufacturer, distributor, or operator, and shall only  
6 contract with a licensed operator to place and service this  
7 equipment.

8 (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

9 (230 ILCS 40/35)

10 Sec. 35. Display of license; confiscation; violation as  
11 felony.

12 (a) Each video gaming terminal shall be licensed by the  
13 Board before placement or operation on the premises of a  
14 licensed establishment, licensed truck stop establishment,  
15 licensed large truck stop establishment, licensed fraternal  
16 establishment, or licensed veterans establishment. The license  
17 of each video gaming terminal shall be maintained at the  
18 location where the video gaming terminal is operated. Failure  
19 to do so is a petty offense with a fine not to exceed \$100. Any  
20 licensed establishment, licensed truck stop establishment,  
21 licensed large truck stop establishment, licensed fraternal  
22 establishment, or licensed veterans establishment used for the  
23 conduct of gambling games in violation of this Act shall be  
24 considered a gambling place in violation of Section 28-3 of the  
25 Criminal Code of 2012. Every gambling device found in a

1 licensed establishment, licensed truck stop establishment,  
2 licensed large truck stop establishment, licensed fraternal  
3 establishment, or licensed veterans establishment operating  
4 gambling games in violation of this Act shall be subject to  
5 seizure, confiscation, and destruction as provided in Section  
6 28-5 of the Criminal Code of 2012. Any license issued under the  
7 Liquor Control Act of 1934 to any owner or operator of a  
8 licensed establishment, licensed truck stop establishment,  
9 licensed large truck stop establishment, licensed fraternal  
10 establishment, or licensed veterans establishment that  
11 operates or permits the operation of a video gaming terminal  
12 within its establishment in violation of this Act shall be  
13 immediately revoked. No person may own, operate, have in his or  
14 her possession or custody or under his or her control, or  
15 permit to be kept in any place under his or her possession or  
16 control, any device that awards credits and contains a circuit,  
17 meter, or switch capable of removing and recording the removal  
18 of credits when the award of credits is dependent upon chance.

19 Nothing in this Section shall be deemed to prohibit the use  
20 of a game device only if the game device is used in an activity  
21 that is not gambling under subsection (b) of Section 28-1 of  
22 the Criminal Code of 2012.

23 A violation of this Section is a Class 4 felony. All  
24 devices that are owned, operated, or possessed in violation of  
25 this Section are hereby declared to be public nuisances and  
26 shall be subject to seizure, confiscation, and destruction as

1 provided in Section 28-5 of the Criminal Code of 2012.

2 The provisions of this Section do not apply to devices or  
3 electronic video game terminals licensed pursuant to this Act.  
4 A video gaming terminal operated for amusement only and bearing  
5 a valid amusement tax sticker shall not be subject to this  
6 Section until 30 days after the Board establishes that the  
7 central communications system is functional.

8 (b) (1) The odds of winning each video game shall be posted  
9 on or near each video gaming terminal. The manner in which the  
10 odds are calculated and how they are posted shall be determined  
11 by the Board by rule.

12 (2) No video gaming terminal licensed under this Act may be  
13 played except during the legal hours of operation allowed for  
14 the consumption of alcoholic beverages at the licensed  
15 establishment, licensed fraternal establishment, or licensed  
16 veterans establishment. A licensed establishment, licensed  
17 fraternal establishment, or licensed veterans establishment  
18 that violates this subsection is subject to termination of its  
19 license by the Board.

20 (Source: P.A. 97-1150, eff. 1-25-13; 98-111, eff. 1-1-14.)

21 (230 ILCS 40/45)

22 Sec. 45. Issuance of license.

23 (a) The burden is upon each applicant to demonstrate his  
24 suitability for licensure. Each video gaming terminal  
25 manufacturer, distributor, supplier, operator, handler,

1 licensed establishment, licensed truck stop establishment,  
2 licensed large truck stop establishment, licensed fraternal  
3 establishment, and licensed veterans establishment shall be  
4 licensed by the Board. The Board may issue or deny a license  
5 under this Act to any person pursuant to the same criteria set  
6 forth in Section 9 of the Illinois Riverboat Gambling Act.

7 (a-5) The Board shall not grant a license to a person who  
8 has facilitated, enabled, or participated in the use of  
9 coin-operated devices for gambling purposes or who is under the  
10 significant influence or control of such a person. For the  
11 purposes of this Act, "facilitated, enabled, or participated in  
12 the use of coin-operated amusement devices for gambling  
13 purposes" means that the person has been convicted of any  
14 violation of Article 28 of the Criminal Code of 1961 or the  
15 Criminal Code of 2012. If there is pending legal action against  
16 a person for any such violation, then the Board shall delay the  
17 licensure of that person until the legal action is resolved.

18 (b) Each person seeking and possessing a license as a video  
19 gaming terminal manufacturer, distributor, supplier, operator,  
20 handler, licensed establishment, licensed truck stop  
21 establishment, licensed large truck stop establishment,  
22 licensed fraternal establishment, or licensed veterans  
23 establishment shall submit to a background investigation  
24 conducted by the Board with the assistance of the State Police  
25 or other law enforcement. To the extent that the corporate  
26 structure of the applicant allows, the background

1 investigation shall include any or all of the following as the  
2 Board deems appropriate or as provided by rule for each  
3 category of licensure: (i) each beneficiary of a trust, (ii)  
4 each partner of a partnership, (iii) each member of a limited  
5 liability company, (iv) each director and officer of a publicly  
6 or non-publicly held corporation, (v) each stockholder of a  
7 non-publicly held corporation, (vi) each stockholder of 5% or  
8 more of a publicly held corporation, or (vii) each stockholder  
9 of 5% or more in a parent or subsidiary corporation.

10 (c) Each person seeking and possessing a license as a video  
11 gaming terminal manufacturer, distributor, supplier, operator,  
12 handler, licensed establishment, licensed truck stop  
13 establishment, licensed large truck stop establishment,  
14 licensed fraternal establishment, or licensed veterans  
15 establishment shall disclose the identity of every person,  
16 association, trust, corporation, or limited liability company  
17 having a greater than 1% direct or indirect pecuniary interest  
18 in the video gaming terminal operation for which the license is  
19 sought. If the disclosed entity is a trust, the application  
20 shall disclose the names and addresses of the beneficiaries; if  
21 a corporation, the names and addresses of all stockholders and  
22 directors; if a limited liability company, the names and  
23 addresses of all members; or if a partnership, the names and  
24 addresses of all partners, both general and limited.

25 (d) No person may be licensed as a video gaming terminal  
26 manufacturer, distributor, supplier, operator, handler,

1 licensed establishment, licensed truck stop establishment,  
 2 licensed large truck stop establishment, licensed fraternal  
 3 establishment, or licensed veterans establishment if that  
 4 person has been found by the Board to:

5 (1) have a background, including a criminal record,  
 6 reputation, habits, social or business associations, or  
 7 prior activities that pose a threat to the public interests  
 8 of the State or to the security and integrity of video  
 9 gaming;

10 (2) create or enhance the dangers of unsuitable,  
 11 unfair, or illegal practices, methods, and activities in  
 12 the conduct of video gaming; or

13 (3) present questionable business practices and  
 14 financial arrangements incidental to the conduct of video  
 15 gaming activities.

16 (e) Any applicant for any license under this Act has the  
 17 burden of proving his or her qualifications to the satisfaction  
 18 of the Board. The Board may adopt rules to establish additional  
 19 qualifications and requirements to preserve the integrity and  
 20 security of video gaming in this State.

21 (f) A non-refundable application fee shall be paid at the  
 22 time an application for a license is filed with the Board in  
 23 the following amounts:

- 24 (1) Manufacturer ..... \$5,000
- 25 (2) Distributor..... \$5,000
- 26 (3) Terminal operator..... \$5,000



- 1 (4) Supplier ..... \$2,500
- 2 (5) Technician ..... \$100
- 3 (6) Terminal Handler ..... \$100
- 4 (7) Licensed establishment, licensed truck stop

5 establishment, licensed large truck stop establishment,  
 6 licensed fraternal establishment, or licensed  
 7 veterans establishment ..... \$100

8 (g) The Board shall establish an annual fee for each  
 9 license not to exceed the following:

- 10 (1) Manufacturer ..... \$10,000
- 11 (2) Distributor..... \$10,000
- 12 (3) Terminal operator..... \$5,000
- 13 (4) Supplier ..... \$2,000
- 14 (5) Technician ..... \$100
- 15 (6) Licensed establishment, licensed truck stop

16 establishment, licensed large truck stop establishment,  
 17 licensed fraternal establishment, or licensed  
 18 veterans establishment ..... \$100

- 19 (7) Video gaming terminal..... \$100
- 20 (8) Terminal Handler ..... \$100

21 (h) A terminal operator and a licensed establishment,  
 22 licensed truck stop establishment, licensed large truck stop  
 23 establishment, licensed fraternal establishment, or licensed  
 24 veterans establishment shall equally split the fees specified  
 25 in item (7) of subsection (g).

26 (Source: P.A. 100-1152, eff. 12-14-18.)

1 (230 ILCS 40/55)

2 Sec. 55. Precondition for licensed location. In all cases  
3 of application for a licensed location, to operate a video  
4 gaming terminal, each licensed establishment, licensed  
5 fraternal establishment, or licensed veterans establishment  
6 shall possess a valid liquor license issued by the Illinois  
7 Liquor Control Commission in effect at the time of application  
8 and at all times thereafter during which a video gaming  
9 terminal is made available to the public for play at that  
10 location. Video gaming terminals in a licensed location shall  
11 be operated only during the same hours of operation generally  
12 permitted to holders of a license under the Liquor Control Act  
13 of 1934 within the unit of local government in which they are  
14 located. A licensed truck stop establishment or licensed large  
15 truck stop establishment that does not hold a liquor license  
16 may operate video gaming terminals on a continuous basis. A  
17 licensed fraternal establishment or licensed veterans  
18 establishment that does not hold a liquor license may operate  
19 video gaming terminals if (i) the establishment is located in a  
20 county with a population between 6,500 and 7,000, based on the  
21 2000 U.S. Census, (ii) the county prohibits by ordinance the  
22 sale of alcohol, and (iii) the establishment is in a portion of  
23 the county where the sale of alcohol is prohibited. A licensed  
24 fraternal establishment or licensed veterans establishment  
25 that does not hold a liquor license may operate video gaming

1 terminals if (i) the establishment is located in a municipality  
2 within a county with a population between 8,500 and 9,000 based  
3 on the 2000 U.S. Census and (ii) the municipality or county  
4 prohibits or limits the sale of alcohol by ordinance in a way  
5 that prohibits the establishment from selling alcohol.

