

AN ACT concerning revenue.

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

Article 5. Leveling the Playing Field for Illinois Retail Act

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

Section 5-5. Findings. The General Assembly finds that certified service providers and certified automated systems simplify use and occupation tax compliance for out-of-state sellers, which fosters higher levels of accurate tax collection and remittance and generates administrative savings and new marginal tax revenue for both State and local taxing jurisdictions. By making the services of certified service providers and certified automated systems available to remote retailers without charge as provided in this Act, the State will substantially eliminate the burden on those remote retailers to collect and remit both State and local taxing jurisdiction use and occupation taxes. While providing a means for remote retailers to collect and remit tax on an even basis with Illinois retailers, this Act also protects existing local tax revenue streams by retaining origin sourcing for all

transactions by retailers maintaining a physical presence in Illinois.

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

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

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

"Department" means the Department of Revenue.

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

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

Section 5-15. Certification of certified service providers. The Department shall, no later than December 31, 2019, establish standards for the certification of certified

service providers and certified automated systems and may act jointly with other states to accomplish these ends.

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

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

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

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

(3) provide and maintain an electronic, downloadable database that assigns delivery addresses in this State to the applicable taxing jurisdictions.

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

(1) provide uniform minimum standards that companies wishing to be designated as a certified service provider in this State must meet; those minimum standards must include

an expedited certification process for companies that have been certified in at least 5 other states;

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

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

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

(A) the responsibilities of the certified service provider and the remote retailers that contract with the certified service provider or the user of a certified automated system related to liability for

proper collection and remittance of use and occupation taxes;

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

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

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

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

Section 5-30. Relief from liability. Beginning January 1, 2020, remote retailers using certified service providers or certified automated systems and their certified service providers or certified automated systems providers are relieved from liability to the State for having charged and collected the incorrect amount of use or occupation tax resulting from a certified service provider or certified

automated system relying, at the time of the sale, on: (1) erroneous data provided by the State in database files on tax rates, boundaries, or taxing jurisdictions; or (2) erroneous data provided by the State concerning the taxability of products and services.

The Department shall, to the best of its ability, assign addresses to the proper local taxing jurisdiction using a 9-digit zip code identifier. On an annual basis, the Department shall make available to local taxing jurisdictions the taxing jurisdiction boundaries determined by the Department for their verification. If a jurisdiction fails to verify their taxing jurisdiction boundaries to the Department in any given year, the Department shall assign retailers' occupation tax revenue from remote retail sales based on its best information. In that case, tax revenues from remote retail sales remitted to a taxing jurisdiction based on erroneous local tax boundary information will be assigned to the correct taxing jurisdiction on a prospective basis upon notice of the boundary error from a local taxing jurisdiction. No certified service provider or remote retailer using a certified automated system shall be subject to a class action brought on behalf of customers and arising from, or in any way related to, an overpayment of retailers' occupation tax collected by the certified service provider if, at the time of the sale, they relied on information provided by the Department, regardless of whether that claim is characterized as a tax refund claim. Nothing in

this Section affects a customer's right to seek a refund from the remote retailer as provided in this Act.

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

Article 10. Parking Excise Tax Act

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

Section 10-5. Definitions.

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

"Charge or fee paid for parking" means the gross amount of consideration for the use or privilege of parking a motor vehicle in or upon any parking lot or garage in the State, collected by an operator and valued in money, whether received in money or otherwise, including cash, credits, property, and services, determined without any deduction for costs or expenses, but not including charges that are added to the charge or fee on account of the tax imposed by this Act or on account of any other tax imposed on the charge or fee. "Charge

or fee paid for parking" excludes separately stated charges not for the use or privilege or parking and excludes amounts retained by or paid to a booking intermediary for services provided by the booking intermediary. If any separately stated charge is not optional, it shall be presumed that it is part of the charge for the use or privilege or parking.

"Department" means the Department of Revenue.

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

"Parking area or garage" means any real estate, building, structure, premises, enclosure or other place, whether enclosed or not, except a public way, within the State, where motor vehicles, recreational vehicles, or other self-propelled vehicles, are stored, housed or parked for hire, charge, fee or other valuable consideration in a condition ready for use, or

where rent or compensation is paid to the owner, manager, operator or lessee of the premises for the housing, storing, sheltering, keeping or maintaining motor vehicles, recreational vehicles, or other self-propelled vehicles. "Parking area or garage" includes any parking area or garage, whether the vehicle is parked by the owner of the vehicle or by the operator or an attendant.

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

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

"Purchase price" includes any and all charges that the recipient pays related to or incidental to obtaining the use or privilege of using a parking space in a parking area or garage, including but not limited to any and all related markups, service fees, convenience fees, facilitation fees, cancellation fees, overtime fees, or other such charges, regardless of terminology. However, "purchase price" shall not

include consideration paid for:

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

(2) any charge for a dishonored check;

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) The tax imposed by this Section is not imposed with

respect to any transaction in interstate commerce, to the extent that the transaction may not, under the Constitution and statutes of the United States, be made the subject of taxation by this State.

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

(1) the name of the operator;

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

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

(4) deductions allowed by law;

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

(6) the amount of tax due; and

(7) such other reasonable information as the

Department may require.

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

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

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

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

The operator filing the return under this Act shall, at the time of filing the return, pay to the Department the amount of tax imposed by this Act less a discount of 1.75%, not to exceed

\$1,000 per month, which is allowed to reimburse the operator for the expenses incurred in keeping records, preparing and filing returns, remitting the tax, and supplying data to the Department on request.

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

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

(1) parking in a parking area or garage operated by the federal government or its instrumentalities that has been issued an active tax exemption number by the Department under Section 1g of the Retailers' Occupation Tax Act; for this exemption to apply, the parking area or garage must be operated by the federal government or its instrumentalities; the exemption under this paragraph (1)

does not apply if the parking area or garage is operated by a third party, whether under a lease or other contractual arrangement, or any other manner whatsoever;

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

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

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

Section 10-25. Collection of tax.

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

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

Section 10-30. Registration of operators.

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

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

(c) Any person aggrieved by any decision of the Department under this Section may, within 20 days after notice of such decision, protest and request a hearing, whereupon the Department shall give notice to such person of the time and place fixed for such hearing and shall hold a hearing in conformity with the provisions of this Act and then issue its final administrative decision in the matter to such person. In

the absence of such a protest within 20 days, the Department's decision shall become final without any further determination being made or notice given.

Section 10-35. Revocation of certificate of registration.

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

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

(c) Upon the hearing of any such proceeding, the Director or any officer or employee of the Department designated in writing by the Director may administer oaths, and the Department may procure by its subpoena the attendance of

witnesses and, by its subpoena duces tecum, the production of relevant books and papers. Any circuit court, upon application either of the operator or of the Department, may, by order duly entered, require the attendance of witnesses and the production of relevant books and papers before the Department in any hearing relating to the revocation of certificates of registration. Upon refusal or neglect to obey the order of the court, the court may compel obedience thereof by proceedings for contempt.

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

Section 10-40. Valet services.

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

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

(c) Tips received by persons parking cars for persons engaged in the business of providing valet services are not

subject to the tax imposed by this Act if the tips are retained by the person receiving the tip. If the tips are turned over to the valet business, the tips shall be included in the purchase price.

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

Section 10-50. Incorporation by reference. All of the provisions of Sections 1, 2a, 2b, 3 (except provisions relating to transaction returns and except for provisions that are inconsistent with this Act), in respect to all provisions therein other than the State rate of tax) 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act that are not inconsistent with this Act, and all provisions of the Uniform Penalty and Interest Act shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included in this Act.

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

Article 15. Amendatory Provisions

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

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

Sec. 5-45. Emergency rulemaking.

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

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

persons who may be affected by them.

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

(c-5) To facilitate the maintenance of the program of group health benefits provided to annuitants, survivors, and retired employees under the State Employees Group Insurance Act of

1971, rules to alter the contributions to be paid by the State, annuitants, survivors, retired employees, or any combination of those entities, for that program of group health benefits, shall be adopted as emergency rules. The adoption of those rules shall be considered an emergency and necessary for the public interest, safety, and welfare.

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

(e) In order to provide for the expeditious and timely implementation of the State's fiscal year 2000 budget, emergency rules to implement any provision of Public Act 91-24 or any other budget initiative for fiscal year 2000 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to

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

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

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

deemed to be necessary for the public interest, safety, and welfare.

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

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

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

(k) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2006 budget, emergency rules to implement any provision of Public Act 94-48 or any other budget initiative for fiscal year 2006 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (k). The Department of Healthcare and Family Services may also adopt

rules under this subsection (k) necessary to administer the Illinois Public Aid Code, the Senior Citizens and Persons with Disabilities Property Tax Relief Act, the Senior Citizens and Disabled Persons Prescription Drug Discount Program Act (now the Illinois Prescription Drug Discount Program Act), and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (k) shall be deemed to be necessary for the public interest, safety, and welfare.

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

(m) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2008 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2008, including

rules effective July 1, 2008, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (m) shall be deemed to be necessary for the public interest, safety, and welfare.

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

(o) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2011 budget, emergency rules to implement any provision of Public Act 96-958 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2011 may be adopted

in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of emergency rules authorized by this subsection (o) is deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (o) applies only to rules promulgated on or after July 1, 2010 (the effective date of Public Act 96-958) through June 30, 2011.

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

(q) In order to provide for the expeditious and timely implementation of the provisions of Articles 7, 8, 9, 11, and 12 of Public Act 98-104, emergency rules to implement any provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104 may be adopted in accordance with this subsection (q) by the agency charged with administering that provision or

initiative. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (q). The adoption of emergency rules authorized by this subsection (q) is deemed to be necessary for the public interest, safety, and welfare.

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

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

to be necessary for the public interest, safety, and welfare.

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

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

(v) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-516, emergency rules to implement Public Act 99-516 may be adopted in accordance with this subsection (v) by the Department of

Healthcare and Family Services. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (v). The adoption of emergency rules authorized by this subsection (v) is deemed to be necessary for the public interest, safety, and welfare.

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

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

(y) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-23,

emergency rules to implement the changes made by Public Act 100-23 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, and Sections 74 and 75 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (y) by the respective Department. The adoption of emergency rules authorized by this subsection (y) is deemed to be necessary for the public interest, safety, and welfare.

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

(aa) In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-581, the Department of Healthcare and Family Services may adopt emergency rules in accordance with this subsection (aa). The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5, 5A, 12, and 14 of the Illinois

Public Aid Code adopted under this subsection (aa). The adoption of emergency rules authorized by this subsection (aa) is deemed to be necessary for the public interest, safety, and welfare.

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

(cc) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules may be adopted in accordance with this subsection (cc) to implement the changes made by Public Act 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois Pension Code by the Board created under Article 14 of the Code; Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by the Board created under Article 15 of the Code; and Sections

16-190.5 and 16-190.6 of the Illinois Pension Code by the Board created under Article 16 of the Code. The adoption of emergency rules authorized by this subsection (cc) is deemed to be necessary for the public interest, safety, and welfare.

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

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

(ff) ~~(ee)~~ In order to provide for the expeditious and timely initial implementation of the changes made to Articles 5A and 14 of the Illinois Public Aid Code under the provisions of Public Act 100-1181 ~~this amendatory Act of the 100th General Assembly~~, the Department of Healthcare and Family Services may on a one-time-only basis adopt emergency rules in accordance

with this subsection (ff) ~~(ee)~~. The 24-month limitation on the adoption of emergency rules does not apply to rules to initially implement the changes made to Articles 5A and 14 of the Illinois Public Aid Code adopted under this subsection (ff) ~~(ee)~~. The adoption of emergency rules authorized by this subsection (ff) ~~(ee)~~ is deemed to be necessary for the public interest, safety, and welfare.

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

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

(Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17; 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff.

6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18; 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff. 3-8-19; 101-1, eff. 2-19-19; revised 4-2-19.)

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

(20 ILCS 605/605-1025 new)

Sec. 605-1025. Data center investment.

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

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

(c) For purposes of this Section:

"Data center" means a facility: (1) whose primary

services are the storage, management, and processing of digital data; and (2) that is used to house (i) computer and network systems, including associated components such as servers, network equipment and appliances, telecommunications, and data storage systems, (ii) systems for monitoring and managing infrastructure performance, (iii) Internet-related equipment and services, (iv) data communications connections, (v) environmental controls, (vi) fire protection systems, and (vii) security systems and services.

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

(1) is located in the State of Illinois;

(2) in the case of an existing data center, made a capital investment of at least \$250,000,000 collectively by the data center operator and the tenants of all of its data centers over the 60-month period immediately prior to January 1, 2020 or committed to make a capital investment of at least \$250,000,000 over a 60-month period commencing before January 1, 2020 and ending after January 1, 2020; or

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

(4) in the case of both existing and new data centers, results in the creation of at least 20

full-time or full-time equivalent new jobs over a period of 60 months by the data center operator and the tenants of the data center, collectively, associated with the operation or maintenance of the data center; those jobs must have a total compensation equal to or greater than 120% of the median wage paid to full-time employees in the county where the data center is located, as determined by the U.S. Bureau of Labor Statistics; and

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

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

(B) ENERGY STAR;

(C) Envision;

(D) ISO 50001-energy management;

(E) LEED for Building Design and Construction or LEED for Operations and Maintenance;

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

(G) UL 3223; or

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

"Full-time equivalent job" means a job in which the new employee works for the owner, operator, contractor, or

tenant of a data center or for a corporation under contract with the owner, operator or tenant of a data center at a rate of at least 35 hours per week. An owner, operator or tenant who employs labor or services at a specific site or facility under contract with another may declare one full-time, permanent job for every 1,820 man hours worked per year under that contract. Vacations, paid holidays, and sick time are included in this computation. Overtime is not considered a part of regular hours.

"Qualified tangible personal property" means: electrical systems and equipment; climate control and chilling equipment and systems; mechanical systems and equipment; monitoring and secure systems; emergency generators; hardware; computers; servers; data storage devices; network connectivity equipment; racks; cabinets; telecommunications cabling infrastructure; raised floor systems; peripheral components or systems; software; mechanical, electrical, or plumbing systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures; and component parts of any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage

electricity necessary to operate qualified tangible personal property; and all other tangible personal property that is essential to the operations of a computer data center. "Qualified tangible personal property" also includes building materials physically incorporated in to the qualifying data center.

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

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

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

(2) the number of new jobs created;

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

(4) the repayment obligation should those goals not be achieved and any conditions under which repayment by the

qualifying data center or data center tenant claiming the exemption will be required;

(5) the duration of the exemption; and

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

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

(1) the name of each recipient business;

(2) the location of the project;

(3) the estimated value of the credit;

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

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

(f) New and existing data centers seeking a certificate of exemption related to the rehabilitation or construction of data centers in the State shall require the contractor and all subcontractors to comply with the requirements of Section 30-22 of the Illinois Procurement Code as they apply to responsible bidders and to present satisfactory evidence of that compliance to the Department.

(g) New and existing data centers seeking a certificate of exemption for the rehabilitation or construction of data

centers in the State shall require the contractor to enter into a project labor agreement approved by the Department.

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

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

Failure to file a report under this subsection (h) may result in suspension or revocation of the certificate of exemption. The Department shall adopt rules governing suspension or revocation of the certificate of exemption, including the length of suspension. Factors to be considered in determining whether a data center certificate of exemption shall be suspended or revoked include, but are not limited to, prior compliance with the reporting requirements, cooperation in discontinuing and correcting violations, the extent of the violation, and whether the violation was willful or inadvertent.

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

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

(30 ILCS 105/5.891 new)

Sec. 5.891. The Transportation Renewal Fund.

(30 ILCS 105/5.893 new)

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

(30 ILCS 105/5.894 new)

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

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

(35 ILCS 5/229 new)

Sec. 229. Data center construction employment tax credit.

(a) A taxpayer who has been awarded a credit by the Department of Commerce and Economic Opportunity under Section

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

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

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

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

(4) the area has an average unemployment rate, as determined by the Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

If the taxpayer is a partnership, a Subchapter S corporation, or a limited liability company that has elected partnership tax treatment, the credit shall be allowed to the

partners, shareholders, or members in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code, as applicable. The Department, in cooperation with the Department of Commerce and Economic Opportunity, shall adopt rules to enforce and administer this Section. This Section is exempt from the provisions of Section 250 of this Act.

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

(c) No credit shall be allowed with respect to any certification for any taxable year ending after the revocation of the certification by the Department of Commerce and Economic Opportunity. Upon receiving notification by the Department of Commerce and Economic Opportunity of the revocation of certification, the Department shall notify the taxpayer that no credit is allowed for any taxable year ending after the revocation date, as stated in such notification. If any credit has been allowed with respect to a certification for a taxable year ending after the revocation date, any refund paid to the

taxpayer for that taxable year shall, to the extent of that credit allowed, be an erroneous refund within the meaning of Section 912 of this Act.

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

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

Sec. 2. Definitions.