6 (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10;  
7 97-594, eff. 8-26-11.)

8 (230 ILCS 40/58)

9 Sec. 58. Location of terminals. Video gaming terminals  
10 must be located in an area restricted to persons over 21 years  
11 of age the entrance to which is within the view of at least one  
12 employee, who is over 21 years of age, of the establishment in  
13 which they are located. The placement of video gaming terminals  
14 in licensed establishments, licensed truck stop  
15 establishments, licensed large truck stop establishments,  
16 licensed fraternal establishments, and licensed veterans  
17 establishments shall be subject to the rules promulgated by the  
18 Board pursuant to the Illinois Administrative Procedure Act.

19 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

20 (230 ILCS 40/60)

21 Sec. 60. Imposition and distribution of tax.

22 (a) A tax of 30% is imposed on net terminal income and  
23 shall be collected by the Board.

24 ~~(b)~~ Of the tax collected under this subsection (a) ~~Section,~~

1 five-sixths shall be deposited into the Capital Projects Fund  
2 and one-sixth shall be deposited into the Local Government  
3 Video Gaming Distributive Fund.

4 (b) Beginning on July 1, 2019, an additional tax of 3% is  
5 imposed on net terminal income and shall be collected by the  
6 Board.

7 Beginning on July 1, 2020, an additional tax of 1% is  
8 imposed on net terminal income and shall be collected by the  
9 Board.

10 The tax collected under this subsection (b) shall be  
11 deposited into the Capital Projects Fund.

12 (c) Revenues generated from the play of video gaming  
13 terminals shall be deposited by the terminal operator, who is  
14 responsible for tax payments, in a specially created, separate  
15 bank account maintained by the video gaming terminal operator  
16 to allow for electronic fund transfers of moneys for tax  
17 payment.

18 (d) Each licensed establishment, licensed truck stop  
19 establishment, licensed large truck stop establishment,  
20 licensed fraternal establishment, and licensed veterans  
21 establishment shall maintain an adequate video gaming fund,  
22 with the amount to be determined by the Board.

23 (e) The State's percentage of net terminal income shall be  
24 reported and remitted to the Board within 15 days after the  
25 15th day of each month and within 15 days after the end of each  
26 month by the video terminal operator. A video terminal operator

1 who falsely reports or fails to report the amount due required  
2 by this Section is guilty of a Class 4 felony and is subject to  
3 termination of his or her license by the Board. Each video  
4 terminal operator shall keep a record of net terminal income in  
5 such form as the Board may require. All payments not remitted  
6 when due shall be paid together with a penalty assessment on  
7 the unpaid balance at a rate of 1.5% per month.

8 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

9 (230 ILCS 40/79)

10 Sec. 79. Investigators. Investigators appointed by the  
11 Board pursuant to the powers conferred upon the Board by  
12 paragraph (20.6) of subsection (c) of Section 5 of the Illinois  
13 ~~Riverboat~~ Gambling Act and Section 80 of this Act shall have  
14 authority to conduct investigations, searches, seizures,  
15 arrests, and other duties imposed under this Act and the  
16 Illinois ~~Riverboat~~ Gambling Act, as deemed necessary by the  
17 Board. These investigators have and may exercise all of the  
18 rights and powers of peace officers, provided that these powers  
19 shall be (1) limited to offenses or violations occurring or  
20 committed in connection with conduct subject to this Act,  
21 including, but not limited to, the manufacture, distribution,  
22 supply, operation, placement, service, maintenance, or play of  
23 video gaming terminals and the distribution of profits and  
24 collection of revenues resulting from such play, and (2)  
25 exercised, to the fullest extent practicable, in cooperation

1 with the local police department of the applicable municipality  
2 or, if these powers are exercised outside the boundaries of an  
3 incorporated municipality or within a municipality that does  
4 not have its own police department, in cooperation with the  
5 police department whose jurisdiction encompasses the  
6 applicable locality.

7 (Source: P.A. 97-809, eff. 7-13-12.)

8 (230 ILCS 40/80)

9 Sec. 80. Applicability of Illinois ~~Riverboat~~ Gambling Act.  
10 The provisions of the Illinois ~~Riverboat~~ Gambling Act, and all  
11 rules promulgated thereunder, shall apply to the Video Gaming  
12 Act, except where there is a conflict between the 2 Acts. In  
13 the event of a conflict between the 2 Acts, the provisions of  
14 the Illinois Gambling Act shall prevail. All current supplier  
15 licensees under the Illinois ~~Riverboat~~ Gambling Act shall be  
16 entitled to licensure under the Video Gaming Act as  
17 manufacturers, distributors, or suppliers without additional  
18 Board investigation or approval, except by vote of the Board;  
19 however, they are required to pay application and annual fees  
20 under this Act. All provisions of the Uniform Penalty and  
21 Interest Act shall apply, as far as practicable, to the subject  
22 matter of this Act to the same extent as if such provisions  
23 were included herein.

24 (Source: P.A. 100-1152, eff. 12-14-18.)

1 Section 35-65. The Liquor Control Act of 1934 is amended by  
2 changing Sections 5-1 and 6-30 as follows:

3 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

4 Sec. 5-1. Licenses issued by the Illinois Liquor Control  
5 Commission shall be of the following classes:

6 (a) Manufacturer's license - Class 1. Distiller, Class 2.  
7 Rectifier, Class 3. Brewer, Class 4. First Class Wine  
8 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.  
9 First Class Winemaker, Class 7. Second Class Winemaker, Class  
10 8. Limited Wine Manufacturer, Class 9. Craft Distiller, Class  
11 10. Class 1 Brewer, Class 11. Class 2 Brewer,

12 (b) Distributor's license,

13 (c) Importing Distributor's license,

14 (d) Retailer's license,

15 (e) Special Event Retailer's license (not-for-profit),

16 (f) Railroad license,

17 (g) Boat license,

18 (h) Non-Beverage User's license,

19 (i) Wine-maker's premises license,

20 (j) Airplane license,

21 (k) Foreign importer's license,

22 (l) Broker's license,

23 (m) Non-resident dealer's license,

24 (n) Brew Pub license,

25 (o) Auction liquor license,

- 1 (p) Caterer retailer license,
- 2 (q) Special use permit license,
- 3 (r) Winery shipper's license,
- 4 (s) Craft distiller tasting permit,
- 5 (t) Brewer warehouse permit.

6 No person, firm, partnership, corporation, or other legal  
7 business entity that is engaged in the manufacturing of wine  
8 may concurrently obtain and hold a wine-maker's license and a  
9 wine manufacturer's license.

10 (a) A manufacturer's license shall allow the manufacture,  
11 importation in bulk, storage, distribution and sale of  
12 alcoholic liquor to persons without the State, as may be  
13 permitted by law and to licensees in this State as follows:

14 Class 1. A Distiller may make sales and deliveries of  
15 alcoholic liquor to distillers, rectifiers, importing  
16 distributors, distributors and non-beverage users and to no  
17 other licensees.

18 Class 2. A Rectifier, who is not a distiller, as defined  
19 herein, may make sales and deliveries of alcoholic liquor to  
20 rectifiers, importing distributors, distributors, retailers  
21 and non-beverage users and to no other licensees.

22 Class 3. A Brewer may make sales and deliveries of beer to  
23 importing distributors and distributors and may make sales as  
24 authorized under subsection (e) of Section 6-4 of this Act.

25 Class 4. A first class wine-manufacturer may make sales and  
26 deliveries of up to 50,000 gallons of wine to manufacturers,



1 importing distributors and distributors, and to no other  
2 licensees.

3 Class 5. A second class Wine manufacturer may make sales  
4 and deliveries of more than 50,000 gallons of wine to  
5 manufacturers, importing distributors and distributors and to  
6 no other licensees.

7 Class 6. A first-class wine-maker's license shall allow the  
8 manufacture of up to 50,000 gallons of wine per year, and the  
9 storage and sale of such wine to distributors in the State and  
10 to persons without the State, as may be permitted by law. A  
11 person who, prior to June 1, 2008 (the effective date of Public  
12 Act 95-634), is a holder of a first-class wine-maker's license  
13 and annually produces more than 25,000 gallons of its own wine  
14 and who distributes its wine to licensed retailers shall cease  
15 this practice on or before July 1, 2008 in compliance with  
16 Public Act 95-634.

17 Class 7. A second-class wine-maker's license shall allow  
18 the manufacture of between 50,000 and 150,000 gallons of wine  
19 per year, and the storage and sale of such wine to distributors  
20 in this State and to persons without the State, as may be  
21 permitted by law. A person who, prior to June 1, 2008 (the  
22 effective date of Public Act 95-634), is a holder of a  
23 second-class wine-maker's license and annually produces more  
24 than 25,000 gallons of its own wine and who distributes its  
25 wine to licensed retailers shall cease this practice on or  
26 before July 1, 2008 in compliance with Public Act 95-634.

1           Class 8. A limited wine-manufacturer may make sales and  
2 deliveries not to exceed 40,000 gallons of wine per year to  
3 distributors, and to non-licensees in accordance with the  
4 provisions of this Act.

5           Class 9. A craft distiller license shall allow the  
6 manufacture of up to 100,000 gallons of spirits by distillation  
7 per year and the storage of such spirits. If a craft distiller  
8 licensee, including a craft distiller licensee who holds more  
9 than one craft distiller license, is not affiliated with any  
10 other manufacturer of spirits, then the craft distiller  
11 licensee may sell such spirits to distributors in this State  
12 and up to 2,500 gallons of such spirits to non-licensees to the  
13 extent permitted by any exemption approved by the Commission  
14 pursuant to Section 6-4 of this Act. A craft distiller license  
15 holder may store such spirits at a non-contiguous licensed  
16 location, but at no time shall a craft distiller license holder  
17 directly or indirectly produce in the aggregate more than  
18 100,000 gallons of spirits per year.

19           A craft distiller licensee may hold more than one craft  
20 distiller's license. However, a craft distiller that holds more  
21 than one craft distiller license shall not manufacture, in the  
22 aggregate, more than 100,000 gallons of spirits by distillation  
23 per year and shall not sell, in the aggregate, more than 2,500  
24 gallons of such spirits to non-licensees in accordance with an  
25 exemption approved by the State Commission pursuant to Section  
26 6-4 of this Act.