"Use" means the exercise by any person of any right or power over tangible personal property incident to the ownership of that property, except that it does not include the sale of such property in any form as tangible personal property in the regular course of business to the extent that such property is not first subjected to a use for which it was purchased, and does not include the use of such property by its owner for demonstration purposes: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or by-product of manufacturing. "Use" does not mean the demonstration use or interim use of tangible personal property by a retailer before he sells that tangible personal property. For watercraft or aircraft, if the period of demonstration use or interim use by the retailer exceeds 18 months, the retailer shall pay on the retailers' original cost price the tax imposed by this Act, and

no credit for that tax is permitted if the watercraft or aircraft is subsequently sold by the retailer. "Use" does not mean the physical incorporation of tangible personal property, to the extent not first subjected to a use for which it was purchased, as an ingredient or constituent, into other tangible personal property (a) which is sold in the regular course of business or (b) which the person incorporating such ingredient or constituent therein has undertaken at the time of such purchase to cause to be transported in interstate commerce to destinations outside the State of Illinois: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or by-product of manufacturing.

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

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

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

"Sale at retail" means any transfer of the ownership of or title to tangible personal property to a purchaser, for the

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

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

Nonreusable tangible personal property that is used by persons engaged in the business of operating a restaurant, cafeteria, or drive-in is a sale for resale when it is transferred to customers in the ordinary course of business as

part of the sale of food or beverages and is used to deliver, package, or consume food or beverages, regardless of where consumption of the food or beverages occurs. Examples of those items include, but are not limited to nonreusable, paper and plastic cups, plates, baskets, boxes, sleeves, buckets or other containers, utensils, straws, placemats, napkins, doggie bags, and wrapping or packaging materials that are transferred to customers as part of the sale of food or beverages in the ordinary course of business.

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

"Selling price" means the consideration for a sale valued in money whether received in money or otherwise, including cash, credits, property other than as hereinafter provided, and services, but, prior to January 1, 2020, not including the value of or credit given for traded-in tangible personal property where the item that is traded-in is of like kind and character as that which is being sold; beginning January 1, 2020, "selling price" includes the portion of the value of or credit given for traded-in motor vehicles of the First Division as defined in Section 1-146 of the Illinois Vehicle Code of like kind and character as that which is being sold that exceeds \$10,000. "Selling price", ~~and~~ shall be determined without any deduction on account of the cost of the property

sold, the cost of materials used, labor or service cost or any other expense whatsoever, but does not include interest or finance charges which appear as separate items on the bill of sale or sales contract nor charges that are added to prices by sellers on account of the seller's tax liability under the "Retailers' Occupation Tax Act", or on account of the seller's duty to collect, from the purchaser, the tax that is imposed by this Act, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit, on account of the seller's tax liability under any local occupation tax administered by the Department, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit on account of the seller's duty to collect, from the purchasers, the tax that is imposed under any local use tax administered by the Department. Effective December 1, 1985, "selling price" shall include charges that are added to prices by sellers on account of the seller's tax liability under the Cigarette Tax Act, on account of the seller's duty to collect, from the purchaser, the tax imposed under the Cigarette Use Tax Act, and on account of the seller's duty to collect, from the purchaser, any cigarette tax imposed by a home rule unit.

Notwithstanding any law to the contrary, for any motor vehicle, as defined in Section 1-146 of the Vehicle Code, that is sold on or after January 1, 2015 for the purpose of leasing the vehicle for a defined period that is longer than one year and (1) is a motor vehicle of the second division that: (A) is

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

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

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

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

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

"Department" means the Department of Revenue.

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

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

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

A person whose activities are organized and conducted primarily as a not-for-profit service enterprise, and who engages in selling tangible personal property at retail

(whether to the public or merely to members and their guests) is a retailer with respect to such transactions, excepting only a person organized and operated exclusively for charitable, religious or educational purposes either (1), to the extent of sales by such person to its members, students, patients or inmates of tangible personal property to be used primarily for the purposes of such person, or (2), to the extent of sales by such person of tangible personal property which is not sold or offered for sale by persons organized for profit. The selling of school books and school supplies by schools at retail to students is not "primarily for the purposes of" the school which does such selling. This paragraph does not apply to nor subject to taxation occasional dinners, social or similar activities of a person organized and operated exclusively for charitable, religious or educational purposes, whether or not such activities are open to the public.

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

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

The isolated or occasional sale of tangible personal property at retail by a person who does not hold himself out as being engaged (or who does not habitually engage) in selling such tangible personal property at retail or a sale through a bulk vending machine does not make such person a retailer hereunder. However, any person who is engaged in a business which is not subject to the tax imposed by the "Retailers' Occupation Tax Act" because of involving the sale of or a contract to sell real estate or a construction contract to improve real estate, but who, in the course of conducting such business, transfers tangible personal property to users or consumers in the finished form in which it was purchased, and which does not become real estate, under any provision of a construction contract or real estate sale or real estate sales agreement entered into with some other person arising out of or because of such nontaxable business, is a retailer to the extent of the value of the tangible personal property so transferred. If, in such transaction, a separate charge is made for the tangible personal property so transferred, the value of such property, for the purposes of this Act, is the amount so separately charged, but not less than the cost of such property to the transferor; if no separate charge is made, the value of such property, for the purposes of this Act, is the cost to the transferor of such tangible personal property.

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

retailers:

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

(1.1) (Blank). ~~A retailer having a contract with a person located in this State under which the person, for a commission or other consideration based upon the sale of tangible personal property by the retailer, directly or indirectly refers potential customers to the retailer by providing to the potential customers a promotional code or other mechanism that allows the retailer to track purchases referred by such persons. Examples of mechanisms that allow~~

~~the retailer to track purchases referred by such persons include but are not limited to the use of a link on the person's Internet website, promotional codes distributed through the person's hand-delivered or mailed material, and promotional codes distributed by the person through radio or other broadcast media. The provisions of this paragraph (1.1) shall apply only if the cumulative gross receipts from sales of tangible personal property by the retailer to customers who are referred to the retailer by all persons in this State under such contracts exceed \$10,000 during the preceding 4 quarterly periods ending on the last day of March, June, September, and December. A retailer meeting the requirements of this paragraph (1.1) shall be presumed to be maintaining a place of business in this State but may rebut this presumption by submitting proof that the referrals or other activities pursued within this State by such persons were not sufficient to meet the nexus standards of the United States Constitution during the preceding 4 quarterly periods.~~

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

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

~~located in this State; and~~

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

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

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

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

~~(4) (Blank). A retailer soliciting orders for tangible personal property by mail if the solicitations are substantial and recurring and if the retailer benefits from~~

~~any banking, financing, debt collection, telecommunication, or marketing activities occurring in this State or benefits from the location in this State of authorized installation, servicing, or repair facilities.~~

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

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

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

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

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

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

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

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

quarterly basis, ending on the last day of March, June, September, and December, whether he or she meets the criteria of either subparagraph (A) or (B) for the preceding 12-month period.

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

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

(35 ILCS 105/3-5)

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

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

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

(3) Personal property purchased by a not-for-profit arts or

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

(4) Personal property purchased by a governmental body, by a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, or by a not-for-profit corporation, society, association, foundation, institution, or organization that has no compensated officers or employees and that is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes. On and after July 1, 1987, however, no entity otherwise eligible for this exemption

shall make tax-free purchases unless it has an active exemption identification number issued by the Department.

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

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

(7) Farm chemicals.

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

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

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

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

Farm machinery and equipment shall include precision farming equipment that is installed or purchased to be installed on farm machinery and equipment including, but not limited to, tractors, harvesters, sprayers, planters, seeders,

or spreaders. Precision farming equipment includes, but is not limited to, soil testing sensors, computers, monitors, software, global positioning and mapping systems, and other such equipment.

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

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

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

origination to the city of final destination on the same aircraft, without regard to a change in the flight number of that aircraft.

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

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

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

(16) Until July 1, 2023, coal and aggregate exploration,

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

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

(18) Manufacturing and assembling machinery and equipment used primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, whether that sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether that sale or lease is made apart from or as an incident to the seller's engaging in the service occupation of producing machines, tools, dies, jigs, patterns, gauges, or other similar items of no commercial value on special order for

a particular purchaser. The exemption provided by this paragraph (18) does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. Beginning on July 1, 2017, the exemption provided by this paragraph (18) includes, but is not limited to, graphic arts machinery and equipment, as defined in paragraph (6) of this Section.

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

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

(21) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This item (21) is exempt from the provisions

of Section 3-90, and the exemption provided for under this item (21) applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after January 1, 2008 for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008.

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

reason, the lessor is liable to pay that amount to the Department.

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

(24) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared

disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

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

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

(27) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department

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

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

from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 3-90.

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

(30) Beginning January 1, 2001 and through June 30, 2016, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article V of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act, or in a licensed facility as defined in the ID/DD Community Care Act, the MC/DD Act, or the Specialized Mental Health Rehabilitation Act of 2013.

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

Public Act 92-227), computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-90.

(32) Beginning on August 2, 2001 (the effective date of Public Act 92-227), personal property purchased by a lessor who

leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active sales tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Service Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Service Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-90.

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

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

(34) Beginning January 1, 2008, tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 3-90.

(35) Beginning January 1, 2010, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement,

repair, and maintenance of aircraft, but excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to the use of qualifying tangible personal property by persons who modify, refurbish, complete, repair, replace, or maintain aircraft and who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. The changes made to this paragraph (35) by Public Act 98-534 are declarative of existing law.

(36) Tangible personal property purchased by a public-facilities corporation, as described in Section 11-65-10 of the Illinois Municipal Code, for purposes of constructing or furnishing a municipal convention hall, but only if the legal title to the municipal convention hall is

transferred to the municipality without any further consideration by or on behalf of the municipality at the time of the completion of the municipal convention hall or upon the retirement or redemption of any bonds or other debt instruments issued by the public-facilities corporation in connection with the development of the municipal convention hall. This exemption includes existing public-facilities corporations as provided in Section 11-65-25 of the Illinois Municipal Code. This paragraph is exempt from the provisions of Section 3-90.

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

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

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

(40) Qualified tangible personal property used in the construction or operation of a data center that has been granted a certificate of exemption by the Department of Commerce and Economic Opportunity, whether that tangible

personal property is purchased by the owner, operator, or tenant of the data center or by a contractor or subcontractor of the owner, operator, or tenant. Data centers that would have qualified for a certificate of exemption prior to January 1, 2020 had this amendatory Act of the 101st General Assembly been in effect, may apply for and obtain an exemption for subsequent purchases of computer equipment or enabling software purchased or leased to upgrade, supplement, or replace computer equipment or enabling software purchased or leased in the original investment that would have qualified.

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

For the purposes of this item (40):

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

"Qualified tangible personal property" means: electrical systems and equipment; climate control and chilling equipment and systems; mechanical systems and equipment; monitoring and secure systems; emergency generators; hardware; computers; servers; data storage devices; network connectivity equipment; racks; cabinets;

telecommunications cabling infrastructure; raised floor systems; peripheral components or systems; software; mechanical, electrical, or plumbing systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures; and component parts of any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage electricity necessary to operate qualified tangible personal property; and all other tangible personal property that is essential to the operations of a computer data center. The term "qualified tangible personal property" also includes building materials physically incorporated in to the qualifying data center. To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the certificate of eligibility issued by the Department of Commerce and Economic Opportunity.

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

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

1-8-19.)

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

(35 ILCS 110/3-5)

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

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

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

(3) Personal property purchased by a not-for-profit arts or cultural organization that establishes, by proof required by the Department by rule, that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code and that is organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony

orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. On and after July 1, 2001 (the effective date of Public Act 92-35) ~~this amendatory Act of the 92nd General Assembly~~, however, an entity otherwise eligible for this exemption shall not make tax-free purchases unless it has an active identification number issued by the Department.

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

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

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

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

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

such equipment.

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

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

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

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

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

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

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

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

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

(14) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This item (14) is exempt from the provisions of Section 3-75, and the exemption provided for under this item (14) applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after January 1, 2008 (the effective date of Public Act 95-88) ~~this amendatory Act of the 95th General Assembly~~ for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008 (the effective date of Public Act 95-88) ~~this amendatory Act of the 95th General Assembly~~.

(15) Computers and communications equipment utilized for

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

(16) Personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active tax exemption identification number by the

Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not qualify for this exemption or is used in any other non-exempt manner, the lessor shall be liable for the tax imposed under this Act or the Use Tax Act, as the case may be, based on the fair market value of the property at the time the non-qualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department.

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

(18) Beginning with taxable years ending on or after

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

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

(20) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and

that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(21) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 3-75.

(22) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. Beginning January 1, 2002 and through June 30, 2003, machines and parts

for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 3-75.

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

(24) Beginning on August 2, 2001 (the effective date of Public Act 92-227) ~~this amendatory Act of the 92nd General Assembly~~, computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients purchased by a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a

hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the equipment is leased in a manner that does not qualify for this exemption or is used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-75.

(25) Beginning on August 2, 2001 (the effective date of Public Act 92-227) ~~this amendatory Act of the 92nd General Assembly~~, personal property purchased by a lessor who leases the property, under a lease of one year or longer executed or in effect at the time the lessor would otherwise be subject to the tax imposed by this Act, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. If the property is leased in a manner that does not

qualify for this exemption or is used in any other nonexempt manner, the lessor shall be liable for the tax imposed under this Act or the Use Tax Act, as the case may be, based on the fair market value of the property at the time the nonqualifying use occurs. No lessor shall collect or attempt to collect an amount (however designated) that purports to reimburse that lessor for the tax imposed by this Act or the Use Tax Act, as the case may be, if the tax has not been paid by the lessor. If a lessor improperly collects any such amount from the lessee, the lessee shall have a legal right to claim a refund of that amount from the lessor. If, however, that amount is not refunded to the lessee for any reason, the lessor is liable to pay that amount to the Department. This paragraph is exempt from the provisions of Section 3-75.

(26) Beginning January 1, 2008, tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 3-75.

(27) Beginning January 1, 2010, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in

the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft, but excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to the use of qualifying tangible personal property transferred incident to the modification, refurbishment, completion, replacement, repair, or maintenance of aircraft by persons who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. The changes made to this paragraph (27) by Public Act 98-534 are declarative of existing law.

(28) Tangible personal property purchased by a public-facilities corporation, as described in Section 11-65-10 of the Illinois Municipal Code, for purposes of

constructing or furnishing a municipal convention hall, but only if the legal title to the municipal convention hall is transferred to the municipality without any further consideration by or on behalf of the municipality at the time of the completion of the municipal convention hall or upon the retirement or redemption of any bonds or other debt instruments issued by the public-facilities corporation in connection with the development of the municipal convention hall. This exemption includes existing public-facilities corporations as provided in Section 11-65-25 of the Illinois Municipal Code. This paragraph is exempt from the provisions of Section 3-75.

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

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

(31) Qualified tangible personal property used in the construction or operation of a data center that has been granted a certificate of exemption by the Department of Commerce and Economic Opportunity, whether that tangible personal property is purchased by the owner, operator, or tenant of the data center or by a contractor or subcontractor of the owner, operator, or tenant. Data centers that would have qualified for a certificate of exemption prior to January 1, 2020 had this amendatory Act of the 101st General Assembly been

in effect, may apply for and obtain an exemption for subsequent purchases of computer equipment or enabling software purchased or leased to upgrade, supplement, or replace computer equipment or enabling software purchased or leased in the original investment that would have qualified.

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

For the purposes of this item (31):

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

"Qualified tangible personal property" means: electrical systems and equipment; climate control and chilling equipment and systems; mechanical systems and equipment; monitoring and secure systems; emergency generators; hardware; computers; servers; data storage devices; network connectivity equipment; racks; cabinets; telecommunications cabling infrastructure; raised floor systems; peripheral components or systems; software; mechanical, electrical, or plumbing systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center

infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures; and component parts of any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage electricity necessary to operate qualified tangible personal property; and all other tangible personal property that is essential to the operations of a computer data center. The term "qualified tangible personal property" also includes building materials physically incorporated in to the qualifying data center. To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the certificate of eligibility issued by the Department of Commerce and Economic Opportunity.

This item (31) is exempt from the provisions of Section 3-75.

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

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

(35 ILCS 115/3-5)

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

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

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

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

has an active identification number issued by the Department.

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

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

(6) Personal property sold by a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

(7) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including

implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (7). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required to be licensed and units sold mounted on a motor vehicle required to be licensed if the selling price of the tender is separately stated.

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

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and

crop data for the purpose of formulating animal diets and agricultural chemicals. This item (7) is exempt from the provisions of Section 3-55.

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

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

(9) Proceeds of mandatory service charges separately stated on customers' bills for the purchase and consumption of food and beverages, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips to the employees who participate directly in preparing, serving, hosting or cleaning up the food or

beverage function with respect to which the service charge is imposed.

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

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

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

16, 2013 (the effective date of Public Act 98-456).

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

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

(15) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This item (15) is exempt from the provisions of Section 3-55, and the exemption provided for under this item (15) applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after January 1, 2008 (the effective date of Public Act 95-88) for such taxes

paid during the period beginning May 30, 2000 and ending on January 1, 2008 (the effective date of Public Act 95-88).

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

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

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

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

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

(21) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption, "a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful

branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

(22) Beginning January 1, 2000, personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This paragraph does not apply to fundraising events (i) for the benefit of private home instruction or (ii) for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 3-55.

(23) Beginning January 1, 2000 and through December 31, 2001, new or used automatic vending machines that prepare and serve hot food and beverages, including coffee, soup, and other items, and replacement parts for these machines. Beginning

January 1, 2002 and through June 30, 2003, machines and parts for machines used in commercial, coin-operated amusement and vending business if a use or occupation tax is paid on the gross receipts derived from the use of the commercial, coin-operated amusement and vending machines. This paragraph is exempt from the provisions of Section 3-55.