1 Any craft distiller licensed under this Act who on July 28,  
2 2010 (the effective date of Public Act 96-1367) was licensed as  
3 a distiller and manufactured no more spirits than permitted by  
4 this Section shall not be required to pay the initial licensing  
5 fee.

6 Class 10. A class 1 brewer license, which may only be  
7 issued to a licensed brewer or licensed non-resident dealer,  
8 shall allow the manufacture of up to 930,000 gallons of beer  
9 per year provided that the class 1 brewer licensee does not  
10 manufacture more than a combined 930,000 gallons of beer per  
11 year and is not a member of or affiliated with, directly or  
12 indirectly, a manufacturer that produces more than 930,000  
13 gallons of beer per year or any other alcoholic liquor. A class  
14 1 brewer licensee may make sales and deliveries to importing  
15 distributors and distributors and to retail licensees in  
16 accordance with the conditions set forth in paragraph (18) of  
17 subsection (a) of Section 3-12 of this Act. If the State  
18 Commission provides prior approval, a class 1 brewer may  
19 annually transfer up to 930,000 gallons of beer manufactured by  
20 that class 1 brewer to the premises of a licensed class 1  
21 brewer wholly owned and operated by the same licensee.

22 Class 11. A class 2 brewer license, which may only be  
23 issued to a licensed brewer or licensed non-resident dealer,  
24 shall allow the manufacture of up to 3,720,000 gallons of beer  
25 per year provided that the class 2 brewer licensee does not  
26 manufacture more than a combined 3,720,000 gallons of beer per

1 year and is not a member of or affiliated with, directly or  
2 indirectly, a manufacturer that produces more than 3,720,000  
3 gallons of beer per year or any other alcoholic liquor. A class  
4 2 brewer licensee may make sales and deliveries to importing  
5 distributors and distributors, but shall not make sales or  
6 deliveries to any other licensee. If the State Commission  
7 provides prior approval, a class 2 brewer licensee may annually  
8 transfer up to 3,720,000 gallons of beer manufactured by that  
9 class 2 brewer licensee to the premises of a licensed class 2  
10 brewer wholly owned and operated by the same licensee.

11 A class 2 brewer may transfer beer to a brew pub wholly  
12 owned and operated by the class 2 brewer subject to the  
13 following limitations and restrictions: (i) the transfer shall  
14 not annually exceed more than 31,000 gallons; (ii) the annual  
15 amount transferred shall reduce the brew pub's annual permitted  
16 production limit; (iii) all beer transferred shall be subject  
17 to Article VIII of this Act; (iv) a written record shall be  
18 maintained by the brewer and brew pub specifying the amount,  
19 date of delivery, and receipt of the product by the brew pub;  
20 and (v) the brew pub shall be located no farther than 80 miles  
21 from the class 2 brewer's licensed location.

22 A class 2 brewer shall, prior to transferring beer to a  
23 brew pub wholly owned by the class 2 brewer, furnish a written  
24 notice to the State Commission of intent to transfer beer  
25 setting forth the name and address of the brew pub and shall  
26 annually submit to the State Commission a verified report

1 identifying the total gallons of beer transferred to the brew  
2 pub wholly owned by the class 2 brewer.

3 (a-1) A manufacturer which is licensed in this State to  
4 make sales or deliveries of alcoholic liquor to licensed  
5 distributors or importing distributors and which enlists  
6 agents, representatives, or individuals acting on its behalf  
7 who contact licensed retailers on a regular and continual basis  
8 in this State must register those agents, representatives, or  
9 persons acting on its behalf with the State Commission.

10 Registration of agents, representatives, or persons acting  
11 on behalf of a manufacturer is fulfilled by submitting a form  
12 to the Commission. The form shall be developed by the  
13 Commission and shall include the name and address of the  
14 applicant, the name and address of the manufacturer he or she  
15 represents, the territory or areas assigned to sell to or  
16 discuss pricing terms of alcoholic liquor, and any other  
17 questions deemed appropriate and necessary. All statements in  
18 the forms required to be made by law or by rule shall be deemed  
19 material, and any person who knowingly misstates any material  
20 fact under oath in an application is guilty of a Class B  
21 misdemeanor. Fraud, misrepresentation, false statements,  
22 misleading statements, evasions, or suppression of material  
23 facts in the securing of a registration are grounds for  
24 suspension or revocation of the registration. The State  
25 Commission shall post a list of registered agents on the  
26 Commission's website.

1 (b) A distributor's license shall allow the wholesale  
2 purchase and storage of alcoholic liquors and sale of alcoholic  
3 liquors to licensees in this State and to persons without the  
4 State, as may be permitted by law, and the sale of beer, cider,  
5 or both beer and cider to brewers, class 1 brewers, and class 2  
6 brewers that, pursuant to subsection (e) of Section 6-4 of this  
7 Act, sell beer, cider, or both beer and cider to non-licensees  
8 at their breweries. No person licensed as a distributor shall  
9 be granted a non-resident dealer's license.

10 (c) An importing distributor's license may be issued to and  
11 held by those only who are duly licensed distributors, upon the  
12 filing of an application by a duly licensed distributor, with  
13 the Commission and the Commission shall, without the payment of  
14 any fee, immediately issue such importing distributor's  
15 license to the applicant, which shall allow the importation of  
16 alcoholic liquor by the licensee into this State from any point  
17 in the United States outside this State, and the purchase of  
18 alcoholic liquor in barrels, casks or other bulk containers and  
19 the bottling of such alcoholic liquors before resale thereof,  
20 but all bottles or containers so filled shall be sealed,  
21 labeled, stamped and otherwise made to comply with all  
22 provisions, rules and regulations governing manufacturers in  
23 the preparation and bottling of alcoholic liquors. The  
24 importing distributor's license shall permit such licensee to  
25 purchase alcoholic liquor from Illinois licensed non-resident  
26 dealers and foreign importers only. No person licensed as an

1 importing distributor shall be granted a non-resident dealer's  
2 license.

3 (d) A retailer's license shall allow the licensee to sell  
4 and offer for sale at retail, only in the premises specified in  
5 the license, alcoholic liquor for use or consumption, but not  
6 for resale in any form. Nothing in Public Act 95-634 shall  
7 deny, limit, remove, or restrict the ability of a holder of a  
8 retailer's license to transfer, deliver, or ship alcoholic  
9 liquor to the purchaser for use or consumption subject to any  
10 applicable local law or ordinance. Any retail license issued to  
11 a manufacturer shall only permit the manufacturer to sell beer  
12 at retail on the premises actually occupied by the  
13 manufacturer. For the purpose of further describing the type of  
14 business conducted at a retail licensed premises, a retailer's  
15 licensee may be designated by the State Commission as (i) an on  
16 premise consumption retailer, (ii) an off premise sale  
17 retailer, or (iii) a combined on premise consumption and off  
18 premise sale retailer.

19 Notwithstanding any other provision of this subsection  
20 (d), a retail licensee may sell alcoholic liquors to a special  
21 event retailer licensee for resale to the extent permitted  
22 under subsection (e).

23 (e) A special event retailer's license (not-for-profit)  
24 shall permit the licensee to purchase alcoholic liquors from an  
25 Illinois licensed distributor (unless the licensee purchases  
26 less than \$500 of alcoholic liquors for the special event, in

1 which case the licensee may purchase the alcoholic liquors from  
2 a licensed retailer) and shall allow the licensee to sell and  
3 offer for sale, at retail, alcoholic liquors for use or  
4 consumption, but not for resale in any form and only at the  
5 location and on the specific dates designated for the special  
6 event in the license. An applicant for a special event retailer  
7 license must (i) furnish with the application: (A) a resale  
8 number issued under Section 2c of the Retailers' Occupation Tax  
9 Act or evidence that the applicant is registered under Section  
10 2a of the Retailers' Occupation Tax Act, (B) a current, valid  
11 exemption identification number issued under Section 1g of the  
12 Retailers' Occupation Tax Act, and a certification to the  
13 Commission that the purchase of alcoholic liquors will be a  
14 tax-exempt purchase, or (C) a statement that the applicant is  
15 not registered under Section 2a of the Retailers' Occupation  
16 Tax Act, does not hold a resale number under Section 2c of the  
17 Retailers' Occupation Tax Act, and does not hold an exemption  
18 number under Section 1g of the Retailers' Occupation Tax Act,  
19 in which event the Commission shall set forth on the special  
20 event retailer's license a statement to that effect; (ii)  
21 submit with the application proof satisfactory to the State  
22 Commission that the applicant will provide dram shop liability  
23 insurance in the maximum limits; and (iii) show proof  
24 satisfactory to the State Commission that the applicant has  
25 obtained local authority approval.

26 Nothing in this Act prohibits an Illinois licensed



1 distributor from offering credit or a refund for unused,  
2 salable alcoholic liquors to a holder of a special event  
3 retailer's license or ~~from~~ the special event retailer's  
4 licensee from accepting the credit or refund of alcoholic  
5 liquors at the conclusion of the event specified in the  
6 license.

7 (f) A railroad license shall permit the licensee to import  
8 alcoholic liquors into this State from any point in the United  
9 States outside this State and to store such alcoholic liquors  
10 in this State; to make wholesale purchases of alcoholic liquors  
11 directly from manufacturers, foreign importers, distributors  
12 and importing distributors from within or outside this State;  
13 and to store such alcoholic liquors in this State; provided  
14 that the above powers may be exercised only in connection with  
15 the importation, purchase or storage of alcoholic liquors to be  
16 sold or dispensed on a club, buffet, lounge or dining car  
17 operated on an electric, gas or steam railway in this State;  
18 and provided further, that railroad licensees exercising the  
19 above powers shall be subject to all provisions of Article VIII  
20 of this Act as applied to importing distributors. A railroad  
21 license shall also permit the licensee to sell or dispense  
22 alcoholic liquors on any club, buffet, lounge or dining car  
23 operated on an electric, gas or steam railway regularly  
24 operated by a common carrier in this State, but shall not  
25 permit the sale for resale of any alcoholic liquors to any  
26 licensee within this State. A license shall be obtained for

1 each car in which such sales are made.