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

(25) Beginning on August 2, 2001 (the effective date of Public Act 92-227) ~~this amendatory Act of the 92nd General Assembly~~, personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of the Retailers' Occupation Tax Act. This paragraph is exempt from the provisions of Section 3-55.

(26) Beginning on January 1, 2002 and through June 30, 2016, tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois who will, upon receipt of the property in Illinois, temporarily store the property in Illinois (i) for the purpose of subsequently transporting it outside this State for use or consumption thereafter solely outside this State or (ii) for the purpose of being processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported outside this State and thereafter used or consumed solely outside this State. The Director of Revenue shall, pursuant to rules adopted in accordance with the Illinois Administrative Procedure Act, issue a permit to any taxpayer in good standing with the Department who is eligible for the exemption under this paragraph (26). The permit issued under this paragraph (26) shall authorize the holder, to the extent and in the manner specified in the rules adopted under this Act, to purchase tangible personal property from a retailer exempt from the taxes imposed by this Act. Taxpayers shall maintain all necessary books and records to substantiate the use and consumption of all such tangible personal property outside of the State of Illinois.

(27) Beginning January 1, 2008, tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental

Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 3-55.

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

(29) Beginning January 1, 2010, materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft, but excludes any materials, parts, equipment, components, and consumable

supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to the transfer of qualifying tangible personal property incident to the modification, refurbishment, completion, replacement, repair, or maintenance of an aircraft by persons who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. The changes made to this paragraph (29) by Public Act 98-534 are declarative of existing law.

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

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

(32) Qualified tangible personal property used in the

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

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

For the purposes of this item (32):

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

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

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

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

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

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

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

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

"Sale at retail" shall be construed to include any transfer of the ownership of or title to tangible personal property to a

purchaser, for use or consumption by any other person to whom such purchaser may transfer the tangible personal property without a valuable consideration, and to include any transfer, whether made for or without a valuable consideration, for resale in any form as tangible personal property unless made in compliance with Section 2c of this Act.

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

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

Nonreusable tangible personal property that is used by persons engaged in the business of operating a restaurant, cafeteria, or drive-in is a sale for resale when it is transferred to customers in the ordinary course of business as part of the sale of food or beverages and is used to deliver,

package, or consume food or beverages, regardless of where consumption of the food or beverages occurs. Examples of those items include, but are not limited to nonreusable, paper and plastic cups, plates, baskets, boxes, sleeves, buckets or other containers, utensils, straws, placemats, napkins, doggie bags, and wrapping or packaging materials that are transferred to customers as part of the sale of food or beverages in the ordinary course of business.

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

A person whose activities are organized and conducted primarily as a not-for-profit service enterprise, and who engages in selling tangible personal property at retail (whether to the public or merely to members and their guests) is engaged in the business of selling tangible personal property at retail with respect to such transactions, excepting only a person organized and operated exclusively for charitable, religious or educational purposes either (1), to the extent of sales by such person to its members, students, patients or inmates of tangible personal property to be used primarily for the purposes of such person, or (2), to the extent of sales by such person of tangible personal property which is not sold or offered for sale by persons organized for profit. The selling of school books and school supplies by

schools at retail to students is not "primarily for the purposes of" the school which does such selling. The provisions of this paragraph shall not apply to nor subject to taxation occasional dinners, socials or similar activities of a person organized and operated exclusively for charitable, religious or educational purposes, whether or not such activities are open to the public.

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

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

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

"Selling price" or the "amount of sale" means the consideration for a sale valued in money whether received in

money or otherwise, including cash, credits, property, other than as hereinafter provided, and services, but, prior to January 1, 2020, not including the value of or credit given for traded-in tangible personal property where the item that is traded-in is of like kind and character as that which is being sold; beginning January 1, 2020, "selling price" includes the portion of the value of or credit given for traded-in motor vehicles of the First Division as defined in Section 1-146 of the Illinois Vehicle Code of like kind and character as that which is being sold that exceeds \$10,000. "Selling price", and shall be determined without any deduction on account of the cost of the property sold, the cost of materials used, labor or service cost or any other expense whatsoever, but does not include charges that are added to prices by sellers on account of the seller's tax liability under this Act, or on account of the seller's duty to collect, from the purchaser, the tax that is imposed by the Use Tax Act, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit, on account of the seller's tax liability under any local occupation tax administered by the Department, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit on account of the seller's duty to collect, from the purchasers, the tax that is imposed under any local use tax administered by the Department. Effective December 1, 1985, "selling price" shall include charges that are added to prices by sellers on account of the seller's tax liability

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

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

Illinois, with respect to any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, the lessor who purchased the motor vehicle does not incur the tax imposed by the Use Tax Act on those amounts, and the retailer who makes the retail sale of the motor vehicle to the lessor is not required to collect the tax imposed by the Use Tax Act or to pay the tax imposed by this Act on those amounts. However, the lessor who purchased the motor vehicle assumes the liability for reporting and paying the tax on those amounts directly to the Department in the same form (Illinois Retailers' Occupation Tax, and local retailers' occupation taxes, if applicable) in which the retailer would have reported and paid such tax if the retailer had accounted for the tax to the Department. For amounts received by the lessor from the lessee that are not calculated at the time the lease is executed, the lessor must file the return and pay the tax to the Department by the due date otherwise required by this Act for returns other than transaction returns. If the retailer is entitled under this Act to a discount for collecting and remitting the tax imposed under this Act to the Department with respect to the sale of the motor vehicle to the lessor, then the right to the discount provided in this Act shall be transferred to the lessor with respect to the tax paid by the lessor for any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed; provided that the discount is only

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

apply to leases of motor vehicles for which, at the time the lease is entered into, the term of the lease is not a defined period, including leases with a defined initial period with the option to continue the lease on a month-to-month or other basis beyond the initial defined period.

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

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

"Department" means the Department of Revenue.

"Person" means any natural individual, firm, partnership, association, joint stock company, joint adventure, public or private corporation, limited liability company, or a receiver,

executor, trustee, guardian or other representative appointed by order of any court.

The isolated or occasional sale of tangible personal property at retail by a person who does not hold himself out as being engaged (or who does not habitually engage) in selling such tangible personal property at retail, or a sale through a bulk vending machine, does not constitute engaging in a business of selling such tangible personal property at retail within the meaning of this Act; provided that any person who is engaged in a business which is not subject to the tax imposed by this Act because of involving the sale of or a contract to sell real estate or a construction contract to improve real estate or a construction contract to engineer, install, and maintain an integrated system of products, but who, in the course of conducting such business, transfers tangible personal property to users or consumers in the finished form in which it was purchased, and which does not become real estate or was not engineered and installed, under any provision of a construction contract or real estate sale or real estate sales agreement entered into with some other person arising out of or because of such nontaxable business, is engaged in the business of selling tangible personal property at retail to the extent of the value of the tangible personal property so transferred. If, in such a transaction, a separate charge is made for the tangible personal property so transferred, the value of such property, for the purpose of this Act, shall be the amount so

separately charged, but not less than the cost of such property to the transferor; if no separate charge is made, the value of such property, for the purposes of this Act, is the cost to the transferor of such tangible personal property. Construction contracts for the improvement of real estate consisting of engineering, installation, and maintenance of voice, data, video, security, and all telecommunication systems do not constitute engaging in a business of selling tangible personal property at retail within the meaning of this Act if they are sold at one specified contract price.

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

Persons who engage in the business of transferring tangible personal property upon the redemption of trading stamps are engaged in the business of selling such property at retail and shall be liable for and shall pay the tax imposed by this Act

on the basis of the retail value of the property transferred upon redemption of such stamps.

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

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

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

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

Sec. 2. Tax imposed.

(a) A tax is imposed upon persons engaged in the business of selling at retail tangible personal property, including computer software, and including photographs, negatives, and positives that are the product of photoprocessing, but not including products of photoprocessing produced for use in

motion pictures for public commercial exhibition. Beginning January 1, 2001, prepaid telephone calling arrangements shall be considered tangible personal property subject to the tax imposed under this Act regardless of the form in which those arrangements may be embodied, transmitted, or fixed by any method now known or hereafter developed. Sales of (1) electricity delivered to customers by wire; (2) natural or artificial gas that is delivered to customers through pipes, pipelines, or mains; and (3) water that is delivered to customers through pipes, pipelines, or mains are not subject to tax under this Act. The provisions of this amendatory Act of the 98th General Assembly are declaratory of existing law as to the meaning and scope of this Act.

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

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

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

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

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

the criteria of either paragraph (1) or (2) for the preceding 12-month period.

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

(35 ILCS 120/2-5)

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

(1) Farm chemicals.

(2) Farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code, farm machinery and agricultural chemical and fertilizer spreaders, and nurse wagons required to be registered under Section 3-809 of the Illinois Vehicle Code, but excluding other motor vehicles required to be registered under the Illinois Vehicle Code. Horticultural polyhouses or hoop houses used for propagating, growing, or overwintering plants shall be considered farm machinery and equipment under this item (2). Agricultural chemical tender tanks and dry boxes shall include units sold separately from a motor vehicle required

to be licensed and units sold mounted on a motor vehicle required to be licensed, if the selling price of the tender is separately stated.

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

Farm machinery and equipment also includes computers, sensors, software, and related equipment used primarily in the computer-assisted operation of production agriculture facilities, equipment, and activities such as, but not limited to, the collection, monitoring, and correlation of animal and crop data for the purpose of formulating animal diets and agricultural chemicals. This item (2) is exempt from the provisions of Section 2-70.

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

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

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

(6) Personal property sold by a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois.

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

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

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

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

(11) Personal property sold to a governmental body, to a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, or to a

not-for-profit corporation, society, association, foundation, institution, or organization that has no compensated officers or employees and that is organized and operated primarily for the recreation of persons 55 years of age or older. A limited liability company may qualify for the exemption under this paragraph only if the limited liability company is organized and operated exclusively for educational purposes. On and after July 1, 1987, however, no entity otherwise eligible for this exemption shall make tax-free purchases unless it has an active identification number issued by the Department.

(12) (Blank).

(12-5) On and after July 1, 2003 and through June 30, 2004, motor vehicles of the second division with a gross vehicle weight in excess of 8,000 pounds that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code. Beginning on July 1, 2004 and through June 30, 2005, the use in this State of motor vehicles of the second division: (i) with a gross vehicle weight rating in excess of 8,000 pounds; (ii) that are subject to the commercial distribution fee imposed under Section 3-815.1 of the Illinois Vehicle Code; and (iii) that are primarily used for commercial purposes. Through June 30, 2005, this exemption applies to repair and replacement parts added after the initial purchase of such a motor vehicle if that motor vehicle is used in a manner

that would qualify for the rolling stock exemption otherwise provided for in this Act. For purposes of this paragraph, "used for commercial purposes" means the transportation of persons or property in furtherance of any commercial or industrial enterprise whether for-hire or not.

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

(14) Machinery and equipment that will be used by the purchaser, or a lessee of the purchaser, primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, whether the sale or lease is made directly by the manufacturer or by some other person, whether the materials used in the process are owned by the manufacturer or some other person, or whether the sale or lease is made apart from or as an incident to the seller's engaging in the service occupation of producing machines, tools, dies, jigs, patterns, gauges, or other similar items of no commercial value on special order for a particular purchaser. The exemption

provided by this paragraph (14) does not include machinery and equipment used in (i) the generation of electricity for wholesale or retail sale; (ii) the generation or treatment of natural or artificial gas for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains; or (iii) the treatment of water for wholesale or retail sale that is delivered to customers through pipes, pipelines, or mains. The provisions of Public Act 98-583 are declaratory of existing law as to the meaning and scope of this exemption. Beginning on July 1, 2017, the exemption provided by this paragraph (14) includes, but is not limited to, graphic arts machinery and equipment, as defined in paragraph (4) of this Section.

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

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

(17) Tangible personal property sold to a common

carrier by rail or motor that receives the physical possession of the property in Illinois and that transports the property, or shares with another common carrier in the transportation of the property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of the property to a destination outside Illinois, for use outside Illinois.

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

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

(20) Photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for photoprocessing, and including photoprocessing machinery and equipment

purchased for lease.

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

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

Beginning July 1, 2013, fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight that (i) is engaged in foreign trade or is engaged in trade between the United States and any of its

possessions and (ii) transports at least one individual or package for hire from the city of origination to the city of final destination on the same aircraft, without regard to a change in the flight number of that aircraft.

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

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

(25) Except as provided in item (25-5) of this Section, a motor vehicle sold in this State to a nonresident even though the motor vehicle is delivered to the nonresident in this State, if the motor vehicle is not to be titled in this State, and if a drive-away permit is issued to the motor vehicle as provided in Section 3-603 of the Illinois Vehicle Code or if the nonresident purchaser has vehicle registration plates to transfer to the motor vehicle upon returning to his or her home state. The issuance of the drive-away permit or having the out-of-state registration plates to be transferred is prima facie evidence that the motor vehicle will not be titled in this State.

(25-5) The exemption under item (25) does not apply if the state in which the motor vehicle will be titled does not allow a reciprocal exemption for a motor vehicle sold and delivered in that state to an Illinois resident but titled in Illinois. The tax collected under this Act on the sale of a motor vehicle in this State to a resident of another state that does not allow a reciprocal exemption shall be imposed at a rate equal to the state's rate of tax on taxable property in the state in which the purchaser is a resident, except that the tax shall not exceed the tax that would otherwise be imposed under this Act. At the time of the sale, the purchaser shall execute a statement, signed under penalty of perjury, of his or her intent to title the vehicle in the state in which the purchaser is a resident within 30 days after the sale and of the fact of the payment to the State of Illinois of tax in an amount equivalent to the state's rate of tax on taxable property in his or her state of residence and shall submit the statement to the appropriate tax collection agency in his or her state of residence. In addition, the retailer must retain a signed copy of the statement in his or her records. Nothing in this item shall be construed to require the removal of the vehicle from this state following the filing of an intent to title the vehicle in the purchaser's state of residence if the purchaser titles the vehicle in his or her state of residence within 30 days after the date

of sale. The tax collected under this Act in accordance with this item (25-5) shall be proportionately distributed as if the tax were collected at the 6.25% general rate imposed under this Act.

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

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

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

(3) the seller retains in his or her books and records and provides to the Department a signed and dated certification from the purchaser, on a form prescribed by the Department, certifying that the requirements of this item (25-7) are met. The certificate must also include the name and address of the purchaser, the address of the location where the aircraft is to be titled or registered, the address of the primary physical location of the aircraft, and

other information that the Department may reasonably require.

For purposes of this item (25-7):

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

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

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

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

(27) Horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This item (27) is exempt from the provisions of Section 2-70, and the exemption provided for under this item (27) applies for all periods beginning May 30, 1995, but no claim for credit or

refund is allowed on or after January 1, 2008 (the effective date of Public Act 95-88) for such taxes paid during the period beginning May 30, 2000 and ending on January 1, 2008 (the effective date of Public Act 95-88).

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

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

(30) Beginning with taxable years ending on or after December 31, 1995 and ending with taxable years ending on or before December 31, 2004, personal property that is donated for disaster relief to be used in a State or federally declared disaster area in Illinois or bordering Illinois by a manufacturer or retailer that is registered in this State to a corporation, society, association, foundation, or institution that has been issued a sales tax

exemption identification number by the Department that assists victims of the disaster who reside within the declared disaster area.

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

(32) Beginning July 1, 1999, game or game birds sold at a "game breeding and hunting preserve area" as that term is used in the Wildlife Code. This paragraph is exempt from the provisions of Section 2-70.

(33) A motor vehicle, as that term is defined in Section 1-146 of the Illinois Vehicle Code, that is donated to a corporation, limited liability company, society, association, foundation, or institution that is determined by the Department to be organized and operated exclusively for educational purposes. For purposes of this exemption,

"a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes" means all tax-supported public schools, private schools that offer systematic instruction in useful branches of learning by methods common to public schools and that compare favorably in their scope and intensity with the course of study presented in tax-supported schools, and vocational or technical schools or institutes organized and operated exclusively to provide a course of study of not less than 6 weeks duration and designed to prepare individuals to follow a trade or to pursue a manual, technical, mechanical, industrial, business, or commercial occupation.

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

purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the provisions of Section 2-70.

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

(35-5) Beginning August 23, 2001 and through June 30, 2016, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article V of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act, or a licensed facility as defined in the ID/DD

Community Care Act, the MC/DD Act, or the Specialized Mental Health Rehabilitation Act of 2013.

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

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

(38) Beginning on January 1, 2002 and through June 30, 2016, tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois who will, upon receipt of the property in Illinois, temporarily store the property in Illinois (i) for the purpose of subsequently transporting it outside this State for use or consumption thereafter solely outside this State or (ii) for the purpose of being

processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported outside this State and thereafter used or consumed solely outside this State. The Director of Revenue shall, pursuant to rules adopted in accordance with the Illinois Administrative Procedure Act, issue a permit to any taxpayer in good standing with the Department who is eligible for the exemption under this paragraph (38). The permit issued under this paragraph (38) shall authorize the holder, to the extent and in the manner specified in the rules adopted under this Act, to purchase tangible personal property from a retailer exempt from the taxes imposed by this Act. Taxpayers shall maintain all necessary books and records to substantiate the use and consumption of all such tangible personal property outside of the State of Illinois.

(39) Beginning January 1, 2008, tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the provisions of Section 2-70.

(40) Beginning January 1, 2010, materials, parts, equipment, components, and furnishings incorporated into

or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft, but excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films. This exemption applies only to the sale of qualifying tangible personal property to persons who modify, refurbish, complete, replace, or maintain an aircraft and who (i) hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, (ii) have a Class IV Rating, and (iii) conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations. The changes made to this paragraph (40) by Public Act 98-534 are declarative of

existing law.

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

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

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

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

The Department of Commerce and Economic Opportunity shall grant a certificate of exemption under this item (44) to qualified data centers as defined by Section 605-1025 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

For the purposes of this item (44):

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

"Qualified tangible personal property" means:

electrical systems and equipment; climate control and chilling equipment and systems; mechanical systems and equipment; monitoring and secure systems; emergency generators; hardware; computers; servers; data storage devices; network connectivity equipment; racks; cabinets; telecommunications cabling infrastructure; raised floor systems; peripheral components or systems; software; mechanical, electrical, or plumbing systems; battery systems; cooling systems and towers; temperature control systems; other cabling; and other data center infrastructure equipment and systems necessary to operate qualified tangible personal property, including fixtures; and component parts of any of the foregoing, including installation, maintenance, repair, refurbishment, and replacement of qualified tangible personal property to generate, transform, transmit, distribute, or manage electricity necessary to operate qualified tangible personal property; and all other tangible personal property that is essential to the operations of a computer data center. The term "qualified tangible personal property" also includes building materials physically incorporated in to the qualifying data center. To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the certificate of eligibility issued by the Department of

Commerce and Economic Opportunity.

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

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

(35 ILCS 120/2-12)

Sec. 2-12. Location where retailer is deemed to be engaged in the business of selling. The purpose of this Section is to specify where a retailer is deemed to be engaged in the business of selling tangible personal property for the purposes of this Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act, and for the purpose of collecting any other local retailers' occupation tax administered by the Department. This Section applies only with respect to the particular selling activities described in the following paragraphs. The provisions of this Section are not intended to, and shall not be interpreted to, affect where a retailer is deemed to be engaged in the business of selling with respect to any activity that is not specifically described in the following paragraphs.

(1) If a purchaser who is present at the retailer's place of business, having no prior commitment to the retailer, agrees to purchase and makes payment for tangible

personal property at the retailer's place of business, then the transaction shall be deemed an over-the-counter sale occurring at the retailer's same place of business where the purchaser was present and made payment for that tangible personal property if the retailer regularly stocks the purchased tangible personal property or similar tangible personal property in the quantity, or similar quantity, for sale at the retailer's same place of business and then either (i) the purchaser takes possession of the tangible personal property at the same place of business or (ii) the retailer delivers or arranges for the tangible personal property to be delivered to the purchaser.

(2) If a purchaser, having no prior commitment to the retailer, agrees to purchase tangible personal property and makes payment over the phone, in writing, or via the Internet and takes possession of the tangible personal property at the retailer's place of business, then the sale shall be deemed to have occurred at the retailer's place of business where the purchaser takes possession of the property if the retailer regularly stocks the item or similar items in the quantity, or similar quantities, purchased by the purchaser.

(3) A retailer is deemed to be engaged in the business of selling food, beverages, or other tangible personal property through a vending machine at the location where the vending machine is located at the time the sale is made

if (i) the vending machine is a device operated by coin, currency, credit card, token, coupon or similar device; (2) the food, beverage or other tangible personal property is contained within the vending machine and dispensed from the vending machine; and (3) the purchaser takes possession of the purchased food, beverage or other tangible personal property immediately.

(4) Minerals. A producer of coal or other mineral mined in Illinois is deemed to be engaged in the business of selling at the place where the coal or other mineral mined in Illinois is extracted from the earth. With respect to minerals (i) the term "extracted from the earth" means the location at which the coal or other mineral is extracted from the mouth of the mine, and (ii) a "mineral" includes not only coal, but also oil, sand, stone taken from a quarry, gravel and any other thing commonly regarded as a mineral and extracted from the earth. This paragraph does not apply to coal or another mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the United States Constitution as a sale in interstate or foreign commerce.

(5) A retailer selling tangible personal property to a nominal lessee or bailee pursuant to a lease with a dollar or other nominal option to purchase is engaged in the business of selling at the location where the property is

first delivered to the lessee or bailee for its intended use.

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

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

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

Sec. 2a. It is unlawful for any person to engage in the business of selling tangible personal property at retail in this State without a certificate of registration from the Department. Application for a certificate of registration shall be made to the Department upon forms furnished by it. Each such application shall be signed and verified and shall state: (1) the name and social security number of the applicant; (2) the address of his principal place of business; (3) the address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State and the addresses of all other places of business, if any (enumerating such addresses, if any, in a separate list attached to and made a part of the

application), from which he engages in the business of selling tangible personal property at retail in this State; (4) the name and address of the person or persons who will be responsible for filing returns and payment of taxes due under this Act; (5) in the case of a publicly traded corporation, the name and title of the Chief Financial Officer, Chief Operating Officer, and any other officer or employee with responsibility for preparing tax returns under this Act, and, in the case of all other corporations, the name, title, and social security number of each corporate officer; (6) in the case of a limited liability company, the name, social security number, and FEIN number of each manager and member; and (7) such other information as the Department may reasonably require. The application shall contain an acceptance of responsibility signed by the person or persons who will be responsible for filing returns and payment of the taxes due under this Act. If the applicant will sell tangible personal property at retail through vending machines, his application to register shall indicate the number of vending machines to be so operated. If requested by the Department at any time, that person shall verify the total number of vending machines he or she uses in his or her business of selling tangible personal property at retail.

The Department shall provide by rule for an expedited business registration process for remote retailers required to register and file under subsection (b) of Section 2 who use a

certified service provider to file their returns under this Act. Such expedited registration process shall allow the Department to register a taxpayer based upon the same registration information required by the Streamlined Sales Tax Governing Board for states participating in the Streamlined Sales Tax Project.

The Department may deny a certificate of registration to any applicant if a person who is named as the owner, a partner, a manager or member of a limited liability company, or a corporate officer of the applicant on the application for the certificate of registration is or has been named as the owner, a partner, a manager or member of a limited liability company, or a corporate officer on the application for the certificate of registration of another retailer that is in default for moneys due under this Act or any other tax or fee Act administered by the Department. For purposes of this paragraph only, in determining whether a person is in default for moneys due, the Department shall include only amounts established as a final liability within the 20 years prior to the date of the Department's notice of denial of a certificate of registration.

The Department may require an applicant for a certificate of registration hereunder to, at the time of filing such application, furnish a bond from a surety company authorized to do business in the State of Illinois, or an irrevocable bank letter of credit or a bond signed by 2 personal sureties who have filed, with the Department, sworn statements disclosing

net assets equal to at least 3 times the amount of the bond to be required of such applicant, or a bond secured by an assignment of a bank account or certificate of deposit, stocks or bonds, conditioned upon the applicant paying to the State of Illinois all moneys becoming due under this Act and under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the applicant under this Act will permit the applicant to engage in business without registering separately under such other law, ordinance or resolution. In making a determination as to whether to require a bond or other security, the Department shall take into consideration whether the owner, any partner, any manager or member of a limited liability company, or a corporate officer of the applicant is or has been the owner, a partner, a manager or member of a limited liability company, or a corporate officer of another retailer that is in default for moneys due under this Act or any other tax or fee Act administered by the Department; and whether the owner, any partner, any manager or member of a limited liability company, or a corporate officer of the applicant is or has been the owner, a partner, a manager or member of a limited liability company, or a corporate officer of another retailer whose certificate of registration has been revoked within the previous 5 years under this Act or any other tax or fee Act administered by the Department. If a bond or other security is required, the Department shall fix the amount

of the bond or other security, taking into consideration the amount of money expected to become due from the applicant under this Act and under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the applicant under this Act will permit the applicant to engage in business without registering separately under such other law, ordinance, or resolution. The amount of security required by the Department shall be such as, in its opinion, will protect the State of Illinois against failure to pay the amount which may become due from the applicant under this Act and under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the applicant under this Act will permit the applicant to engage in business without registering separately under such other law, ordinance or resolution, but the amount of the security required by the Department shall not exceed three times the amount of the applicant's average monthly tax liability, or \$50,000.00, whichever amount is lower.

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

Upon receipt of the application for certificate of registration in proper form, and upon approval by the Department of the security furnished by the applicant, if

required, the Department shall issue to such applicant a certificate of registration which shall permit the person to whom it is issued to engage in the business of selling tangible personal property at retail in this State. The certificate of registration shall be conspicuously displayed at the place of business which the person so registered states in his application to be the principal place of business from which he engages in the business of selling tangible personal property at retail in this State.

No certificate of registration issued prior to July 1, 2017 to a taxpayer who files returns required by this Act on a monthly basis or renewed prior to July 1, 2017 by a taxpayer who files returns required by this Act on a monthly basis shall be valid after the expiration of 5 years from the date of its issuance or last renewal. No certificate of registration issued on or after July 1, 2017 to a taxpayer who files returns required by this Act on a monthly basis or renewed on or after July 1, 2017 by a taxpayer who files returns required by this Act on a monthly basis shall be valid after the expiration of one year from the date of its issuance or last renewal. The expiration date of a sub-certificate of registration shall be that of the certificate of registration to which the sub-certificate relates. Prior to July 1, 2017, a certificate of registration shall automatically be renewed, subject to revocation as provided by this Act, for an additional 5 years from the date of its expiration unless otherwise notified by

the Department as provided by this paragraph. On and after July 1, 2017, a certificate of registration shall automatically be renewed, subject to revocation as provided by this Act, for an additional one year from the date of its expiration unless otherwise notified by the Department as provided by this paragraph.

Where a taxpayer to whom a certificate of registration is issued under this Act is in default to the State of Illinois for delinquent returns or for moneys due under this Act or any other State tax law or municipal or county ordinance administered or enforced by the Department, the Department shall, not less than 60 days before the expiration date of such certificate of registration, give notice to the taxpayer to whom the certificate was issued of the account period of the delinquent returns, the amount of tax, penalty and interest due and owing from the taxpayer, and that the certificate of registration shall not be automatically renewed upon its expiration date unless the taxpayer, on or before the date of expiration, has filed and paid the delinquent returns or paid the defaulted amount in full. A taxpayer to whom such a notice is issued shall be deemed an applicant for renewal. The Department shall promulgate regulations establishing procedures for taxpayers who file returns on a monthly basis but desire and qualify to change to a quarterly or yearly filing basis and will no longer be subject to renewal under this Section, and for taxpayers who file returns on a yearly or

quarterly basis but who desire or are required to change to a monthly filing basis and will be subject to renewal under this Section.

The Department may in its discretion approve renewal by an applicant who is in default if, at the time of application for renewal, the applicant files all of the delinquent returns or pays to the Department such percentage of the defaulted amount as may be determined by the Department and agrees in writing to waive all limitations upon the Department for collection of the remaining defaulted amount to the Department over a period not to exceed 5 years from the date of renewal of the certificate; however, no renewal application submitted by an applicant who is in default shall be approved if the immediately preceding renewal by the applicant was conditioned upon the installment payment agreement described in this Section. The payment agreement herein provided for shall be in addition to and not in lieu of the security that may be required by this Section of a taxpayer who is no longer considered a prior continuous compliance taxpayer. The execution of the payment agreement as provided in this Act shall not toll the accrual of interest at the statutory rate.

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

A certificate of registration issued under this Act more

than 5 years before January 1, 1990 (the effective date of Public Act 86-383) shall expire and be subject to the renewal provisions of this Section on the next anniversary of the date of issuance of such certificate which occurs more than 6 months after January 1, 1990 (the effective date of Public Act 86-383). A certificate of registration issued less than 5 years before January 1, 1990 (the effective date of Public Act 86-383) shall expire and be subject to the renewal provisions of this Section on the 5th anniversary of the issuance of the certificate.

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

If the applicant will sell tangible personal property at retail through vending machines, the Department shall furnish him with a sub-certificate of registration for each such vending machine, and the applicant shall display the appropriate sub-certificate of registration on each such vending machine by attaching the sub-certificate of

registration to a conspicuous part of such vending machine. If a person who is registered to sell tangible personal property at retail through vending machines adds an additional vending machine or additional vending machines to the number of vending machines he or she uses in his or her business of selling tangible personal property at retail, he or she shall notify the Department, on a form prescribed by the Department, to request an additional sub-certificate or additional sub-certificates of registration, as applicable. With each such request, the applicant shall report the number of sub-certificates of registration he or she is requesting as well as the total number of vending machines from which he or she makes retail sales.

Where the same person engages in 2 or more businesses of selling tangible personal property at retail in this State, which businesses are substantially different in character or engaged in under different trade names or engaged in under other substantially dissimilar circumstances (so that it is more practicable, from an accounting, auditing or bookkeeping standpoint, for such businesses to be separately registered), the Department may require or permit such person (subject to the same requirements concerning the furnishing of security as those that are provided for hereinbefore in this Section as to each application for a certificate of registration) to apply for and obtain a separate certificate of registration for each such business or for any of such businesses, under a single

certificate of registration supplemented by related sub-certificates of registration.

Any person who is registered under the Retailers' Occupation Tax Act as of March 8, 1963, and who, during the 3-year period immediately prior to March 8, 1963, or during a continuous 3-year period part of which passed immediately before and the remainder of which passes immediately after March 8, 1963, has been so registered continuously and who is determined by the Department not to have been either delinquent or deficient in the payment of tax liability during that period under this Act or under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the registrant under this Act will permit the registrant to engage in business without registering separately under such other law, ordinance or resolution, shall be considered to be a Prior Continuous Compliance taxpayer. Also any taxpayer who has, as verified by the Department, faithfully and continuously complied with the condition of his bond or other security under the provisions of this Act for a period of 3 consecutive years shall be considered to be a Prior Continuous Compliance taxpayer.

Every Prior Continuous Compliance taxpayer shall be exempt from all requirements under this Act concerning the furnishing of a bond or other security as a condition precedent to his being authorized to engage in the business of selling tangible personal property at retail in this State. This exemption shall

continue for each such taxpayer until such time as he may be determined by the Department to be delinquent in the filing of any returns, or is determined by the Department (either through the Department's issuance of a final assessment which has become final under the Act, or by the taxpayer's filing of a return which admits tax that is not paid to be due) to be delinquent or deficient in the paying of any tax under this Act or under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the registrant under this Act will permit the registrant to engage in business without registering separately under such other law, ordinance or resolution, at which time that taxpayer shall become subject to all the financial responsibility requirements of this Act and, as a condition of being allowed to continue to engage in the business of selling tangible personal property at retail, may be required to post bond or other acceptable security with the Department covering liability which such taxpayer may thereafter incur. Any taxpayer who fails to pay an admitted or established liability under this Act may also be required to post bond or other acceptable security with this Department guaranteeing the payment of such admitted or established liability.

No certificate of registration shall be issued to any person who is in default to the State of Illinois for moneys due under this Act or under any other State tax law or

municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the applicant under this Act will permit the applicant to engage in business without registering separately under such other law, ordinance or resolution.

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

With respect to security other than bonds (upon which the Department may sue in the event of a forfeiture), if the taxpayer fails to pay, when due, any amount whose payment such security guarantees, the Department shall, after such liability is admitted by the taxpayer or established by the Department through the issuance of a final assessment that has become final under the law, convert the security which that taxpayer has furnished into money for the State, after first giving the taxpayer at least 10 days' written notice, by registered or certified mail, to pay the liability or forfeit such security to the Department. If the security consists of

stocks or bonds or other securities which are listed on a public exchange, the Department shall sell such securities through such public exchange. If the security consists of an irrevocable bank letter of credit, the Department shall convert the security in the manner provided for in the Uniform Commercial Code. If the security consists of a bank certificate of deposit, the Department shall convert the security into money by demanding and collecting the amount of such bank certificate of deposit from the bank which issued such certificate. If the security consists of a type of stocks or other securities which are not listed on a public exchange, the Department shall sell such security to the highest and best bidder after giving at least 10 days' notice of the date, time and place of the intended sale by publication in the "State Official Newspaper". If the Department realizes more than the amount of such liability from the security, plus the expenses incurred by the Department in converting the security into money, the Department shall pay such excess to the taxpayer who furnished such security, and the balance shall be paid into the State Treasury.