2 (g) A boat license shall allow the sale of alcoholic liquor  
3 in individual drinks, on any passenger boat regularly operated  
4 as a common carrier on navigable waters in this State or on any  
5 riverboat operated under the Illinois ~~Riverboat~~ Gambling Act,  
6 which boat or riverboat maintains a public dining room or  
7 restaurant thereon.

8 (h) A non-beverage user's license shall allow the licensee  
9 to purchase alcoholic liquor from a licensed manufacturer or  
10 importing distributor, without the imposition of any tax upon  
11 the business of such licensed manufacturer or importing  
12 distributor as to such alcoholic liquor to be used by such  
13 licensee solely for the non-beverage purposes set forth in  
14 subsection (a) of Section 8-1 of this Act, and such licenses  
15 shall be divided and classified and shall permit the purchase,  
16 possession and use of limited and stated quantities of  
17 alcoholic liquor as follows:

- 18 Class 1, not to exceed ..... 500 gallons
- 19 Class 2, not to exceed ..... 1,000 gallons
- 20 Class 3, not to exceed ..... 5,000 gallons
- 21 Class 4, not to exceed ..... 10,000 gallons
- 22 Class 5, not to exceed ..... 50,000 gallons

23 (i) A wine-maker's premises license shall allow a licensee  
24 that concurrently holds a first-class wine-maker's license to  
25 sell and offer for sale at retail in the premises specified in  
26 such license not more than 50,000 gallons of the first-class

1 wine-maker's wine that is made at the first-class wine-maker's  
2 licensed premises per year for use or consumption, but not for  
3 resale in any form. A wine-maker's premises license shall allow  
4 a licensee who concurrently holds a second-class wine-maker's  
5 license to sell and offer for sale at retail in the premises  
6 specified in such license up to 100,000 gallons of the  
7 second-class wine-maker's wine that is made at the second-class  
8 wine-maker's licensed premises per year for use or consumption  
9 but not for resale in any form. A wine-maker's premises license  
10 shall allow a licensee that concurrently holds a first-class  
11 wine-maker's license or a second-class wine-maker's license to  
12 sell and offer for sale at retail at the premises specified in  
13 the wine-maker's premises license, for use or consumption but  
14 not for resale in any form, any beer, wine, and spirits  
15 purchased from a licensed distributor. Upon approval from the  
16 State Commission, a wine-maker's premises license shall allow  
17 the licensee to sell and offer for sale at (i) the wine-maker's  
18 licensed premises and (ii) at up to 2 additional locations for  
19 use and consumption and not for resale. Each location shall  
20 require additional licensing per location as specified in  
21 Section 5-3 of this Act. A wine-maker's premises licensee shall  
22 secure liquor liability insurance coverage in an amount at  
23 least equal to the maximum liability amounts set forth in  
24 subsection (a) of Section 6-21 of this Act.

25 (j) An airplane license shall permit the licensee to import  
26 alcoholic liquors into this State from any point in the United

1 States outside this State and to store such alcoholic liquors  
2 in this State; to make wholesale purchases of alcoholic liquors  
3 directly from manufacturers, foreign importers, distributors  
4 and importing distributors from within or outside this State;  
5 and to store such alcoholic liquors in this State; provided  
6 that the above powers may be exercised only in connection with  
7 the importation, purchase or storage of alcoholic liquors to be  
8 sold or dispensed on an airplane; and provided further, that  
9 airplane licensees exercising the above powers shall be subject  
10 to all provisions of Article VIII of this Act as applied to  
11 importing distributors. An airplane licensee shall also permit  
12 the sale or dispensing of alcoholic liquors on any passenger  
13 airplane regularly operated by a common carrier in this State,  
14 but shall not permit the sale for resale of any alcoholic  
15 liquors to any licensee within this State. A single airplane  
16 license shall be required of an airline company if liquor  
17 service is provided on board aircraft in this State. The annual  
18 fee for such license shall be as determined in Section 5-3.

19 (k) A foreign importer's license shall permit such licensee  
20 to purchase alcoholic liquor from Illinois licensed  
21 non-resident dealers only, and to import alcoholic liquor other  
22 than in bulk from any point outside the United States and to  
23 sell such alcoholic liquor to Illinois licensed importing  
24 distributors and to no one else in Illinois; provided that (i)  
25 the foreign importer registers with the State Commission every  
26 brand of alcoholic liquor that it proposes to sell to Illinois

1 licensees during the license period, (ii) the foreign importer  
2 complies with all of the provisions of Section 6-9 of this Act  
3 with respect to registration of such Illinois licensees as may  
4 be granted the right to sell such brands at wholesale, and  
5 (iii) the foreign importer complies with the provisions of  
6 Sections 6-5 and 6-6 of this Act to the same extent that these  
7 provisions apply to manufacturers.

8 (1) (i) A broker's license shall be required of all persons  
9 who solicit orders for, offer to sell or offer to supply  
10 alcoholic liquor to retailers in the State of Illinois, or who  
11 offer to retailers to ship or cause to be shipped or to make  
12 contact with distillers, rectifiers, brewers or manufacturers  
13 or any other party within or without the State of Illinois in  
14 order that alcoholic liquors be shipped to a distributor,  
15 importing distributor or foreign importer, whether such  
16 solicitation or offer is consummated within or without the  
17 State of Illinois.

18 No holder of a retailer's license issued by the Illinois  
19 Liquor Control Commission shall purchase or receive any  
20 alcoholic liquor, the order for which was solicited or offered  
21 for sale to such retailer by a broker unless the broker is the  
22 holder of a valid broker's license.

23 The broker shall, upon the acceptance by a retailer of the  
24 broker's solicitation of an order or offer to sell or supply or  
25 deliver or have delivered alcoholic liquors, promptly forward  
26 to the Illinois Liquor Control Commission a notification of

1 said transaction in such form as the Commission may by  
2 regulations prescribe.

3 (ii) A broker's license shall be required of a person  
4 within this State, other than a retail licensee, who, for a fee  
5 or commission, promotes, solicits, or accepts orders for  
6 alcoholic liquor, for use or consumption and not for resale, to  
7 be shipped from this State and delivered to residents outside  
8 of this State by an express company, common carrier, or  
9 contract carrier. This Section does not apply to any person who  
10 promotes, solicits, or accepts orders for wine as specifically  
11 authorized in Section 6-29 of this Act.

12 A broker's license under this subsection (1) shall not  
13 entitle the holder to buy or sell any alcoholic liquors for his  
14 own account or to take or deliver title to such alcoholic  
15 liquors.

16 This subsection (1) shall not apply to distributors,  
17 employees of distributors, or employees of a manufacturer who  
18 has registered the trademark, brand or name of the alcoholic  
19 liquor pursuant to Section 6-9 of this Act, and who regularly  
20 sells such alcoholic liquor in the State of Illinois only to  
21 its registrants thereunder.

22 Any agent, representative, or person subject to  
23 registration pursuant to subsection (a-1) of this Section shall  
24 not be eligible to receive a broker's license.

25 (m) A non-resident dealer's license shall permit such  
26 licensee to ship into and warehouse alcoholic liquor into this

1 State from any point outside of this State, and to sell such  
2 alcoholic liquor to Illinois licensed foreign importers and  
3 importing distributors and to no one else in this State;  
4 provided that (i) said non-resident dealer shall register with  
5 the Illinois Liquor Control Commission each and every brand of  
6 alcoholic liquor which it proposes to sell to Illinois  
7 licensees during the license period, (ii) it shall comply with  
8 all of the provisions of Section 6-9 hereof with respect to  
9 registration of such Illinois licensees as may be granted the  
10 right to sell such brands at wholesale by duly filing such  
11 registration statement, thereby authorizing the non-resident  
12 dealer to proceed to sell such brands at wholesale, and (iii)  
13 the non-resident dealer shall comply with the provisions of  
14 Sections 6-5 and 6-6 of this Act to the same extent that these  
15 provisions apply to manufacturers. No person licensed as a  
16 non-resident dealer shall be granted a distributor's or  
17 importing distributor's license.

18 (n) A brew pub license shall allow the licensee to only (i)  
19 manufacture up to 155,000 gallons of beer per year only on the  
20 premises specified in the license, (ii) make sales of the beer  
21 manufactured on the premises or, with the approval of the  
22 Commission, beer manufactured on another brew pub licensed  
23 premises that is wholly owned and operated by the same licensee  
24 to importing distributors, distributors, and to non-licensees  
25 for use and consumption, (iii) store the beer upon the  
26 premises, (iv) sell and offer for sale at retail from the

1 licensed premises for off-premises consumption no more than  
2 155,000 gallons per year so long as such sales are only made  
3 in-person, (v) sell and offer for sale at retail for use and  
4 consumption on the premises specified in the license any form  
5 of alcoholic liquor purchased from a licensed distributor or  
6 importing distributor, and (vi) with the prior approval of the  
7 Commission, annually transfer no more than 155,000 gallons of  
8 beer manufactured on the premises to a licensed brew pub wholly  
9 owned and operated by the same licensee.

10 A brew pub licensee shall not under any circumstance sell  
11 or offer for sale beer manufactured by the brew pub licensee to  
12 retail licensees.

13 A person who holds a class 2 brewer license may  
14 simultaneously hold a brew pub license if the class 2 brewer  
15 (i) does not, under any circumstance, sell or offer for sale  
16 beer manufactured by the class 2 brewer to retail licensees;  
17 (ii) does not hold more than 3 brew pub licenses in this State;  
18 (iii) does not manufacture more than a combined 3,720,000  
19 gallons of beer per year, including the beer manufactured at  
20 the brew pub; and (iv) is not a member of or affiliated with,  
21 directly or indirectly, a manufacturer that produces more than  
22 3,720,000 gallons of beer per year or any other alcoholic  
23 liquor.

24 Notwithstanding any other provision of this Act, a licensed  
25 brewer, class 2 brewer, or non-resident dealer who before July  
26 1, 2015 manufactured less than 3,720,000 gallons of beer per



1 year and held a brew pub license on or before July 1, 2015 may  
2 (i) continue to qualify for and hold that brew pub license for  
3 the licensed premises and (ii) manufacture more than 3,720,000  
4 gallons of beer per year and continue to qualify for and hold  
5 that brew pub license if that brewer, class 2 brewer, or  
6 non-resident dealer does not simultaneously hold a class 1  
7 brewer license and is not a member of or affiliated with,  
8 directly or indirectly, a manufacturer that produces more than  
9 3,720,000 gallons of beer per year or that produces any other  
10 alcoholic liquor.