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

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

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

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

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

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

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

(a) Beginning on July 1, 2019, in place of the aggregate tax rate of 99 mills previously imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 149 mills per cigarette sold or otherwise disposed of in the course of such business in this State. ~~A tax is imposed upon any person engaged in business as a retailer of cigarettes in this State at the rate of 5 1/2 mills per cigarette sold, or otherwise disposed of in the course of such business in this State. In addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes in this State at a rate of 1/2 mill per cigarette sold or otherwise disposed of in the course of such business in this State on and after January 1, 1947, and shall be paid into the Metropolitan Fair and Exposition Authority Reconstruction Fund or as otherwise provided in Section 29. On and after December 1, 1985, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes in this State at a rate of 4 mills per cigarette sold or otherwise disposed of in the course of such business in this State. Of the additional tax imposed by this amendatory Act of 1985, \$9,000,000 of the moneys received by the Department of Revenue pursuant to this Act shall be paid each month into the Common School Fund. On and after the effective date of this amendatory Act of 1989, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business~~

~~as a retailer of cigarettes at the rate of 5 mills per cigarette sold or otherwise disposed of in the course of such business in this State. On and after the effective date of this amendatory Act of 1993, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 7 mills per cigarette sold or otherwise disposed of in the course of such business in this State. On and after December 15, 1997, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 7 mills per cigarette sold or otherwise disposed of in the course of such business of this State. All of the moneys received by the Department of Revenue pursuant to this Act and the Cigarette Use Tax Act from the additional taxes imposed by this amendatory Act of 1997, shall be paid each month into the Common School Fund. On and after July 1, 2002, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 20.0 mills per cigarette sold or otherwise disposed of in the course of such business in this State. Beginning on June 24, 2012, in addition to any other tax imposed by this Act, a tax is imposed upon any person engaged in business as a retailer of cigarettes at the rate of 50 mills per cigarette sold or otherwise disposed of in the course of such business in this State. All moneys received by the Department of Revenue under this Act and the Cigarette Use Tax~~

~~Act from the additional taxes imposed by this amendatory Act of the 97th General Assembly shall be paid each month into the Healthcare Provider Relief Fund.~~

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

~~Beginning on the effective date of this amendatory Act of the 92nd General Assembly and through June 30, 2006, all of the moneys received by the Department of Revenue pursuant to this Act and the Cigarette Use Tax Act, other than the moneys that are dedicated to the Common School Fund, shall be distributed each month as follows: first, there shall be paid into the General Revenue Fund an amount which, when added to the amount paid into the Common School Fund for that month, equals \$33,300,000, except that in the month of August of 2004, this amount shall equal \$83,300,000; then, from the moneys remaining, if any amounts required to be paid into the General Revenue Fund in previous months remain unpaid, those amounts shall be paid into the General Revenue Fund; then, beginning on April 1, 2003, from the moneys remaining, \$5,000,000 per month~~

~~shall be paid into the School Infrastructure Fund; then, if any amounts required to be paid into the School Infrastructure Fund in previous months remain unpaid, those amounts shall be paid into the School Infrastructure Fund; then the moneys remaining, if any, shall be paid into the Long Term Care Provider Fund. To the extent that more than \$25,000,000 has been paid into the General Revenue Fund and Common School Fund per month for the period of July 1, 1993 through the effective date of this amendatory Act of 1994 from combined receipts of the Cigarette Tax Act and the Cigarette Use Tax Act, notwithstanding the distribution provided in this Section, the Department of Revenue is hereby directed to adjust the distribution provided in this Section to increase the next monthly payments to the Long Term Care Provider Fund by the amount paid to the General Revenue Fund and Common School Fund in excess of \$25,000,000 per month and to decrease the next monthly payments to the General Revenue Fund and Common School Fund by that same excess amount.~~

Beginning on July 1, 2006, all of the moneys received by the Department of Revenue pursuant to this Act and the Cigarette Use Tax Act, other than the moneys that are dedicated to the Common School Fund and, beginning on the effective date of this amendatory Act of the 97th General Assembly, other than the moneys from the additional taxes imposed by this amendatory Act of the 97th General Assembly that must be paid each month into the Healthcare Provider Relief Fund, and other than the

moneys from the additional taxes imposed by this amendatory Act of the 101st General Assembly that must be paid each month under subsection (c), shall be distributed each month as follows: first, there shall be paid into the General Revenue Fund an amount that, when added to the amount paid into the Common School Fund for that month, equals \$29,200,000; then, from the moneys remaining, if any amounts required to be paid into the General Revenue Fund in previous months remain unpaid, those amounts shall be paid into the General Revenue Fund; then from the moneys remaining, \$5,000,000 per month shall be paid into the School Infrastructure Fund; then, if any amounts required to be paid into the School Infrastructure Fund in previous months remain unpaid, those amounts shall be paid into the School Infrastructure Fund; then the moneys remaining, if any, shall be paid into the Long-Term Care Provider Fund.

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

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

the Long-Term Care Provider Fund under this Section.

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

(f) The impact of the tax levied by this Act is imposed upon the retailer and shall be prepaid or pre-collected by the distributor for the purpose of convenience and facility only, and the amount of the tax shall be added to the price of the cigarettes sold by such distributor. Collection of the tax shall be evidenced by a stamp or stamps affixed to each original package of cigarettes, as hereinafter provided. Any distributor who purchases stamps may credit any excess payments verified by the Department against amounts subsequently due for the purchase of additional stamps, until such time as no excess payment remains.

(g) Each distributor shall collect the tax from the retailer at or before the time of the sale, shall affix the stamps as hereinafter required, and shall remit the tax collected from retailers to the Department, as hereinafter provided. Any distributor who fails to properly collect and pay

~~the tax imposed by this Act shall be liable for the tax. Any distributor having cigarettes to which stamps have been affixed in his possession for sale on the effective date of this amendatory Act of 1989 shall not be required to pay the additional tax imposed by this amendatory Act of 1989 on such stamped cigarettes. Any distributor having cigarettes to which stamps have been affixed in his or her possession for sale at 12:01 a.m. on the effective date of this amendatory Act of 1993, is required to pay the additional tax imposed by this amendatory Act of 1993 on such stamped cigarettes. This payment, less the discount provided in subsection (b), shall be due when the distributor first makes a purchase of cigarette tax stamps after the effective date of this amendatory Act of 1993, or on the first due date of a return under this Act after the effective date of this amendatory Act of 1993, whichever occurs first. Any distributor having cigarettes to which stamps have been affixed in his possession for sale on December 15, 1997 shall not be required to pay the additional tax imposed by this amendatory Act of 1997 on such stamped cigarettes.~~

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

(h) Any distributor having cigarettes in his or her possession on July 1, 2019 to which tax stamps have been

affixed, and any distributor having stamps in his or her possession on July 1, 2019 that have not been affixed to packages of cigarettes before July 1, 2019, is required to pay the additional tax that begins on July 1, 2019 imposed by this amendatory Act of the 101st General Assembly to the extent that the volume of affixed and unaffixed stamps in the distributor's possession on July 1, 2019 exceeds the average monthly volume of cigarette stamps purchased by the distributor in calendar year 2018. This payment, less the discount provided in subsection (1), is due when the distributor first makes a purchase of cigarette stamps on or after July 1, 2019 or on the first due date of a return under this Act occurring on or after July 1, 2019, whichever occurs first. Those distributors may elect to pay the additional tax on packages of cigarettes to which stamps have been affixed and on any stamps in the distributor's possession that have not been affixed to packages of cigarettes in their possession on July 1, 2019 over a period not to exceed 12 months from the due date of the additional tax by notifying the Department in writing. The first payment for distributors making such election is due when the distributor first makes a purchase of cigarette tax stamps on or after July 1, 2019 or on the first due date of a return under this Act occurring on or after July 1, 2019, whichever occurs first. Distributors making such an election are not entitled to take the discount provided in subsection (1) on such payments.

(i) Any retailer having cigarettes in ~~its~~ his or her

possession on July 1, 2019 ~~June 24, 2012~~ to which tax stamps have been affixed is not required to pay the additional tax that begins on July 1, 2019 ~~June 24, 2012~~ imposed by this amendatory Act of the 101st General Assembly ~~this amendatory Act of the 97th General Assembly~~ on those stamped cigarettes. ~~Any distributor having cigarettes in his or her possession on June 24, 2012 to which tax stamps have been affixed, and any distributor having stamps in his or her possession on June 24, 2012 that have not been affixed to packages of cigarettes before June 24, 2012, is required to pay the additional tax that begins on June 24, 2012 imposed by this amendatory Act of the 97th General Assembly to the extent the calendar year 2012 average monthly volume of cigarette stamps in the distributor's possession exceeds the average monthly volume of cigarette stamps purchased by the distributor in calendar year 2011. This payment, less the discount provided in subsection (b), is due when the distributor first makes a purchase of cigarette stamps on or after June 24, 2012 or on the first due date of a return under this Act occurring on or after June 24, 2012, whichever occurs first. Those distributors may elect to pay the additional tax on packages of cigarettes to which stamps have been affixed and on any stamps in the distributor's possession that have not been affixed to packages of cigarettes over a period not to exceed 12 months from the due date of the additional tax by notifying the Department in writing. The first payment for distributors making such election is due when~~

~~the distributor first makes a purchase of cigarette tax stamps on or after June 24, 2012 or on the first due date of a return under this Act occurring on or after June 24, 2012, whichever occurs first. Distributors making such an election are not entitled to take the discount provided in subsection (b) on such payments.~~

(j) Distributors making sales of cigarettes to secondary distributors shall add the amount of the tax to the price of the cigarettes sold by the distributors. Secondary distributors making sales of cigarettes to retailers shall include the amount of the tax in the price of the cigarettes sold to retailers. The amount of tax shall not be less than the amount of taxes imposed by the State and all local jurisdictions. The amount of local taxes shall be calculated based on the location of the retailer's place of business shown on the retailer's certificate of registration or sub-registration issued to the retailer pursuant to Section 2a of the Retailers' Occupation Tax Act. The original packages of cigarettes sold to the retailer shall bear all the required stamps, or other indicia, for the taxes included in the price of cigarettes.

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

(l) ~~(b)~~ The distributor shall be required to collect the

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

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

Two or more distributors that use a common means of

affixing revenue tax stamps or that are owned or controlled by the same interests shall be treated as a single distributor for the purpose of computing the discount.

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

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

(35 ILCS 130/29 rep.)

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

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

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

Sec. 2. Beginning on July 1, 2019, in place of the aggregate tax rate of 99 mills previously imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at the rate of 149 mills per cigarette so used. ~~A tax is imposed upon the privilege of using cigarettes in this State, at the rate of 6 mills per cigarette so used. On and after December 1, 1985, in addition to any other tax imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at a rate of 4 mills per cigarette so used. On and~~

~~after the effective date of this amendatory Act of 1989, in addition to any other tax imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at the rate of 5 mills per cigarette so used. On and after the effective date of this amendatory Act of 1993, in addition to any other tax imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at a rate of 7 mills per cigarette so used. On and after December 15, 1997, in addition to any other tax imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at a rate of 7 mills per cigarette so used. On and after July 1, 2002, in addition to any other tax imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at a rate of 20.0 mills per cigarette so used. Beginning on June 24, 2012, in addition to any other tax imposed by this Act, a tax is imposed upon the privilege of using cigarettes in this State at a rate of 50 mills per cigarette so used. The tax taxes herein imposed shall be in addition to all other occupation or privilege taxes imposed by the State of Illinois or by any political subdivision thereof or by any municipal corporation.~~

If the ~~When any~~ tax imposed herein terminates or has terminated, distributors who have bought stamps while such tax was in effect and who therefore paid such tax, but who can show, to the Department's satisfaction, that they sold the cigarettes to which they affixed such stamps after such tax had terminated and did not recover the tax or its equivalent from

purchasers, shall be allowed by the Department to take credit for such absorbed tax against subsequent tax stamp purchases from the Department by such distributors.

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

Any retailer having cigarettes in its possession on July 1, 2019 to which tax stamps have been affixed is not required to pay the additional tax that begins on July 1, 2019 imposed by this amendatory Act of the 101st General Assembly on those stamped cigarettes. Any distributor having cigarettes in his or her possession on July 1, 2019 to which tax stamps have been affixed, and any distributor having stamps in his or her possession on July 1, 2019 that have not been affixed to packages of cigarettes before July 1, 2019, is required to pay the additional tax that begins on July 1, 2019 imposed by this amendatory Act of the 101st General Assembly to the extent that the volume of affixed and unaffixed stamps in the distributor's possession on July 1, 2019 exceeds the average monthly volume of cigarette stamps purchased by the distributor in calendar year 2018. This payment, less the discount provided in Section 3, is due when the distributor first makes a purchase of cigarette stamps on or after July 1, 2019 or on the first due date of a return under this Act occurring on or after July 1, 2019, whichever occurs first. Those distributors may elect to

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

~~Any distributor having cigarettes to which stamps have been affixed in his possession for sale on the effective date of this amendatory Act of 1989 shall not be required to pay the additional tax imposed by this amendatory Act of 1989 on such stamped cigarettes. Any distributor having cigarettes to which stamps have been affixed in his or her possession for sale at 12:01 a.m. on the effective date of this amendatory Act of 1993, is required to pay the additional tax imposed by this amendatory Act of 1993 on such stamped cigarettes. This payment shall be due when the distributor first makes a purchase of cigarette tax stamps after the effective date of this amendatory Act of 1993, or on the first due date of a return under this Act after the effective date of this amendatory Act of 1993, whichever occurs first. Once a distributor tenders~~

~~payment of the additional tax to the Department, the distributor may purchase stamps from the Department. Any distributor having cigarettes to which stamps have been affixed in his possession for sale on December 15, 1997 shall not be required to pay the additional tax imposed by this amendatory Act of 1997 on such stamped cigarettes.~~

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

~~Any retailer having cigarettes in his or her possession on June 24, 2012 to which tax stamps have been affixed is not required to pay the additional tax that begins on June 24, 2012 imposed by this amendatory Act of the 97th General Assembly on those stamped cigarettes. Any distributor having cigarettes in his or her possession on June 24, 2012 to which tax stamps have been affixed, and any distributor having stamps in his or her possession on June 24, 2012 that have not been affixed to packages of cigarettes before June 24, 2012, is required to pay the additional tax that begins on June 24, 2012 imposed by this amendatory Act of the 97th General Assembly to the extent the calendar year 2012 average monthly volume of cigarette stamps in the distributor's possession exceeds the average monthly volume of cigarette stamps purchased by the distributor in calendar year 2011. This payment, less the discount provided in~~

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

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

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

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

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

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

(35 ILCS 143/10-5)

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

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

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

"Contraband little cigar" means:

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

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

(3) packages of little cigars containing 20 or 25 little cigars that are improperly tax stamped, including packages of little cigars that bear only a tax stamp of another state or taxing jurisdiction; or

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

paid.

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

"Department" means the Illinois Department of Revenue.

"Distributor" means any of the following:

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

(2) Any manufacturer or wholesaler engaged in the business of selling tobacco products from without this State who sells, exchanges, distributes, ships, or transports tobacco products to retailers or consumers located in this State, so long as that manufacturer or wholesaler has or maintains within this State, directly or by subsidiary, an office, sales house, or other place of business, or any agent or other representative operating within this State under the authority of the person or subsidiary, irrespective of whether the place of business or agent or other representative is located here permanently or temporarily.

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

distributor.

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

"Electronic cigarette" means:

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

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

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

"Electronic cigarette" includes, but is not limited to, any electronic nicotine delivery system, electronic cigar, electronic cigarillo, electronic pipe, electronic hookah, vape pen, or similar product or device, and any component or part that can be used to build the product or device. "Electronic cigarette" does not include: cigarettes, as defined in Section 1 of the Cigarette Tax Act; any product approved by the United States Food and Drug Administration for sale as a tobacco cessation product, a tobacco dependence product, or for other medical purposes that is marketed and sold solely for that approved purpose; any asthma inhaler prescribed by a physician

for that condition that is marketed and sold solely for that approved purpose; or any therapeutic product approved for use under the Compassionate Use of Medical Cannabis Pilot Program Act.

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

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

Beginning on January 1, 2013, "moist snuff" means any finely cut, ground, or powdered tobacco that is not intended to be smoked, but shall not include any finely cut, ground, or powdered tobacco that is intended to be placed in the nasal cavity.

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

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

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

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

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

"Stamping distributor" means a distributor licensed under this Act and also licensed as a distributor under the Cigarette Tax Act or Cigarette Use Tax Act.

"Tobacco products" means any cigars, including little cigars; cheroots; stogies; periques; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff (including moist snuff) or snuff flour; cavendish; plug and twist tobacco; fine-cut and other chewing tobaccos; shorts; refuse scraps, clippings, cuttings, and sweeping of tobacco; and other kinds and forms of tobacco, prepared in such manner

as to be suitable for chewing or smoking in a pipe or otherwise, or both for chewing and smoking; but does not include cigarettes as defined in Section 1 of the Cigarette Tax Act or tobacco purchased for the manufacture of cigarettes by cigarette distributors and manufacturers defined in the Cigarette Tax Act and persons who make, manufacture, or fabricate cigarettes as a part of a Correctional Industries program for sale to residents incarcerated in penal institutions or resident patients of a State operated mental health facility.

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

"Wholesale price" means the established list price for which a manufacturer sells tobacco products to a distributor, before the allowance of any discount, trade allowance, rebate, or other reduction. In the absence of such an established list price, the manufacturer's invoice price at which the manufacturer sells the tobacco product to unaffiliated distributors, before any discounts, trade allowances, rebates, or other reductions, shall be presumed to be the wholesale price.

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

Act.

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

(35 ILCS 143/10-10)

Sec. 10-10. Tax imposed.

(a) Except as otherwise provided in this Section with respect to little cigars, on the first day of the third month after the month in which this Act becomes law, a tax is imposed on any person engaged in business as a distributor of tobacco products, as defined in Section 10-5, at the rate of (i) 18% of the wholesale price of tobacco products sold or otherwise disposed of to retailers or consumers located in this State prior to July 1, 2012 and (ii) 36% of the wholesale price of tobacco products sold or otherwise disposed of to retailers or consumers located in this State beginning on July 1, 2012; except that, beginning on January 1, 2013, the tax on moist snuff shall be imposed at a rate of \$0.30 per ounce, and a proportionate tax at the like rate on all fractional parts of an ounce, sold or otherwise disposed of to retailers or consumers located in this State; and except that, beginning July 1, 2019, the tax on electronic cigarettes shall be imposed at the rate of 15% of the wholesale price of electronic cigarettes sold or otherwise disposed of to retailers or consumers located in this State. The tax is in addition to all other occupation or privilege taxes imposed by the State of

Illinois, by any political subdivision thereof, or by any municipal corporation. However, the tax is not imposed upon any activity in that business in interstate commerce or otherwise, to the extent to which that activity may not, under the Constitution and Statutes of the United States, be made the subject of taxation by this State, and except that, beginning July 1, 2013, the tax on little cigars shall be imposed at the same rate, and the proceeds shall be distributed in the same manner, as the tax imposed on cigarettes under the Cigarette Tax Act. The tax is also not imposed on sales made to the United States or any entity thereof.

(b) Notwithstanding subsection (a) of this Section, stamping distributors of packages of little cigars containing 20 or 25 little cigars sold or otherwise disposed of in this State shall remit the tax by purchasing tax stamps from the Department and affixing them to packages of little cigars in the same manner as stamps are purchased and affixed to cigarettes under the Cigarette Tax Act, unless the stamping distributor sells or otherwise disposes of those packages of little cigars to another stamping distributor. Only persons meeting the definition of "stamping distributor" contained in Section 10-5 of this Act may affix stamps to packages of little cigars containing 20 or 25 little cigars. Stamping distributors may not sell or dispose of little cigars at retail to consumers or users at locations where stamping distributors affix stamps to packages of little cigars containing 20 or 25 little cigars.

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

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

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

(e) All moneys received by the Department under this Act from sales occurring prior to July 1, 2012 shall be paid into the Long-Term Care Provider Fund of the State Treasury. Of the

moneys received by the Department from sales occurring on or after July 1, 2012, except for moneys received from the tax imposed on the sale of little cigars, 50% shall be paid into the Long-Term Care Provider Fund and 50% shall be paid into the Healthcare Provider Relief Fund. Beginning July 1, 2013, all moneys received by the Department under this Act from the tax imposed on little cigars shall be distributed as provided in ~~subsection (a) of~~ Section 2 of the Cigarette Tax Act.

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

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

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

Sec. 11.1.

(a) A seller in a retail installment contract may add a "documentary fee" for processing documents and performing services related to closing of a sale. The maximum amount that may be charged by a seller for a documentary fee is the base documentary fee beginning January 1, 2008 until January 1, 2020, of \$150, which shall be subject to an annual rate adjustment equal to the percentage of change in the Bureau of Labor Statistics Consumer Price Index. Every retail installment contract under this Act shall contain or be accompanied by a notice containing the following information:

"DOCUMENTARY FEE. A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE.

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

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

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

CONSUMER PRICE INDEX. THIS NOTICE IS REQUIRED BY LAW."

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

Article 20. Illinois Works Jobs Program Act

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

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

Section 20-10. Definitions.

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

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

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

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

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

(2) knowledge of the construction and building trades;

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

(4) a plan to provide the following:

(A) preparatory classes;

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

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

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

"Contractor" means a person, corporation, partnership, limited liability company, or joint venture entering into a contract with the State or any State agency to construct a

public work.

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

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

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

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

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

"Underrepresented populations" means populations identified by the Department that historically have had barriers to entry or advancement in the workforce. "Underrepresented populations" includes, but is not limited to, minorities, women, and veterans.

Section 20-15. Illinois Works Preapprenticeship Program;

Illinois Works Bid Credit Program.

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

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

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

information:

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

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

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

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

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

Contractors or subcontractors may be eligible for bid credits for employing apprentices who have completed the Illinois Works Preapprenticeship Program. Contractors or

subcontractors shall earn bid credits at a rate established by the Department and published on the Department's website, including any appropriate caps.

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

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

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

Upon a finding that a contractor or subcontractor has reported falsified records to the Department in order to fraudulently obtain bid credits, the Department shall permanently bar the contractor or subcontractor from participating in the Illinois Works Bid Credit Program and may

suspend the contractor or subcontractor from bidding on or participating in any public works project. False or fraudulent claims for payment relating to false bid credits may be subject to damages and penalties under applicable law.

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

Section 20-20. Illinois Works Apprenticeship Initiative.

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

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

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

(b) Before or during the term of a contract subject to this Section, the Department may reduce or waive the goals set forth in paragraph (2) of subsection (a). Prior to the Department granting a request for a reduction or waiver, the Department shall hold a public hearing and shall consult with the Business Enterprise Council under the Business Enterprise for

Minorities, Women, and Persons with Disabilities Act and the Chief Procurement Officer of the agency administering the public works contract. The Department may grant a reduction or waiver upon a determination that:

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

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

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

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

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

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

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

It shall be deemed to be a material breach of the contract and entitle the State to declare a default, terminate the contract, and exercise those remedies provided for in the contract, at law, or in equity if the contractor or

subcontractor fails to submit the certification required in this subsection or submits false or misleading information.

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

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

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

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

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

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

Section 20-25. The Illinois Works Review Panel.

(a) The Illinois Works Review Panel is created and shall be comprised of 11 members, each serving 3-year terms. The Speaker

of the House of Representatives and the President of the Senate shall each appoint 2 members. The Minority Leader of the House of Representatives and the Minority Leader of the Senate shall each appoint one member. The Director of Commerce and Economic Opportunity, or his or her designee, shall serve as a member. The Governor shall appoint the following individuals to serve as members: a representative from a contractor organization; a representative from a labor organization; and 2 members of the public with workforce development expertise, one of whom shall be a representative of a nonprofit organization that addresses workforce development.

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

(c) The Illinois Works Review Panel shall meet, at least quarterly, to review and evaluate (i) the Illinois Works Preapprenticeship Program and the Illinois Works Apprenticeship Initiative, (ii) ideas to diversify the workforce in the construction industry in Illinois, and (iii) workforce demographic data collected by the Illinois Department of Labor.

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

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

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

(30 ILCS 105/5.895 new)

Sec. 5.895. The Illinois Works Fund.

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

(30 ILCS 500/20-10)

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

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

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

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

procurement.

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

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

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

(f) Correction or withdrawal of bids. Correction or

withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards of contracts based on bid mistakes, shall be permitted in accordance with rules. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the State or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids based on bid mistakes shall be supported by written determination made by a State purchasing officer.

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

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

Each chief procurement officer may adopt guidelines to

implement the requirements of this subsection (g).

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

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

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

(j) Reverse auction. Notwithstanding any other provision of this Section and in accordance with rules adopted by the

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

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

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

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

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

The contract shall be awarded within 60 calendar days after the auction by written notice to the lowest responsible bidder, or all bids shall be rejected except as otherwise provided in

this Code. Extensions of the date for the award may be made by mutual written consent of the State purchasing officer and the lowest responsible bidder.

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

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

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

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

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

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

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

(d) Bid opening. Bids shall be opened publicly or through an electronic procurement system in the presence of one or more

witnesses at the time and place designated in the invitation for bids. The name of each bidder, including earned and applied bid credit from the Illinois Works Jobs Program Act, the amount of each bid, and other relevant information as may be specified by rule shall be recorded. After the award of the contract, the winning bid and the record of each unsuccessful bid shall be open to public inspection.

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

(f) Correction or withdrawal of bids. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards of contracts based on bid mistakes, shall be permitted in accordance with rules. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the State or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids based on bid mistakes shall be

supported by written determination made by a State purchasing officer.

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

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

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

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

(h) Multi-step sealed bidding. When it is considered impracticable to initially prepare a purchase description to

support an award based on price, an invitation for bids may be issued requesting the submission of unpriced offers to be followed by an invitation for bids limited to those bidders whose offers have been qualified under the criteria set forth in the first solicitation.

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

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

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

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

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

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

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

This subsection does not apply to (i) procurements of professional and artistic services, (ii) telecommunications services, communication services, and information services, and (iii) contracts for construction projects, including

design professional services.

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

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

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

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

Sec. 5. Certified payroll.

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

(1) make and keep, for a period of not less than 3 years from the date of the last payment made before January 1, 2014 (the effective date of Public Act 98-328) and for a period of 5 years from the date of the last payment made on or after January 1, 2014 (the effective date of Public Act 98-328) on a contract or subcontract for public works, records of all laborers, mechanics, and other workers employed by them on the project; the records shall include (i) the worker's name, (ii) the worker's address, (iii) the worker's telephone number when available, (iv) the worker's social security number, (v) the worker's classification or classifications, (vi) the worker's skill level, such as apprentice or journeyman, (vii) ~~(vi)~~ the worker's gross and net wages paid in each pay period, (viii) ~~(vii)~~ the worker's number of hours worked each day,

(ix) ~~(viii)~~ the worker's starting and ending times of work each day, (x) ~~(ix)~~ the worker's hourly wage rate, (xi) ~~(x)~~ the worker's hourly overtime wage rate, (xii) ~~(xi)~~ the worker's hourly fringe benefit rates, (xiii) ~~(xii)~~ the name and address of each fringe benefit fund, (xiv) ~~(xiii)~~ the plan sponsor of each fringe benefit, if applicable, and (xv) ~~(xiv)~~ the plan administrator of each fringe benefit, if applicable; and

(2) no later than the 15th day of each calendar month file a certified payroll for the immediately preceding month with the public body in charge of the project. A certified payroll must be filed for only those calendar months during which construction on a public works project has occurred. The certified payroll shall consist of a complete copy of the records identified in paragraph (1) of this subsection (a), but may exclude the starting and ending times of work each day. The certified payroll shall be accompanied by a statement signed by the contractor or subcontractor or an officer, employee, or agent of the contractor or subcontractor which avers that: (i) he or she has examined the certified payroll records required to be submitted by the Act and such records are true and accurate; (ii) the hourly rate paid to each worker is not less than the general prevailing rate of hourly wages required by this Act; and (iii) the contractor or subcontractor is aware that filing a certified payroll that

he or she knows to be false is a Class A misdemeanor. A general contractor is not prohibited from relying on the certification of a lower tier subcontractor, provided the general contractor does not knowingly rely upon a subcontractor's false certification. Any contractor or subcontractor subject to this Act and any officer, employee, or agent of such contractor or subcontractor whose duty as such officer, employee, or agent it is to file such certified payroll who willfully fails to file such a certified payroll on or before the date such certified payroll is required by this paragraph to be filed and any person who willfully files a false certified payroll that is false as to any material fact is in violation of this Act and guilty of a Class A misdemeanor. The public body in charge of the project shall keep the records submitted in accordance with this paragraph (2) of subsection (a) before January 1, 2014 (the effective date of Public Act 98-328) for a period of not less than 3 years, and the records submitted in accordance with this paragraph (2) of subsection (a) on or after January 1, 2014 (the effective date of Public Act 98-328) for a period of 5 years, from the date of the last payment for work on a contract or subcontract for public works. The records submitted in accordance with this paragraph (2) of subsection (a) shall be considered public records, except an employee's address, telephone number, and social

security number, and made available in accordance with the Freedom of Information Act. The public body shall accept any reasonable submissions by the contractor that meet the requirements of this Section.

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

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

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

governed by one or more employers and one or more labor organizations in accordance with the federal Labor Management Relations Act.

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

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

Sec. 5. Certified payroll.

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

(1) make and keep, for a period of not less than 3 years from the date of the last payment made before January 1, 2014 (the effective date of Public Act 98-328) and for a period of 5 years from the date of the last payment made on or after January 1, 2014 (the effective date of Public Act 98-328) on a contract or subcontract for public works, records of all laborers, mechanics, and other workers employed by them on the project; the records shall include (i) the worker's name, (ii) the worker's address, (iii) the worker's telephone number when available, (iv) the last 4 digits of the worker's social security number, (v) the worker's gender, (vi) the worker's race, (vii) the worker's ethnicity, (viii) veteran status, (ix) the worker's classification or classifications, (x) the worker's skill level, such as apprentice or journeyman, (xi) ~~(x)~~ the worker's gross and net wages paid in each pay period, (xii)

~~(xi)~~ the worker's number of hours worked each day, (xiii)
~~(xii)~~ the worker's starting and ending times of work each
day, (xiv) ~~(xiii)~~ the worker's hourly wage rate, (xv) ~~(xiv)~~
the worker's hourly overtime wage rate, (xvi) ~~(xv)~~ the
worker's hourly fringe benefit rates, (xvii) ~~(xvi)~~ the name
and address of each fringe benefit fund, (xviii) ~~(xvii)~~ the
plan sponsor of each fringe benefit, if applicable, and
(xix) ~~(xviii)~~ the plan administrator of each fringe
benefit, if applicable; and

(2) no later than the 15th day of each calendar month
file a certified payroll for the immediately preceding
month with the public body in charge of the project until
the Department of Labor activates the database created
under Section 5.1 at which time certified payroll shall
only be submitted to that database, except for projects
done by State agencies that opt to have contractors submit
certified payrolls directly to that State agency. A State
agency that opts to directly receive certified payrolls
must submit the required information in a specified
electronic format to the Department of Labor no later than
10 days after the certified payroll was filed with the
State agency. A certified payroll must be filed for only
those calendar months during which construction on a public
works project has occurred. The certified payroll shall
consist of a complete copy of the records identified in
paragraph (1) of this subsection (a), but may exclude the

starting and ending times of work each day. The certified payroll shall be accompanied by a statement signed by the contractor or subcontractor or an officer, employee, or agent of the contractor or subcontractor which avers that: (i) he or she has examined the certified payroll records required to be submitted by the Act and such records are true and accurate; (ii) the hourly rate paid to each worker is not less than the general prevailing rate of hourly wages required by this Act; and (iii) the contractor or subcontractor is aware that filing a certified payroll that he or she knows to be false is a Class A misdemeanor. A general contractor is not prohibited from relying on the certification of a lower tier subcontractor, provided the general contractor does not knowingly rely upon a subcontractor's false certification. Any contractor or subcontractor subject to this Act and any officer, employee, or agent of such contractor or subcontractor whose duty as such officer, employee, or agent it is to file such certified payroll who willfully fails to file such a certified payroll on or before the date such certified payroll is required by this paragraph to be filed and any person who willfully files a false certified payroll that is false as to any material fact is in violation of this Act and guilty of a Class A misdemeanor. The public body in charge of the project shall keep the records submitted in accordance with this paragraph (2) of

subsection (a) before January 1, 2014 (the effective date of Public Act 98-328) for a period of not less than 3 years, and the records submitted in accordance with this paragraph (2) of subsection (a) on or after January 1, 2014 (the effective date of Public Act 98-328) for a period of 5 years, from the date of the last payment for work on a contract or subcontract for public works or until the Department of Labor activates the database created under Section 5.1, whichever is less. After the activation of the database created under Section 5.1, the Department of Labor rather than the public body in charge of the project shall keep the records and maintain the database. The records submitted in accordance with this paragraph (2) of subsection (a) shall be considered public records, except an employee's address, telephone number, social security number, race, ethnicity, and gender, and made available in accordance with the Freedom of Information Act. The public body shall accept any reasonable submissions by the contractor that meet the requirements of this Section.

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

(b) Upon 7 business days' notice, the contractor and each subcontractor shall make available for inspection and copying at a location within this State during reasonable hours, the records identified in paragraph (1) of subsection (a) of this

Section to the public body in charge of the project, its officers and agents, the Director of Labor and his deputies and agents, and to federal, State, or local law enforcement agencies and prosecutors.

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

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

Article 25. Sports Wagering Act

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

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

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

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

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

"Board" means the Illinois Gaming Board.

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

"Department" means the Department of the Lottery.

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

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

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

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

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

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

"Prohibited conduct" includes any statement, action, and

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

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

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

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

"Sports facility" means a facility that hosts sports events and holds a seating capacity greater than 17,000 persons.

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

"Sports wagering" means accepting wagers on sports events or portions of sports events, or on the individual performance

statistics of athletes in a sports event or combination of sports events, by any system or method of wagering, including, but not limited to, in person or over the Internet through websites and on mobile devices. "Sports wagering" includes, but is not limited to, single-game bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets, proposition bets, and straight bets.

"Sports wagering account" means a financial record established by a master sports wagering licensee for an individual patron in which the patron may deposit and withdraw funds for sports wagering and other authorized purchases and to which the master sports wagering licensee may credit winnings or other amounts due to that patron or authorized by that patron.

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

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

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

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

Section 25-15. Board duties and powers.

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

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

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

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

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

(f) The Board may require that licensees share, in real

time and at the sports wagering account level, information regarding a wagerer, amount and type of wager, the time the wager was placed, the location of the wager, including the Internet protocol address, if applicable, the outcome of the wager, and records of abnormal wagering activity. Information shared under this subsection (f) must be submitted in the form and manner as required by rule. If a sports governing body has notified the Board that real-time information sharing for wagers placed on its sports events is necessary and desirable, licensees may share the same information in the form and manner required by the Board by rule with the sports governing body or its designee with respect to wagers on its sports events subject to applicable federal, State, or local laws or regulations, including, without limitation, privacy laws and regulations. Such information may be provided in anonymized form and may be used by a sports governing body solely for integrity purposes. For purposes of this subsection (f), "real-time" means a commercially reasonable periodic interval.