11 (o) A caterer retailer license shall allow the holder to  
12 serve alcoholic liquors as an incidental part of a food service  
13 that serves prepared meals which excludes the serving of snacks  
14 as the primary meal, either on or off-site whether licensed or  
15 unlicensed.

16 (p) An auction liquor license shall allow the licensee to  
17 sell and offer for sale at auction wine and spirits for use or  
18 consumption, or for resale by an Illinois liquor licensee in  
19 accordance with provisions of this Act. An auction liquor  
20 license will be issued to a person and it will permit the  
21 auction liquor licensee to hold the auction anywhere in the  
22 State. An auction liquor license must be obtained for each  
23 auction at least 14 days in advance of the auction date.

24 (q) A special use permit license shall allow an Illinois  
25 licensed retailer to transfer a portion of its alcoholic liquor  
26 inventory from its retail licensed premises to the premises

1 specified in the license hereby created, and to sell or offer  
2 for sale at retail, only in the premises specified in the  
3 license hereby created, the transferred alcoholic liquor for  
4 use or consumption, but not for resale in any form. A special  
5 use permit license may be granted for the following time  
6 periods: one day or less; 2 or more days to a maximum of 15 days  
7 per location in any 12-month period. An applicant for the  
8 special use permit license must also submit with the  
9 application proof satisfactory to the State Commission that the  
10 applicant will provide dram shop liability insurance to the  
11 maximum limits and have local authority approval.

12 (r) A winery shipper's license shall allow a person with a  
13 first-class or second-class wine manufacturer's license, a  
14 first-class or second-class wine-maker's license, or a limited  
15 wine manufacturer's license or who is licensed to make wine  
16 under the laws of another state to ship wine made by that  
17 licensee directly to a resident of this State who is 21 years  
18 of age or older for that resident's personal use and not for  
19 resale. Prior to receiving a winery shipper's license, an  
20 applicant for the license must provide the Commission with a  
21 true copy of its current license in any state in which it is  
22 licensed as a manufacturer of wine. An applicant for a winery  
23 shipper's license must also complete an application form that  
24 provides any other information the Commission deems necessary.  
25 The application form shall include all addresses from which the  
26 applicant for a winery shipper's license intends to ship wine,

1 including the name and address of any third party, except for a  
2 common carrier, authorized to ship wine on behalf of the  
3 manufacturer. The application form shall include an  
4 acknowledgement consenting to the jurisdiction of the  
5 Commission, the Illinois Department of Revenue, and the courts  
6 of this State concerning the enforcement of this Act and any  
7 related laws, rules, and regulations, including authorizing  
8 the Department of Revenue and the Commission to conduct audits  
9 for the purpose of ensuring compliance with Public Act 95-634,  
10 and an acknowledgement that the wine manufacturer is in  
11 compliance with Section 6-2 of this Act. Any third party,  
12 except for a common carrier, authorized to ship wine on behalf  
13 of a first-class or second-class wine manufacturer's licensee,  
14 a first-class or second-class wine-maker's licensee, a limited  
15 wine manufacturer's licensee, or a person who is licensed to  
16 make wine under the laws of another state shall also be  
17 disclosed by the winery shipper's licensee, and a copy of the  
18 written appointment of the third-party wine provider, except  
19 for a common carrier, to the wine manufacturer shall be filed  
20 with the State Commission as a supplement to the winery  
21 shipper's license application or any renewal thereof. The  
22 winery shipper's license holder shall affirm under penalty of  
23 perjury, as part of the winery shipper's license application or  
24 renewal, that he or she only ships wine, either directly or  
25 indirectly through a third-party provider, from the licensee's  
26 own production.

1           Except for a common carrier, a third-party provider  
2 shipping wine on behalf of a winery shipper's license holder is  
3 the agent of the winery shipper's license holder and, as such,  
4 a winery shipper's license holder is responsible for the acts  
5 and omissions of the third-party provider acting on behalf of  
6 the license holder. A third-party provider, except for a common  
7 carrier, that engages in shipping wine into Illinois on behalf  
8 of a winery shipper's license holder shall consent to the  
9 jurisdiction of the State Commission and the State. Any  
10 third-party, except for a common carrier, holding such an  
11 appointment shall, by February 1 of each calendar year and upon  
12 request by the State Commission or the Department of Revenue,  
13 file with the State Commission a statement detailing each  
14 shipment made to an Illinois resident. The statement shall  
15 include the name and address of the third-party provider filing  
16 the statement, the time period covered by the statement, and  
17 the following information:

18           (1) the name, address, and license number of the winery  
19           shipper on whose behalf the shipment was made;

20           (2) the quantity of the products delivered; and

21           (3) the date and address of the shipment.

22           If the Department of Revenue or the State Commission requests a  
23 statement under this paragraph, the third-party provider must  
24 provide that statement no later than 30 days after the request  
25 is made. Any books, records, supporting papers, and documents  
26 containing information and data relating to a statement under

1 this paragraph shall be kept and preserved for a period of 3  
2 years, unless their destruction sooner is authorized, in  
3 writing, by the Director of Revenue, and shall be open and  
4 available to inspection by the Director of Revenue or the State  
5 Commission or any duly authorized officer, agent, or employee  
6 of the State Commission or the Department of Revenue, at all  
7 times during business hours of the day. Any person who violates  
8 any provision of this paragraph or any rule of the State  
9 Commission for the administration and enforcement of the  
10 provisions of this paragraph is guilty of a Class C  
11 misdemeanor. In case of a continuing violation, each day's  
12 continuance thereof shall be a separate and distinct offense.

13 The State Commission shall adopt rules as soon as  
14 practicable to implement the requirements of Public Act 99-904  
15 and shall adopt rules prohibiting any such third-party  
16 appointment of a third-party provider, except for a common  
17 carrier, that has been deemed by the State Commission to have  
18 violated the provisions of this Act with regard to any winery  
19 shipper licensee.

20 A winery shipper licensee must pay to the Department of  
21 Revenue the State liquor gallonage tax under Section 8-1 for  
22 all wine that is sold by the licensee and shipped to a person  
23 in this State. For the purposes of Section 8-1, a winery  
24 shipper licensee shall be taxed in the same manner as a  
25 manufacturer of wine. A licensee who is not otherwise required  
26 to register under the Retailers' Occupation Tax Act must

1 register under the Use Tax Act to collect and remit use tax to  
2 the Department of Revenue for all gallons of wine that are sold  
3 by the licensee and shipped to persons in this State. If a  
4 licensee fails to remit the tax imposed under this Act in  
5 accordance with the provisions of Article VIII of this Act, the  
6 winery shipper's license shall be revoked in accordance with  
7 the provisions of Article VII of this Act. If a licensee fails  
8 to properly register and remit tax under the Use Tax Act or the  
9 Retailers' Occupation Tax Act for all wine that is sold by the  
10 winery shipper and shipped to persons in this State, the winery  
11 shipper's license shall be revoked in accordance with the  
12 provisions of Article VII of this Act.

13 A winery shipper licensee must collect, maintain, and  
14 submit to the Commission on a semi-annual basis the total  
15 number of cases per resident of wine shipped to residents of  
16 this State. A winery shipper licensed under this subsection (r)  
17 must comply with the requirements of Section 6-29 of this Act.

18 Pursuant to paragraph (5.1) or (5.3) of subsection (a) of  
19 Section 3-12, the State Commission may receive, respond to, and  
20 investigate any complaint and impose any of the remedies  
21 specified in paragraph (1) of subsection (a) of Section 3-12.

22 As used in this subsection, "third-party provider" means  
23 any entity that provides fulfillment house services, including  
24 warehousing, packaging, distribution, order processing, or  
25 shipment of wine, but not the sale of wine, on behalf of a  
26 licensed winery shipper.

1 (s) A craft distiller tasting permit license shall allow an  
2 Illinois licensed craft distiller to transfer a portion of its  
3 alcoholic liquor inventory from its craft distiller licensed  
4 premises to the premises specified in the license hereby  
5 created and to conduct a sampling, only in the premises  
6 specified in the license hereby created, of the transferred  
7 alcoholic liquor in accordance with subsection (c) of Section  
8 6-31 of this Act. The transferred alcoholic liquor may not be  
9 sold or resold in any form. An applicant for the craft  
10 distiller tasting permit license must also submit with the  
11 application proof satisfactory to the State Commission that the  
12 applicant will provide dram shop liability insurance to the  
13 maximum limits and have local authority approval.

14 A brewer warehouse permit may be issued to the holder of a  
15 class 1 brewer license or a class 2 brewer license. If the  
16 holder of the permit is a class 1 brewer licensee, the brewer  
17 warehouse permit shall allow the holder to store or warehouse  
18 up to 930,000 gallons of tax-determined beer manufactured by  
19 the holder of the permit at the premises specified on the  
20 permit. If the holder of the permit is a class 2 brewer  
21 licensee, the brewer warehouse permit shall allow the holder to  
22 store or warehouse up to 3,720,000 gallons of tax-determined  
23 beer manufactured by the holder of the permit at the premises  
24 specified on the permit. Sales to non-licensees are prohibited  
25 at the premises specified in the brewer warehouse permit.

26 (Source: P.A. 99-448, eff. 8-24-15; 99-642, eff. 7-28-16;

1 99-800, eff. 8-12-16; 99-902, eff. 8-26-16; 99-904, eff.  
2 1-1-17; 100-17, eff. 6-30-17; 100-201, eff. 8-18-17; 100-816,  
3 eff. 8-13-18; 100-885, eff. 8-14-18; 100-1050, eff. 8-23-18;  
4 revised 10-2-18.)

5 (235 ILCS 5/6-30) (from Ch. 43, par. 144f)

6 Sec. 6-30. Notwithstanding any other provision of this Act,  
7 the Illinois Gaming Board shall have exclusive authority to  
8 establish the hours for sale and consumption of alcoholic  
9 liquor on board a riverboat during riverboat gambling  
10 excursions and in a casino conducted in accordance with the  
11 Illinois Riverboat Gambling Act.

12 (Source: P.A. 87-826.)