(g) A master sports wagering licensee, professional sports team, league, or association, sports governing body, or institution of higher education may submit to the Board in writing a request to prohibit a type or form of wagering if the master sports wagering licensee, professional sports team, league, or association, sports governing body, or institution of higher education believes that such wagering by type or form is contrary to public policy, unfair to consumers, or affects

the integrity of a particular sport or the sports betting industry. The Board shall grant the request upon a demonstration of good cause from the requester and consultation with licensees. The Board shall respond to a request pursuant to this subsection (g) concerning a particular event before the start of the event or, if it is not feasible to respond before the start of the event, as soon as practicable.

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

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

(1) criminal or disciplinary proceedings commenced against the master sports wagering licensee in connection with its operations;

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

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

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

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

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

Section 25-20. Licenses required.

(a) No person may engage in any activity in connection with sports wagering in this State unless all necessary licenses have been obtained in accordance with this Act and the rules of the Board and the Department. The following licenses shall be issued under this Act:

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

No person or entity may engage in a sports wagering

operation or activity without first obtaining the appropriate license.

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

(c) Each master sports wagering licensee shall display the license conspicuously in the licensee's place of business or have the license available for inspection by an agent of the Board or a law enforcement agency.

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

(e) Each person licensed under this Act shall give the Board written notice within 30 days after a material change to

information provided in the licensee's application for a license or renewal.

Section 25-25. Sports wagering authorized.

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

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

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

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

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

(f) Master sports wagering licensees may use any data source for determining the results of all tier 1 sports wagers.

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

any and all tier 2 sports wagers on sports contests for that sports governing body.

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

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

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

(a) An organization licensee may apply to the Board for a

master sports wagering license. To the extent permitted by federal and State law, the Board shall actively seek to achieve racial, ethnic, and geographic diversity when issuing master sports wagering licenses to organization licensees and encourage minority-owned businesses, women-owned businesses, veteran-owned businesses, and businesses owned by persons with disabilities to apply for licensure. Additionally, the report published under subsection (m) of Section 25-45 shall impact the issuance of the master sports wagering license to the extent permitted by federal and State law.

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

(b) Except as otherwise provided in this subsection (b), the initial license fee for a master sports wagering license for an organization licensee is 5% of its handle from the preceding calendar year or the lowest amount that is required to be paid as an initial license fee by an owners licensee under subsection (b) of Section 25-35, whichever is greater. No initial license fee shall exceed \$10,000,000. An organization licensee licensed on the effective date of this Act shall pay the initial master sports wagering license fee by July 1, 2020. For an organization licensee licensed after the effective date of this Act, the master sports wagering license fee shall be

\$5,000,000, but the amount shall be adjusted 12 months after the organization licensee begins racing operations based on 5% of its handle from the first 12 months of racing operations. The master sports wagering license is valid for 4 years.

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

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

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

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

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

(e) The sports wagering offered over the Internet or through a mobile application shall only be offered under either the same brand as the organization licensee is operating under or a brand owned by a direct or indirect holding company that owns at least an 80% interest in that organization licensee on the effective date of this Act.

(f) Until issuance of the first license under Section 25-45, an individual must create a sports wagering account in person at a facility under paragraph (1) or (2) of subsection

(d) to participate in sports wagering offered over the Internet or through a mobile application.

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

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

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

(b) Except as otherwise provided in subsection (b-5), the initial license fee for a master sports wagering license for an owners licensee is 5% of its adjusted gross receipts from the preceding calendar year. No initial license fee shall exceed \$10,000,000. An owners licensee licensed on the effective date

of this Act shall pay the initial master sports wagering license fee by July 1, 2020. The master sports wagering license is valid for 4 years.

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

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

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

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

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

(e) The sports wagering offered over the Internet or through a mobile application shall only be offered under either the same brand as the owners licensee is operating under or a brand owned by a direct or indirect holding company that owns at least an 80% interest in that owners licensee on the effective date of this Act.

(f) Until issuance of the first license under Section

25-45, an individual must create a sports wagering account in person at a facility under paragraph (1) of subsection (d) to participate in sports wagering offered over the Internet or through a mobile application.

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

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

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

For the purposes of this subsection (b), "minority-owned business", "women-owned business", and "business owned by persons with disabilities" have the meanings given to those

terms in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

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

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

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

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

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

(h) The sports wagering offered by a sports facility or its designee over the Internet or through a mobile application

shall be offered under the same brand as the sports facility is operating under, the brand the designee is operating under, or a combination thereof.

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

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

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

For the purposes of this subsection (a), "minority-owned business", "women-owned business", and "business owned by persons with disabilities" have the meanings given to those

terms in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

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

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

(d) To be eligible for a master sports wagering license under this Section, an applicant must: (1) be at least 21 years of age; (2) not have been convicted of a felony offense or a violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012 or a similar statute of any other jurisdiction; (3) not have been convicted of a crime involving

dishonesty or moral turpitude; (4) have demonstrated a level of skill or knowledge that the Board determines to be necessary in order to operate sports wagering; and (5) have met standards for the holding of a license as adopted by rules of the Board.

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

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

(f) Not more than 90 days after the publication of the qualified applications, the Board shall identify the winning bidders. In granting the licenses, the Board may give favorable consideration to qualified applicants presenting plans that provide for economic development and community engagement. To the extent permitted by federal and State law, the Board may give favorable consideration to qualified applicants demonstrating commitment to diversity in the workplace.

(g) Upon selection of the winning bidders, the Board shall have a reasonable period of time to ensure compliance with all

applicable statutory and regulatory criteria before issuing the licenses. If the Board determines a winning bidder does not satisfy all applicable statutory and regulatory criteria, the Board shall select another bidder from the remaining qualified applicants.

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

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

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

(k) The Department of Commerce and Economic Opportunity, in conjunction with the Board, shall conduct ongoing, thorough, and comprehensive outreach to businesses owned by minorities,

women, veterans, and persons with disabilities about contracting and entrepreneurial opportunities in sports wagering. This outreach shall include, but not be limited to:

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

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

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

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

As a part of the study, the Board shall evaluate race and gender-neutral programs or other methods that may be used to

address the needs of minority and women applicants and minority-owned and women-owned businesses seeking to participate in the sports wagering industry. The Board shall submit to the General Assembly and publish on its website the results of this study by August 1, 2020.

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

Section 25-50. Supplier license.

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

(b) The Board may adopt rules establishing additional requirements for a supplier and any system or other equipment utilized for sports wagering. The Board may accept licensing by another jurisdiction that it specifically determines to have similar licensing requirements as evidence the applicant meets supplier licensing requirements.

(c) An applicant for a supplier license shall demonstrate

that the equipment, system, or services that the applicant plans to offer to the master sports wagering licensee conforms to standards established by the Board and applicable State law. The Board may accept approval by another jurisdiction that it specifically determines have similar equipment standards as evidence the applicant meets the standards established by the Board and applicable State law.

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

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

Section 25-55. Management services provider license.

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

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

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

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

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

(a) A sports governing body or a sports league, organization, or association or a vendor authorized by such

sports governing body or sports league, organization, or association to distribute tier 2 official league data may apply to the Board for a tier 2 official league data provider license.

(b) A tier 2 official league data provider licensee may provide a master sports wagering licensee with official league data for tier 2 sports wagers. No sports governing body or sports league, organization, or association or a vendor authorized by such sports governing body or sports league, organization, or association may provide tier 2 official league data to a master sports wagering licensee without a tier 2 official league data provider license.

Notwithstanding the provisions of this Section, the licensing and fee requirements of this Section shall not apply if, under subsection (g) of Section 25-25, master sports wagering licensees are not required to use official league data to determine the results of tier 2 sports wagers.

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

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

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

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

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

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

(6) for data sales in excess of \$2,000,000, the fee is \$500,000.

The license is valid for 3 years.

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

Section 25-65. Sports wagering at a sports facility. Sports wagering may be offered in person at or within a 5-block radius of a sports facility if sports wagering is offered by a designee, as defined in Section 25-40, and that designee has received written authorization from the relevant sports team that plays its home contests at the sports facility. If more than one professional sports team plays its home contests at the same sports facility, written authorization is required from all sports teams that play home contests at the sports facility.

Section 25-70. Lottery sports wagering pilot program.

(a) As used in this Section:

"Central system" means the hardware, software, peripherals, and network components provided by the Department's central system provider that link and support all required sports lottery terminals and the central site and that are unique and separate from the lottery central system for draw and instant games.

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

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

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

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

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

(b) The Department shall issue one central system provider

license pursuant to an open and competitive bidding process that uses the following procedures:

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

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

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

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

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

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

(7) As soon as practicable after the public presentations by the final applicants, the Department, in

its discretion, may conduct further negotiations among the 3 final applicants. At the conclusion of such negotiations, the Department shall select the winning bid.

(8) Upon selection of the winning bid, the Department shall evaluate the winning bid within a reasonable period of time for licensee suitability in accordance with all applicable statutory and regulatory criteria.

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

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

(c) Every sports lottery terminal offered in this State for play shall first be tested and approved pursuant to the rules of the Department, and each sports lottery terminal offered in this State for play shall conform to an approved model. For the examination of sports lottery terminals and associated equipment as required by this Section, the central system provider may utilize the services of one or more independent outside testing laboratories that have been accredited by a national accreditation body and that, in the judgment of the Department, are qualified to perform such examinations. Every sports lottery terminal offered in this State for play must

meet minimum standards set by an independent outside testing laboratory approved by the Department.

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

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

(f) No lottery retailer may cause or permit any person under the age of 21 years to use a sports lottery terminal or sports wagering application. A lottery retailer who knowingly causes or permits a person under the age of 21 years to use a sports lottery terminal or sports wagering application is

guilty of a business offense and shall be fined an amount not to exceed \$5,000.

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

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

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

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

(3) To adopt rules for the purpose of administering the provisions of this Section and to adopt rules and conditions under which all lottery sports wagering in the State shall be conducted. Such rules are to provide for the prevention of practices detrimental to the public interest and for the best interests of lottery sports wagering, including rules (i) regarding the inspection of such licensees necessary to operate a lottery retailer under any laws or rules applicable to licensees, (ii) to impose

penalties for violations of the Act and its rules, and
(iii) establishing standards for advertising lottery
sports wagering.

(i) The Department shall adopt emergency rules to administer this Section in accordance with Section 5-45 of the Illinois Administrative Procedure Act. For the purposes of the Illinois Administrative Procedure Act, the General Assembly finds that the adoption of rules to implement this Section is deemed an emergency and necessary to the public interest, safety, and welfare.

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

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

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

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

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

(c) The identity of any reporting person shall remain confidential unless that person authorizes disclosure of his or her identity or until such time as the allegation of prohibited conduct is referred to law enforcement.

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

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

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

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

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

(a) As used in this Section only, "licensee" means a

licensee under this Act other than an occupational licensee.

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

(c) The Board and the Department shall require all licensees under this Act to submit an annual report by April 15, 2020 and every April 15 thereafter, in a searchable Adobe PDF format, on all procurement goals and actual spending for businesses owned by women, minorities, veterans, and persons with disabilities and small business enterprises in the previous calendar year. These goals shall be expressed as a percentage of the total work performed by the entity submitting the report, and the actual spending for all businesses owned by women, minorities, veterans, and persons with disabilities and small business enterprises shall also be expressed as a percentage of the total work performed by the entity submitting the report.

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

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

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

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

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

licensee;

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

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

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

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

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

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

(g) The Board, Department, and all licensees shall hold an annual workshop and job fair open to the public in 2020 and every year thereafter on the state of supplier diversity to collaboratively seek solutions to structural impediments to

achieving stated goals, including testimony from each licensee as well as subject matter experts and advocates. The Board and Department shall publish a database on their websites of the point of contact for licensees they regulate under this Act for supplier diversity, along with a list of certifications each licensee recognizes from the information submitted in each annual report. The Board and Department shall publish each annual report on their websites and shall maintain each annual report for at least 5 years.

Section 25-90. Tax; Sports Wagering Fund.

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

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

(a-5) In addition to the tax imposed under subsection (a) of this Section, for the privilege of holding a license to operate sports wagering under this Act, the State shall impose and collect 2% of the adjusted gross receipts from sports

wagers that are placed within a home rule county with a population of over 3,000,000 inhabitants, which shall be paid, subject to appropriation from the General Assembly, from the Sports Wagering Fund to that home rule county for the purpose of enhancing the county's criminal justice system.

(b) The Sports Wagering Fund is hereby created as special fund in the State treasury. Except as otherwise provided in this Act, all moneys collected under this Act by the Board shall be deposited into the Sports Wagering Fund. On the 25th of each month, any moneys remaining in the Sports Wagering Fund shall be transferred to the Capital Projects Fund.

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

Section 25-100. Voluntary self-exclusion program for sports wagering. Any resident, or non-resident if allowed to participate in sports wagering, may voluntarily prohibit himself or herself from establishing a sports wagering account with a licensee under this Act. The Board and Department shall incorporate the voluntary self-exclusion program for sports wagering into any existing self-exclusion program that it

operates on the effective date of this Act.

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

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

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

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

Sec. 5-45. Emergency rulemaking.

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

(b) If any agency finds that an emergency exists that requires adoption of a rule upon fewer days than is required by Section 5-40 and states in writing its reasons for that finding, the agency may adopt an emergency rule without prior notice or hearing upon filing a notice of emergency rulemaking with the Secretary of State under Section 5-70. The notice

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

(c) An emergency rule may be effective for a period of not longer than 150 days, but the agency's authority to adopt an identical rule under Section 5-40 is not precluded. No emergency rule may be adopted more than once in any 24-month period, except that this limitation on the number of emergency rules that may be adopted in a 24-month period does not apply to (i) emergency rules that make additions to and deletions from the Drug Manual under Section 5-5.16 of the Illinois Public Aid Code or the generic drug formulary under Section 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii) emergency rules adopted by the Pollution Control Board before July 1, 1997 to implement portions of the Livestock Management Facilities Act, (iii) emergency rules adopted by the Illinois Department of Public Health under subsections (a) through (i) of Section 2 of the Department of Public Health Act when

necessary to protect the public's health, (iv) emergency rules adopted pursuant to subsection (n) of this Section, (v) emergency rules adopted pursuant to subsection (o) of this Section, or (vi) emergency rules adopted pursuant to subsection (c-5) of this Section. Two or more emergency rules having substantially the same purpose and effect shall be deemed to be a single rule for purposes of this Section.

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

(d) In order to provide for the expeditious and timely implementation of the State's fiscal year 1999 budget, emergency rules to implement any provision of Public Act 90-587 or 90-588 or any other budget initiative for fiscal year 1999 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (d). The adoption of emergency rules authorized by this subsection (d)

shall be deemed to be necessary for the public interest, safety, and welfare.

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

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

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

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

(i) In order to provide for the expeditious and timely implementation of the State's fiscal year 2004 budget,

emergency rules to implement any provision of Public Act 93-20 or any other budget initiative for fiscal year 2004 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules adopted under this subsection (i). The adoption of emergency rules authorized by this subsection (i) shall be deemed to be necessary for the public interest, safety, and welfare.

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

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

(l) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2007 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2007, including rules effective July 1, 2007, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to

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

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

(n) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2010 budget, emergency rules to implement any provision of Public Act 96-45 or any other budget initiative authorized by the 96th General Assembly for fiscal year 2010 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative. The adoption of

emergency rules authorized by this subsection (n) shall be deemed to be necessary for the public interest, safety, and welfare. The rulemaking authority granted in this subsection (n) shall apply only to rules promulgated during Fiscal Year 2010.

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

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

emergency rules does not apply to rules adopted under this subsection (p). The adoption of emergency rules authorized by this subsection (p) is deemed to be necessary for the public interest, safety, and welfare.

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

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

(s) In order to provide for the expeditious and timely implementation of the provisions of Sections 5-5b.1 and 5A-2 of

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

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

(u) In order to provide for the expeditious and timely implementation of the provisions of the Burn Victims Relief Act, emergency rules to implement any provision of the Act may

be adopted in accordance with this subsection (u) by the Department of Insurance. The rulemaking authority granted in this subsection (u) shall apply only to those rules adopted prior to December 31, 2015. The adoption of emergency rules authorized by this subsection (u) is deemed to be necessary for the public interest, safety, and welfare.

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

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

(x) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-906, emergency rules to implement subsection (i) of Section 16-115D, subsection (g) of Section 16-128A, and subsection (a) of

Section 16-128B of the Public Utilities Act may be adopted in accordance with this subsection (x) by the Illinois Commerce Commission. The rulemaking authority granted in this subsection (x) shall apply only to those rules adopted within 180 days after June 1, 2017 (the effective date of Public Act 99-906). The adoption of emergency rules authorized by this subsection (x) is deemed to be necessary for the public interest, safety, and welfare.