13 Section 35-70. The Illinois Public Aid Code is amended by  
14 changing Section 10-17.15 as follows:

15 (305 ILCS 5/10-17.15)

16 Sec. 10-17.15. Certification of information to State  
17 gaming licensees.

18 (a) For purposes of this Section, "State gaming licensee"  
19 means, as applicable, an organization licensee or advance  
20 deposit wagering licensee licensed under the Illinois Horse  
21 Racing Act of 1975, an owners licensee licensed under the  
22 Illinois Riverboat Gambling Act, or a licensee that operates,  
23 under any law of this State, one or more facilities or gaming



1 locations at which lawful gambling is authorized and licensed  
2 as provided in the Illinois Riverboat ~~Riverboat~~ Gambling Act.

3 (b) The Department may provide, by rule, for certification  
4 to any State gaming licensee of past due child support owed by  
5 a responsible relative under a support order entered by a court  
6 or administrative body of this or any other State on behalf of  
7 a resident or non-resident receiving child support services  
8 under this Article in accordance with the requirements of Title  
9 IV-D, Part D, of the Social Security Act. The State gaming  
10 licensee shall have the ability to withhold from winnings  
11 required to be reported to the Internal Revenue Service on Form  
12 W-2G, up to the full amount of winnings necessary to pay the  
13 winner's past due child support. The rule shall provide for  
14 notice to and an opportunity to be heard by each responsible  
15 relative affected and any final administrative decision  
16 rendered by the Department shall be reviewed only under and in  
17 accordance with the Administrative Review Law.

18 (c) For withholding of winnings, the State gaming licensee  
19 shall be entitled to an administrative fee not to exceed the  
20 lesser of 4% of the total amount of cash winnings paid to the  
21 gambling winner or \$150.

22 (d) In no event may the total amount withheld from the cash  
23 payout, including the administrative fee, exceed the total cash  
24 winnings claimed by the obligor. If the cash payout claimed is  
25 greater than the amount sufficient to satisfy the obligor's  
26 delinquent child support payments, the State gaming licensee

1 shall pay the obligor the remaining balance of the payout, less  
2 the administrative fee authorized by subsection (c) of this  
3 Section, at the time it is claimed.

4 (e) A State gaming licensee who in good faith complies with  
5 the requirements of this Section shall not be liable to the  
6 gaming winner or any other individual or entity.

7 (Source: P.A. 98-318, eff. 8-12-13.)

8 Section 35-75. The Firearm Concealed Carry Act is amended  
9 by changing Section 65 as follows:

10 (430 ILCS 66/65)

11 Sec. 65. Prohibited areas.

12 (a) A licensee under this Act shall not knowingly carry a  
13 firearm on or into:

14 (1) Any building, real property, and parking area under  
15 the control of a public or private elementary or secondary  
16 school.

17 (2) Any building, real property, and parking area under  
18 the control of a pre-school or child care facility,  
19 including any room or portion of a building under the  
20 control of a pre-school or child care facility. Nothing in  
21 this paragraph shall prevent the operator of a child care  
22 facility in a family home from owning or possessing a  
23 firearm in the home or license under this Act, if no child  
24 under child care at the home is present in the home or the

1 firearm in the home is stored in a locked container when a  
2 child under child care at the home is present in the home.

3 (3) Any building, parking area, or portion of a  
4 building under the control of an officer of the executive  
5 or legislative branch of government, provided that nothing  
6 in this paragraph shall prohibit a licensee from carrying a  
7 concealed firearm onto the real property, bikeway, or trail  
8 in a park regulated by the Department of Natural Resources  
9 or any other designated public hunting area or building  
10 where firearm possession is permitted as established by the  
11 Department of Natural Resources under Section 1.8 of the  
12 Wildlife Code.

13 (4) Any building designated for matters before a  
14 circuit court, appellate court, or the Supreme Court, or  
15 any building or portion of a building under the control of  
16 the Supreme Court.

17 (5) Any building or portion of a building under the  
18 control of a unit of local government.

19 (6) Any building, real property, and parking area under  
20 the control of an adult or juvenile detention or  
21 correctional institution, prison, or jail.

22 (7) Any building, real property, and parking area under  
23 the control of a public or private hospital or hospital  
24 affiliate, mental health facility, or nursing home.

25 (8) Any bus, train, or form of transportation paid for  
26 in whole or in part with public funds, and any building,

1 real property, and parking area under the control of a  
2 public transportation facility paid for in whole or in part  
3 with public funds.

4 (9) Any building, real property, and parking area under  
5 the control of an establishment that serves alcohol on its  
6 premises, if more than 50% of the establishment's gross  
7 receipts within the prior 3 months is from the sale of  
8 alcohol. The owner of an establishment who knowingly fails  
9 to prohibit concealed firearms on its premises as provided  
10 in this paragraph or who knowingly makes a false statement  
11 or record to avoid the prohibition on concealed firearms  
12 under this paragraph is subject to the penalty under  
13 subsection (c-5) of Section 10-1 of the Liquor Control Act  
14 of 1934.

15 (10) Any public gathering or special event conducted on  
16 property open to the public that requires the issuance of a  
17 permit from the unit of local government, provided this  
18 prohibition shall not apply to a licensee who must walk  
19 through a public gathering in order to access his or her  
20 residence, place of business, or vehicle.

21 (11) Any building or real property that has been issued  
22 a Special Event Retailer's license as defined in Section  
23 1-3.17.1 of the Liquor Control Act during the time  
24 designated for the sale of alcohol by the Special Event  
25 Retailer's license, or a Special use permit license as  
26 defined in subsection (q) of Section 5-1 of the Liquor

1 Control Act during the time designated for the sale of  
2 alcohol by the Special use permit license.

3 (12) Any public playground.

4 (13) Any public park, athletic area, or athletic  
5 facility under the control of a municipality or park  
6 district, provided nothing in this Section shall prohibit a  
7 licensee from carrying a concealed firearm while on a trail  
8 or bikeway if only a portion of the trail or bikeway  
9 includes a public park.

10 (14) Any real property under the control of the Cook  
11 County Forest Preserve District.

12 (15) Any building, classroom, laboratory, medical  
13 clinic, hospital, artistic venue, athletic venue,  
14 entertainment venue, officially recognized  
15 university-related organization property, whether owned or  
16 leased, and any real property, including parking areas,  
17 sidewalks, and common areas under the control of a public  
18 or private community college, college, or university.

19 (16) Any building, real property, or parking area under  
20 the control of a gaming facility licensed under the  
21 Illinois Riverboat ~~Riverboat~~ Gambling Act or the Illinois Horse  
22 Racing Act of 1975, including an inter-track wagering  
23 location licensee.

24 (17) Any stadium, arena, or the real property or  
25 parking area under the control of a stadium, arena, or any  
26 collegiate or professional sporting event.

1           (18) Any building, real property, or parking area under  
2 the control of a public library.

3           (19) Any building, real property, or parking area under  
4 the control of an airport.

5           (20) Any building, real property, or parking area under  
6 the control of an amusement park.

7           (21) Any building, real property, or parking area under  
8 the control of a zoo or museum.

9           (22) Any street, driveway, parking area, property,  
10 building, or facility, owned, leased, controlled, or used  
11 by a nuclear energy, storage, weapons, or development site  
12 or facility regulated by the federal Nuclear Regulatory  
13 Commission. The licensee shall not under any circumstance  
14 store a firearm or ammunition in his or her vehicle or in a  
15 compartment or container within a vehicle located anywhere  
16 in or on the street, driveway, parking area, property,  
17 building, or facility described in this paragraph.

18           (23) Any area where firearms are prohibited under  
19 federal law.

20           (a-5) Nothing in this Act shall prohibit a public or  
21 private community college, college, or university from:

22           (1) prohibiting persons from carrying a firearm within  
23 a vehicle owned, leased, or controlled by the college or  
24 university;

25           (2) developing resolutions, regulations, or policies  
26 regarding student, employee, or visitor misconduct and

1 discipline, including suspension and expulsion;

2 (3) developing resolutions, regulations, or policies  
3 regarding the storage or maintenance of firearms, which  
4 must include designated areas where persons can park  
5 vehicles that carry firearms; and

6 (4) permitting the carrying or use of firearms for the  
7 purpose of instruction and curriculum of officially  
8 recognized programs, including but not limited to military  
9 science and law enforcement training programs, or in any  
10 designated area used for hunting purposes or target  
11 shooting.

12 (a-10) The owner of private real property of any type may  
13 prohibit the carrying of concealed firearms on the property  
14 under his or her control. The owner must post a sign in  
15 accordance with subsection (d) of this Section indicating that  
16 firearms are prohibited on the property, unless the property is  
17 a private residence.

18 (b) Notwithstanding subsections (a), (a-5), and (a-10) of  
19 this Section except under paragraph (22) or (23) of subsection  
20 (a), any licensee prohibited from carrying a concealed firearm  
21 into the parking area of a prohibited location specified in  
22 subsection (a), (a-5), or (a-10) of this Section shall be  
23 permitted to carry a concealed firearm on or about his or her  
24 person within a vehicle into the parking area and may store a  
25 firearm or ammunition concealed in a case within a locked  
26 vehicle or locked container out of plain view within the

1 vehicle in the parking area. A licensee may carry a concealed  
2 firearm in the immediate area surrounding his or her vehicle  
3 within a prohibited parking lot area only for the limited  
4 purpose of storing or retrieving a firearm within the vehicle's  
5 trunk. For purposes of this subsection, "case" includes a glove  
6 compartment or console that completely encloses the concealed  
7 firearm or ammunition, the trunk of the vehicle, or a firearm  
8 carrying box, shipping box, or other container.

9 (c) A licensee shall not be in violation of this Section  
10 while he or she is traveling along a public right of way that  
11 touches or crosses any of the premises under subsection (a),  
12 (a-5), or (a-10) of this Section if the concealed firearm is  
13 carried on his or her person in accordance with the provisions  
14 of this Act or is being transported in a vehicle by the  
15 licensee in accordance with all other applicable provisions of  
16 law.

17 (d) Signs stating that the carrying of firearms is  
18 prohibited shall be clearly and conspicuously posted at the  
19 entrance of a building, premises, or real property specified in  
20 this Section as a prohibited area, unless the building or  
21 premises is a private residence. Signs shall be of a uniform  
22 design as established by the Department and shall be 4 inches  
23 by 6 inches in size. The Department shall adopt rules for  
24 standardized signs to be used under this subsection.

25 (Source: P.A. 98-63, eff. 7-9-13; 99-29, eff. 7-10-15.)



1           Section 35-80. The Criminal Code of 2012 is amended by  
2 changing Sections 28-1, 28-1.1, 28-2, 28-3, 28-5, and 28-7 as  
3 follows:

4           (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

5           Sec. 28-1. Gambling.

6           (a) A person commits gambling when he or she:

7               (1) knowingly plays a game of chance or skill for money  
8 or other thing of value, unless excepted in subsection (b)  
9 of this Section;

10               (2) knowingly makes a wager upon the result of any  
11 game, contest, or any political nomination, appointment or  
12 election;

13               (3) knowingly operates, keeps, owns, uses, purchases,  
14 exhibits, rents, sells, bargains for the sale or lease of,  
15 manufactures or distributes any gambling device;

16               (4) contracts to have or give himself or herself or  
17 another the option to buy or sell, or contracts to buy or  
18 sell, at a future time, any grain or other commodity  
19 whatsoever, or any stock or security of any company, where  
20 it is at the time of making such contract intended by both  
21 parties thereto that the contract to buy or sell, or the  
22 option, whenever exercised, or the contract resulting  
23 therefrom, shall be settled, not by the receipt or delivery  
24 of such property, but by the payment only of differences in  
25 prices thereof; however, the issuance, purchase, sale,

1 exercise, endorsement or guarantee, by or through a person  
2 registered with the Secretary of State pursuant to Section  
3 8 of the Illinois Securities Law of 1953, or by or through  
4 a person exempt from such registration under said Section  
5 8, of a put, call, or other option to buy or sell  
6 securities which have been registered with the Secretary of  
7 State or which are exempt from such registration under  
8 Section 3 of the Illinois Securities Law of 1953 is not  
9 gambling within the meaning of this paragraph (4);

10 (5) knowingly owns or possesses any book, instrument or  
11 apparatus by means of which bets or wagers have been, or  
12 are, recorded or registered, or knowingly possesses any  
13 money which he has received in the course of a bet or  
14 wager;

15 (6) knowingly sells pools upon the result of any game  
16 or contest of skill or chance, political nomination,  
17 appointment or election;

18 (7) knowingly sets up or promotes any lottery or sells,  
19 offers to sell or transfers any ticket or share for any  
20 lottery;

21 (8) knowingly sets up or promotes any policy game or  
22 sells, offers to sell or knowingly possesses or transfers  
23 any policy ticket, slip, record, document or other similar  
24 device;

25 (9) knowingly drafts, prints or publishes any lottery  
26 ticket or share, or any policy ticket, slip, record,

1 document or similar device, except for such activity  
2 related to lotteries, bingo games and raffles authorized by  
3 and conducted in accordance with the laws of Illinois or  
4 any other state or foreign government;

5 (10) knowingly advertises any lottery or policy game,  
6 except for such activity related to lotteries, bingo games  
7 and raffles authorized by and conducted in accordance with  
8 the laws of Illinois or any other state;

9 (11) knowingly transmits information as to wagers,  
10 betting odds, or changes in betting odds by telephone,  
11 telegraph, radio, semaphore or similar means; or knowingly  
12 installs or maintains equipment for the transmission or  
13 receipt of such information; except that nothing in this  
14 subdivision (11) prohibits transmission or receipt of such  
15 information for use in news reporting of sporting events or  
16 contests; or

17 (12) knowingly establishes, maintains, or operates an  
18 Internet site that permits a person to play a game of  
19 chance or skill for money or other thing of value by means  
20 of the Internet or to make a wager upon the result of any  
21 game, contest, political nomination, appointment, or  
22 election by means of the Internet. This item (12) does not  
23 apply to activities referenced in items (6) and (6.1) of  
24 subsection (b) of this Section.

25 (b) Participants in any of the following activities shall  
26 not be convicted of gambling:

1           (1) Agreements to compensate for loss caused by the  
2 happening of chance including without limitation contracts  
3 of indemnity or guaranty and life or health or accident  
4 insurance.

5           (2) Offers of prizes, award or compensation to the  
6 actual contestants in any bona fide contest for the  
7 determination of skill, speed, strength or endurance or to  
8 the owners of animals or vehicles entered in such contest.

9           (3) Pari-mutuel betting as authorized by the law of  
10 this State.

11           (4) Manufacture of gambling devices, including the  
12 acquisition of essential parts therefor and the assembly  
13 thereof, for transportation in interstate or foreign  
14 commerce to any place outside this State when such  
15 transportation is not prohibited by any applicable Federal  
16 law; or the manufacture, distribution, or possession of  
17 video gaming terminals, as defined in the Video Gaming Act,  
18 by manufacturers, distributors, and terminal operators  
19 licensed to do so under the Video Gaming Act.

20           (5) The game commonly known as "bingo", when conducted  
21 in accordance with the Bingo License and Tax Act.

22           (6) Lotteries when conducted by the State of Illinois  
23 in accordance with the Illinois Lottery Law. This exemption  
24 includes any activity conducted by the Department of  
25 Revenue to sell lottery tickets pursuant to the provisions  
26 of the Illinois Lottery Law and its rules.

1           (6.1) The purchase of lottery tickets through the  
2 Internet for a lottery conducted by the State of Illinois  
3 under the program established in Section 7.12 of the  
4 Illinois Lottery Law.

5           (7) Possession of an antique slot machine that is  
6 neither used nor intended to be used in the operation or  
7 promotion of any unlawful gambling activity or enterprise.  
8 For the purpose of this subparagraph (b) (7), an antique  
9 slot machine is one manufactured 25 years ago or earlier.

10          (8) Raffles and poker runs when conducted in accordance  
11 with the Raffles and Poker Runs Act.

12          (9) Charitable games when conducted in accordance with  
13 the Charitable Games Act.

14          (10) Pull tabs and jar games when conducted under the  
15 Illinois Pull Tabs and Jar Games Act.

16          (11) Gambling games ~~conducted on riverboats~~ when  
17 authorized by the Illinois Riverboat Gambling Act.

18          (12) Video gaming terminal games at a licensed  
19 establishment, licensed truck stop establishment, licensed  
20 large truck stop establishment, licensed fraternal  
21 establishment, or licensed veterans establishment when  
22 conducted in accordance with the Video Gaming Act.

23          (13) Games of skill or chance where money or other  
24 things of value can be won but no payment or purchase is  
25 required to participate.

26          (14) Savings promotion raffles authorized under

1 Section 5g of the Illinois Banking Act, Section 7008 of the  
2 Savings Bank Act, Section 42.7 of the Illinois Credit Union  
3 Act, Section 5136B of the National Bank Act (12 U.S.C.  
4 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.  
5 1463).

6 (c) Sentence.

7 Gambling is a Class A misdemeanor. A second or subsequent  
8 conviction under subsections (a) (3) through (a) (12), is a Class  
9 4 felony.

10 (d) Circumstantial evidence.

11 In prosecutions under this Section circumstantial evidence  
12 shall have the same validity and weight as in any criminal  
13 prosecution.

14 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

15 (720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

16 Sec. 28-1.1. Syndicated gambling.

17 (a) Declaration of Purpose. Recognizing the close  
18 relationship between professional gambling and other organized  
19 crime, it is declared to be the policy of the legislature to  
20 restrain persons from engaging in the business of gambling for  
21 profit in this State. This Section shall be liberally construed  
22 and administered with a view to carrying out this policy.

23 (b) A person commits syndicated gambling when he or she  
24 operates a "policy game" or engages in the business of  
25 bookmaking.

1 (c) A person "operates a policy game" when he or she  
2 knowingly uses any premises or property for the purpose of  
3 receiving or knowingly does receive from what is commonly  
4 called "policy":

5 (1) money from a person other than the bettor or player  
6 whose bets or plays are represented by the money; or

7 (2) written "policy game" records, made or used over  
8 any period of time, from a person other than the bettor or  
9 player whose bets or plays are represented by the written  
10 record.

11 (d) A person engages in bookmaking when he or she knowingly  
12 receives or accepts more than five bets or wagers upon the  
13 result of any trials or contests of skill, speed or power of  
14 endurance or upon any lot, chance, casualty, unknown or  
15 contingent event whatsoever, which bets or wagers shall be of  
16 such size that the total of the amounts of money paid or  
17 promised to be paid to the bookmaker on account thereof shall  
18 exceed \$2,000. Bookmaking is the receiving or accepting of bets  
19 or wagers regardless of the form or manner in which the  
20 bookmaker records them.

21 (e) Participants in any of the following activities shall  
22 not be convicted of syndicated gambling:

23 (1) Agreements to compensate for loss caused by the  
24 happening of chance including without limitation contracts  
25 of indemnity or guaranty and life or health or accident  
26 insurance;

1           (2) Offers of prizes, award or compensation to the  
2 actual contestants in any bona fide contest for the  
3 determination of skill, speed, strength or endurance or to  
4 the owners of animals or vehicles entered in the contest;

5           (3) Pari-mutuel betting as authorized by law of this  
6 State;

7           (4) Manufacture of gambling devices, including the  
8 acquisition of essential parts therefor and the assembly  
9 thereof, for transportation in interstate or foreign  
10 commerce to any place outside this State when the  
11 transportation is not prohibited by any applicable Federal  
12 law;

13           (5) Raffles and poker runs when conducted in accordance  
14 with the Raffles and Poker Runs Act;

15           (6) Gambling games conducted on riverboats, in  
16 casinos, or at organization gaming facilities when  
17 authorized by the Illinois Riverboat ~~Riverboat~~ Gambling Act;

18           (7) Video gaming terminal games at a licensed  
19 establishment, licensed truck stop establishment, licensed  
20 large truck stop establishment, licensed fraternal  
21 establishment, or licensed veterans establishment when  
22 conducted in accordance with the Video Gaming Act; and

23           (8) Savings promotion raffles authorized under Section  
24 5g of the Illinois Banking Act, Section 7008 of the Savings  
25 Bank Act, Section 42.7 of the Illinois Credit Union Act,  
26 Section 5136B of the National Bank Act (12 U.S.C. 25a), or



1 Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463).

2 (f) Sentence. Syndicated gambling is a Class 3 felony.

3 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

4 (720 ILCS 5/28-2) (from Ch. 38, par. 28-2)

5 Sec. 28-2. Definitions.

6 (a) A "gambling device" is any clock, tape machine, slot  
7 machine or other machines or device for the reception of money  
8 or other thing of value on chance or skill or upon the action  
9 of which money or other thing of value is staked, hazarded,  
10 bet, won or lost; or any mechanism, furniture, fixture,  
11 equipment or other device designed primarily for use in a  
12 gambling place. A "gambling device" does not include:

13 (1) A coin-in-the-slot operated mechanical device  
14 played for amusement which rewards the player with the  
15 right to replay such mechanical device, which device is so  
16 constructed or devised as to make such result of the  
17 operation thereof depend in part upon the skill of the  
18 player and which returns to the player thereof no money,  
19 property or right to receive money or property.

20 (2) Vending machines by which full and adequate return  
21 is made for the money invested and in which there is no  
22 element of chance or hazard.

23 (3) A crane game. For the purposes of this paragraph  
24 (3), a "crane game" is an amusement device involving skill,  
25 if it rewards the player exclusively with merchandise

1 contained within the amusement device proper and limited to  
2 toys, novelties and prizes other than currency, each having  
3 a wholesale value which is not more than \$25.

4 (4) A redemption machine. For the purposes of this  
5 paragraph (4), a "redemption machine" is a single-player or  
6 multi-player amusement device involving a game, the object  
7 of which is throwing, rolling, bowling, shooting, placing,  
8 or propelling a ball or other object that is either  
9 physical or computer generated on a display or with lights  
10 into, upon, or against a hole or other target that is  
11 either physical or computer generated on a display or with  
12 lights, or stopping, by physical, mechanical, or  
13 electronic means, a moving object that is either physical  
14 or computer generated on a display or with lights into,  
15 upon, or against a hole or other target that is either  
16 physical or computer generated on a display or with lights,  
17 provided that all of the following conditions are met:

18 (A) The outcome of the game is predominantly  
19 determined by the skill of the player.

20 (B) The award of the prize is based solely upon the  
21 player's achieving the object of the game or otherwise  
22 upon the player's score.

23 (C) Only merchandise prizes are awarded.

24 (D) The wholesale value of prizes awarded in lieu  
25 of tickets or tokens for single play of the device does  
26 not exceed \$25.

1           (E) The redemption value of tickets, tokens, and  
2           other representations of value, which may be  
3           accumulated by players to redeem prizes of greater  
4           value, for a single play of the device does not exceed  
5           \$25.

6           (5) Video gaming terminals at a licensed  
7           establishment, licensed truck stop establishment, licensed  
8           large truck stop establishment, licensed fraternal  
9           establishment, or licensed veterans establishment licensed  
10          in accordance with the Video Gaming Act.

11          (a-5) "Internet" means an interactive computer service or  
12          system or an information service, system, or access software  
13          provider that provides or enables computer access by multiple  
14          users to a computer server, and includes, but is not limited  
15          to, an information service, system, or access software provider  
16          that provides access to a network system commonly known as the  
17          Internet, or any comparable system or service and also  
18          includes, but is not limited to, a World Wide Web page,  
19          newsgroup, message board, mailing list, or chat area on any  
20          interactive computer service or system or other online service.

21          (a-6) "Access" and "computer" have the meanings ascribed to  
22          them in Section 16D-2 of this Code.

23          (b) A "lottery" is any scheme or procedure whereby one or  
24          more prizes are distributed by chance among persons who have  
25          paid or promised consideration for a chance to win such prizes,  
26          whether such scheme or procedure is called a lottery, raffle,

1 gift, sale or some other name, excluding savings promotion  
2 raffles authorized under Section 5g of the Illinois Banking  
3 Act, Section 7008 of the Savings Bank Act, Section 42.7 of the  
4 Illinois Credit Union Act, Section 5136B of the National Bank  
5 Act (12 U.S.C. 25a), or Section 4 of the Home Owners' Loan Act  
6 (12 U.S.C. 1463).

7 (c) A "policy game" is any scheme or procedure whereby a  
8 person promises or guarantees by any instrument, bill,  
9 certificate, writing, token or other device that any particular  
10 number, character, ticket or certificate shall in the event of  
11 any contingency in the nature of a lottery entitle the  
12 purchaser or holder to receive money, property or evidence of  
13 debt.

14 (Source: P.A. 98-31, eff. 6-24-13; 99-149, eff. 1-1-16.)

15 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

16 Sec. 28-3. Keeping a Gambling Place. A "gambling place" is  
17 any real estate, vehicle, boat or any other property whatsoever  
18 used for the purposes of gambling other than gambling conducted  
19 in the manner authorized by the Illinois ~~Riverboat~~ Gambling Act  
20 or the Video Gaming Act. Any person who knowingly permits any  
21 premises or property owned or occupied by him or under his  
22 control to be used as a gambling place commits a Class A  
23 misdemeanor. Each subsequent offense is a Class 4 felony. When  
24 any premises is determined by the circuit court to be a  
25 gambling place:

1 (a) Such premises is a public nuisance and may be proceeded  
2 against as such, and

3 (b) All licenses, permits or certificates issued by the  
4 State of Illinois or any subdivision or public agency thereof  
5 authorizing the serving of food or liquor on such premises  
6 shall be void; and no license, permit or certificate so  
7 cancelled shall be reissued for such premises for a period of  
8 60 days thereafter; nor shall any person convicted of keeping a  
9 gambling place be reissued such license for one year from his  
10 conviction and, after a second conviction of keeping a gambling  
11 place, any such person shall not be reissued such license, and

12 (c) Such premises of any person who knowingly permits  
13 thereon a violation of any Section of this Article shall be  
14 held liable for, and may be sold to pay any unsatisfied  
15 judgment that may be recovered and any unsatisfied fine that  
16 may be levied under any Section of this Article.

17 (Source: P.A. 96-34, eff. 7-13-09.)

18 (720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

19 Sec. 28-5. Seizure of gambling devices and gambling funds.

20 (a) Every device designed for gambling which is incapable  
21 of lawful use or every device used unlawfully for gambling  
22 shall be considered a "gambling device", and shall be subject  
23 to seizure, confiscation and destruction by the Department of  
24 State Police or by any municipal, or other local authority,  
25 within whose jurisdiction the same may be found. As used in

1 this Section, a "gambling device" includes any slot machine,  
2 and includes any machine or device constructed for the  
3 reception of money or other thing of value and so constructed  
4 as to return, or to cause someone to return, on chance to the  
5 player thereof money, property or a right to receive money or  
6 property. With the exception of any device designed for  
7 gambling which is incapable of lawful use, no gambling device  
8 shall be forfeited or destroyed unless an individual with a  
9 property interest in said device knows of the unlawful use of  
10 the device.

11 (b) Every gambling device shall be seized and forfeited to  
12 the county wherein such seizure occurs. Any money or other  
13 thing of value integrally related to acts of gambling shall be  
14 seized and forfeited to the county wherein such seizure occurs.

15 (c) If, within 60 days after any seizure pursuant to  
16 subparagraph (b) of this Section, a person having any property  
17 interest in the seized property is charged with an offense, the  
18 court which renders judgment upon such charge shall, within 30  
19 days after such judgment, conduct a forfeiture hearing to  
20 determine whether such property was a gambling device at the  
21 time of seizure. Such hearing shall be commenced by a written  
22 petition by the State, including material allegations of fact,  
23 the name and address of every person determined by the State to  
24 have any property interest in the seized property, a  
25 representation that written notice of the date, time and place  
26 of such hearing has been mailed to every such person by

1 certified mail at least 10 days before such date, and a request  
2 for forfeiture. Every such person may appear as a party and  
3 present evidence at such hearing. The quantum of proof required  
4 shall be a preponderance of the evidence, and the burden of  
5 proof shall be on the State. If the court determines that the  
6 seized property was a gambling device at the time of seizure,  
7 an order of forfeiture and disposition of the seized property  
8 shall be entered: a gambling device shall be received by the  
9 State's Attorney, who shall effect its destruction, except that  
10 valuable parts thereof may be liquidated and the resultant  
11 money shall be deposited in the general fund of the county  
12 wherein such seizure occurred; money and other things of value  
13 shall be received by the State's Attorney and, upon  
14 liquidation, shall be deposited in the general fund of the  
15 county wherein such seizure occurred. However, in the event  
16 that a defendant raises the defense that the seized slot  
17 machine is an antique slot machine described in subparagraph  
18 (b) (7) of Section 28-1 of this Code and therefore he is exempt  
19 from the charge of a gambling activity participant, the seized  
20 antique slot machine shall not be destroyed or otherwise  
21 altered until a final determination is made by the Court as to  
22 whether it is such an antique slot machine. Upon a final  
23 determination by the Court of this question in favor of the  
24 defendant, such slot machine shall be immediately returned to  
25 the defendant. Such order of forfeiture and disposition shall,  
26 for the purposes of appeal, be a final order and judgment in a

1 civil proceeding.

2 (d) If a seizure pursuant to subparagraph (b) of this  
3 Section is not followed by a charge pursuant to subparagraph  
4 (c) of this Section, or if the prosecution of such charge is  
5 permanently terminated or indefinitely discontinued without  
6 any judgment of conviction or acquittal (1) the State's  
7 Attorney shall commence an in rem proceeding for the forfeiture  
8 and destruction of a gambling device, or for the forfeiture and  
9 deposit in the general fund of the county of any seized money  
10 or other things of value, or both, in the circuit court and (2)  
11 any person having any property interest in such seized gambling  
12 device, money or other thing of value may commence separate  
13 civil proceedings in the manner provided by law.

14 (e) Any gambling device displayed for sale to a riverboat  
15 gambling operation, casino gambling operation, or organization  
16 gaming facility or used to train occupational licensees of a  
17 riverboat gambling operation, casino gambling operation, or  
18 organization gaming facility as authorized under the Illinois  
19 ~~Riverboat~~ Gambling Act is exempt from seizure under this  
20 Section.

21 (f) Any gambling equipment, devices, and supplies provided  
22 by a licensed supplier in accordance with the Illinois  
23 ~~Riverboat~~ Gambling Act which are removed from a the riverboat,  
24 casino, or organization gaming facility for repair are exempt  
25 from seizure under this Section.

26 (g) The following video gaming terminals are exempt from



1 seizure under this Section:

2 (1) Video gaming terminals for sale to a licensed  
3 distributor or operator under the Video Gaming Act.

4 (2) Video gaming terminals used to train licensed  
5 technicians or licensed terminal handlers.

6 (3) Video gaming terminals that are removed from a  
7 licensed establishment, licensed truck stop establishment,  
8 licensed large truck stop establishment, licensed  
9 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."