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

(z) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-554, emergency rules to implement the changes made by Public Act 100-554 to Section 4.7 of the Lobbyist Registration Act may be adopted in accordance with this subsection (z) by the Secretary of State. The adoption of emergency rules authorized by this

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

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

(bb) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules to implement the changes made by Public Act 100-587 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, subsection (b) of Section 55-30 of the Alcoholism and Other Drug Abuse and Dependency Act, Section 5-104 of the Specialized Mental Health Rehabilitation Act of 2013, and Section 75 and subsection (b) of Section 74 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (bb) by the respective Department. The adoption of emergency rules authorized by this

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

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

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

(ee) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-1172 ~~this amendatory Act of the 100th General Assembly~~, emergency rules implementing the Illinois Underground Natural Gas Storage

Safety Act may be adopted in accordance with this subsection by the Department of Natural Resources. The adoption of emergency rules authorized by this subsection is deemed to be necessary for the public interest, safety, and welfare.

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

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

(ii) In order to provide for the expeditious and timely implementation of the provisions of Section 25-70 of the Sports Wagering Act, emergency rules to implement Section 25-70 of the Sports Wagering Act may be adopted in accordance with this subsection (ii) by the Department of the Lottery as provided in the Sports Wagering Act. The adoption of emergency rules authorized by this subsection (ii) is deemed to be necessary for the public interest, safety, and welfare.

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

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

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

(30 ILCS 105/5.896 new)

Sec. 5.896. The Sports Wagering Fund.

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

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

Sec. 13. Wagering tax; rate; distribution.

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

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

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

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

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

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

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

(a-2) From July 1, 2002 until July 1, 2003, a privilege tax is imposed on persons engaged in the business of conducting

riverboat gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The privilege tax imposed under this subsection (a-3) shall no longer be imposed beginning on the earlier of (i) July 1, 2005; (ii) the first date after June 20, 2003 that riverboat gambling operations are conducted pursuant to a dormant license; or (iii) the first day that riverboat gambling operations are conducted under the authority of an owners license that is in addition to the 10 owners licenses initially

authorized under this Act. For the purposes of this subsection (a-3), the term "dormant license" means an owners license that is authorized by this Act under which no riverboat gambling operations are being conducted on June 20, 2003.

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

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

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

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

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

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

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

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

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

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

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

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

For purposes of this subsection (a-15):

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

"Base amount" means the following:

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

For a riverboat in East Peoria, \$43,000,000.

For the Empress riverboat in Joliet, \$86,000,000.

For a riverboat in Metropolis, \$45,000,000.

For the Harrah's riverboat in Joliet, \$114,000,000.

For a riverboat in Aurora, \$86,000,000.

For a riverboat in East St. Louis, \$48,500,000.

For a riverboat in Elgin, \$198,000,000.

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

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

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

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

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

(c) Appropriations, as approved by the General Assembly, may be made from the State Gaming Fund to the Board (i) for the administration and enforcement of this Act and the Video Gaming Act, (ii) for distribution to the Department of State Police and to the Department of Revenue for the enforcement of this Act, and (iii) to the Department of Human Services for the administration of programs to treat problem gambling, including problem gambling from sports wagering.

(c-5) Before May 26, 2006 (the effective date of Public Act 94-804) and beginning on the effective date of this amendatory Act of the 95th General Assembly, unless any organization licensee under the Illinois Horse Racing Act of 1975 begins to operate a slot machine or video game of chance under the Illinois Horse Racing Act of 1975 or this Act, after the payments required under subsections (b) and (c) have been made, an amount equal to 15% of the adjusted gross receipts of (1) an owners licensee that relocates pursuant to Section 11.2, (2) an

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

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

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

(c-20) Each year the General Assembly shall appropriate from the General Revenue Fund to the Education Assistance Fund an amount equal to the amount paid to each home rule county with a population of over 3,000,000 inhabitants pursuant to

subsection (c-15) in the prior calendar year.

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

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

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

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

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

(f) To the extent practicable, the Board shall administer and collect the wagering taxes imposed by this Section in a manner consistent with the provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the

Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act.

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

Section 25-915. The Criminal Code of 2012 is amended by changing Sections 28-1, 28-3, and 28-5 as follows:

(720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

Sec. 28-1. Gambling.

(a) A person commits gambling when he or she:

(1) knowingly plays a game of chance or skill for money or other thing of value, unless excepted in subsection (b) of this Section;

(2) knowingly makes a wager upon the result of any game, contest, or any political nomination, appointment or election;

(3) knowingly operates, keeps, owns, uses, purchases, exhibits, rents, sells, bargains for the sale or lease of, manufactures or distributes any gambling device;

(4) contracts to have or give himself or herself or another the option to buy or sell, or contracts to buy or sell, at a future time, any grain or other commodity whatsoever, or any stock or security of any company, where it is at the time of making such contract intended by both parties thereto that the contract to buy or sell, or the option, whenever exercised, or the contract resulting

therefrom, shall be settled, not by the receipt or delivery of such property, but by the payment only of differences in prices thereof; however, the issuance, purchase, sale, exercise, endorsement or guarantee, by or through a person registered with the Secretary of State pursuant to Section 8 of the Illinois Securities Law of 1953, or by or through a person exempt from such registration under said Section 8, of a put, call, or other option to buy or sell securities which have been registered with the Secretary of State or which are exempt from such registration under Section 3 of the Illinois Securities Law of 1953 is not gambling within the meaning of this paragraph (4);

(5) knowingly owns or possesses any book, instrument or apparatus by means of which bets or wagers have been, or are, recorded or registered, or knowingly possesses any money which he has received in the course of a bet or wager;

(6) knowingly sells pools upon the result of any game or contest of skill or chance, political nomination, appointment or election;

(7) knowingly sets up or promotes any lottery or sells, offers to sell or transfers any ticket or share for any lottery;

(8) knowingly sets up or promotes any policy game or sells, offers to sell or knowingly possesses or transfers any policy ticket, slip, record, document or other similar

device;

(9) knowingly drafts, prints or publishes any lottery ticket or share, or any policy ticket, slip, record, document or similar device, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state or foreign government;

(10) knowingly advertises any lottery or policy game, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state;

(11) knowingly transmits information as to wagers, betting odds, or changes in betting odds by telephone, telegraph, radio, semaphore or similar means; or knowingly installs or maintains equipment for the transmission or receipt of such information; except that nothing in this subdivision (11) prohibits transmission or receipt of such information for use in news reporting of sporting events or contests; or

(12) knowingly establishes, maintains, or operates an Internet site that permits a person to play a game of chance or skill for money or other thing of value by means of the Internet or to make a wager upon the result of any game, contest, political nomination, appointment, or election by means of the Internet. This item (12) does not apply to activities referenced in items (6), ~~and (6.1)~~, and

(15) of subsection (b) of this Section.

(b) Participants in any of the following activities shall not be convicted of gambling:

(1) Agreements to compensate for loss caused by the happening of chance including without limitation contracts of indemnity or guaranty and life or health or accident insurance.

(2) Offers of prizes, award or compensation to the actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the owners of animals or vehicles entered in such contest.

(3) Pari-mutuel betting as authorized by the law of this State.

(4) Manufacture of gambling devices, including the acquisition of essential parts therefor and the assembly thereof, for transportation in interstate or foreign commerce to any place outside this State when such transportation is not prohibited by any applicable Federal law; or the manufacture, distribution, or possession of video gaming terminals, as defined in the Video Gaming Act, by manufacturers, distributors, and terminal operators licensed to do so under the Video Gaming Act.

(5) The game commonly known as "bingo", when conducted in accordance with the Bingo License and Tax Act.

(6) Lotteries when conducted by the State of Illinois in accordance with the Illinois Lottery Law. This exemption

includes any activity conducted by the Department of Revenue to sell lottery tickets pursuant to the provisions of the Illinois Lottery Law and its rules.

(6.1) The purchase of lottery tickets through the Internet for a lottery conducted by the State of Illinois under the program established in Section 7.12 of the Illinois Lottery Law.

(7) Possession of an antique slot machine that is neither used nor intended to be used in the operation or promotion of any unlawful gambling activity or enterprise. For the purpose of this subparagraph (b)(7), an antique slot machine is one manufactured 25 years ago or earlier.

(8) Raffles and poker runs when conducted in accordance with the Raffles and Poker Runs Act.

(9) Charitable games when conducted in accordance with the Charitable Games Act.

(10) Pull tabs and jar games when conducted under the Illinois Pull Tabs and Jar Games Act.

(11) Gambling games conducted on riverboats when authorized by the Riverboat Gambling Act.

(12) Video gaming terminal games at a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment when conducted in accordance with the Video Gaming Act.

(13) Games of skill or chance where money or other

things of value can be won but no payment or purchase is required to participate.

(14) Savings promotion raffles authorized under Section 5g of the Illinois Banking Act, Section 7008 of the Savings Bank Act, Section 42.7 of the Illinois Credit Union Act, Section 5136B of the National Bank Act (12 U.S.C. 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463).

(15) Sports wagering when conducted in accordance with the Sports Wagering Act.

(c) Sentence.

Gambling is a Class A misdemeanor. A second or subsequent conviction under subsections (a) (3) through (a) (12), is a Class 4 felony.

(d) Circumstantial evidence.

In prosecutions under this Section circumstantial evidence shall have the same validity and weight as in any criminal prosecution.

(Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

(720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

Sec. 28-3. Keeping a Gambling Place. A "gambling place" is any real estate, vehicle, boat or any other property whatsoever used for the purposes of gambling other than gambling conducted in the manner authorized by the Riverboat Gambling Act, the Sports Wagering Act, or the Video Gaming Act. Any person who

knowingly permits any premises or property owned or occupied by him or under his control to be used as a gambling place commits a Class A misdemeanor. Each subsequent offense is a Class 4 felony. When any premises is determined by the circuit court to be a gambling place:

(a) Such premises is a public nuisance and may be proceeded against as such, and

(b) All licenses, permits or certificates issued by the State of Illinois or any subdivision or public agency thereof authorizing the serving of food or liquor on such premises shall be void; and no license, permit or certificate so cancelled shall be reissued for such premises for a period of 60 days thereafter; nor shall any person convicted of keeping a gambling place be reissued such license for one year from his conviction and, after a second conviction of keeping a gambling place, any such person shall not be reissued such license, and

(c) Such premises of any person who knowingly permits thereon a violation of any Section of this Article shall be held liable for, and may be sold to pay any unsatisfied judgment that may be recovered and any unsatisfied fine that may be levied under any Section of this Article.

(Source: P.A. 96-34, eff. 7-13-09.)

(720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

Sec. 28-5. Seizure of gambling devices and gambling funds.

(a) Every device designed for gambling which is incapable

of lawful use or every device used unlawfully for gambling shall be considered a "gambling device", and shall be subject to seizure, confiscation and destruction by the Department of State Police or by any municipal, or other local authority, within whose jurisdiction the same may be found. As used in this Section, a "gambling device" includes any slot machine, and includes any machine or device constructed for the reception of money or other thing of value and so constructed as to return, or to cause someone to return, on chance to the player thereof money, property or a right to receive money or property. With the exception of any device designed for gambling which is incapable of lawful use, no gambling device shall be forfeited or destroyed unless an individual with a property interest in said device knows of the unlawful use of the device.

(b) Every gambling device shall be seized and forfeited to the county wherein such seizure occurs. Any money or other thing of value integrally related to acts of gambling shall be seized and forfeited to the county wherein such seizure occurs.

(c) If, within 60 days after any seizure pursuant to subparagraph (b) of this Section, a person having any property interest in the seized property is charged with an offense, the court which renders judgment upon such charge shall, within 30 days after such judgment, conduct a forfeiture hearing to determine whether such property was a gambling device at the time of seizure. Such hearing shall be commenced by a written

petition by the State, including material allegations of fact, the name and address of every person determined by the State to have any property interest in the seized property, a representation that written notice of the date, time and place of such hearing has been mailed to every such person by certified mail at least 10 days before such date, and a request for forfeiture. Every such person may appear as a party and present evidence at such hearing. The quantum of proof required shall be a preponderance of the evidence, and the burden of proof shall be on the State. If the court determines that the seized property was a gambling device at the time of seizure, an order of forfeiture and disposition of the seized property shall be entered: a gambling device shall be received by the State's Attorney, who shall effect its destruction, except that valuable parts thereof may be liquidated and the resultant money shall be deposited in the general fund of the county wherein such seizure occurred; money and other things of value shall be received by the State's Attorney and, upon liquidation, shall be deposited in the general fund of the county wherein such seizure occurred. However, in the event that a defendant raises the defense that the seized slot machine is an antique slot machine described in subparagraph (b) (7) of Section 28-1 of this Code and therefore he is exempt from the charge of a gambling activity participant, the seized antique slot machine shall not be destroyed or otherwise altered until a final determination is made by the Court as to

whether it is such an antique slot machine. Upon a final determination by the Court of this question in favor of the defendant, such slot machine shall be immediately returned to the defendant. Such order of forfeiture and disposition shall, for the purposes of appeal, be a final order and judgment in a civil proceeding.

(d) If a seizure pursuant to subparagraph (b) of this Section is not followed by a charge pursuant to subparagraph (c) of this Section, or if the prosecution of such charge is permanently terminated or indefinitely discontinued without any judgment of conviction or acquittal (1) the State's Attorney shall commence an in rem proceeding for the forfeiture and destruction of a gambling device, or for the forfeiture and deposit in the general fund of the county of any seized money or other things of value, or both, in the circuit court and (2) any person having any property interest in such seized gambling device, money or other thing of value may commence separate civil proceedings in the manner provided by law.

(e) Any gambling device displayed for sale to a riverboat gambling operation or used to train occupational licensees of a riverboat gambling operation as authorized under the Riverboat Gambling Act is exempt from seizure under this Section.

(f) Any gambling equipment, devices and supplies provided by a licensed supplier in accordance with the Riverboat Gambling Act which are removed from the riverboat for repair are exempt from seizure under this Section.

(g) The following video gaming terminals are exempt from seizure under this Section:

(1) Video gaming terminals for sale to a licensed distributor or operator under the Video Gaming Act.

(2) Video gaming terminals used to train licensed technicians or licensed terminal handlers.

(3) Video gaming terminals that are removed from a licensed establishment, licensed truck stop establishment, licensed fraternal establishment, or licensed veterans establishment for repair.

(h) Property seized or forfeited under this Section is subject to reporting under the Seizure and Forfeiture Reporting Act.

(i) Any sports lottery terminals provided by a central system provider that are removed from a lottery retailer for repair under the Sports Wagering Act are exempt from seizure under this Section.

(Source: P.A. 100-512, eff. 7-1-18.)

Article 30. State Fair Gaming Act

Section 30-1. Short title. This Article may be cited as the State Fair Gaming Act. References in this Article to "this Act" mean this Article.

Section 30-5. Definitions. As used in this Act:

"Board" means the Illinois Gaming Board.

"State Fair" has the meaning given to that term in the State Fair Act.

Section 30-10. Gambling at the State Fair.

(a) The Board shall issue a licensed establishment license as provided under Section 25 of the Video Gaming Act to a concessioner who will operate at the Illinois State Fairgrounds and at the DuQuoin State Fairgrounds. The concessioner shall be chosen under the Illinois Procurement Code for an operational period not to exceed 3 years. At the conclusion of each 3-year cycle, the Illinois Procurement Code shall be used to determine the new concessioner.

(b) Moneys bid by the concessioner shall be deposited into the State Fairgrounds Capital Improvements and Harness Racing Fund.

Section 30-15. Video gaming at the State Fair.

(a) The concessioner issued a licensed establishment license under Section 30-10 may operate: (1) up to 50 video gaming terminals as provided in the Video Gaming Act during the scheduled dates of the Illinois State Fair; and (2) up to 30 video gaming terminals as provided in the Video Gaming Act during the scheduled dates of the DuQuoin State Fair.

(b) No more than 10 video gaming terminals may be placed in any temporary pavilion where alcoholic beverages are served at

either State Fair.

Section 30-20. Revenue.

(a) Notwithstanding any other law to the contrary, a tax is imposed at the rate of 35% of net terminal income received from video gaming under this Act, which shall be remitted to the Board and deposited into the State Fairgrounds Capital Improvements and Harness Racing Fund.

(b) There is created within the State treasury the State Fairgrounds Capital Improvements and Harness Racing Fund. The Department of Agriculture shall use moneys in the State Fairgrounds Capital Improvements and Harness Racing Fund as follows and in the order of priority:

(1) to provide support for a harness race meeting produced by an organization licensee under the Illinois Horse Racing Act of 1975 and which shall consist of up to 30 days of live racing per year at the Illinois State Fairgrounds in Springfield;

(2) to repair and rehabilitate fairgrounds' backstretch facilities to such a level as determined by the Department of Agriculture to be required to carry out a program of live harness racing; and

(3) for the overall repair and rehabilitation of the capital infrastructure of: (i) the Illinois State Fairgrounds in Springfield, and (ii) the DuQuoin State Fairgrounds in DuQuoin, and for no other purpose.

Notwithstanding any other law to the contrary, the entire State share of tax revenues from the race meetings under paragraph (1) of this subsection (c) shall be reinvested into the State Fairgrounds Capital Improvements and Harness Racing Fund.

Section 30-25. Rules. The Board and the Department of Agriculture may adopt rules for the implementation of this Act.

Section 30-900. The State Finance Act is amended by adding Section 5.897 as follows:

(30 ILCS 105/5.897 new)

Sec. 5.897. The State Fairgrounds Capital Improvements and Harness Racing Fund.

Article 35. Amendatory Provisions

Section 35-3. The Illinois Administrative Procedure Act is amended by changing Section 5-45 as follows:

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

Sec. 5-45. Emergency rulemaking.

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

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

(c) An emergency rule may be effective for a period of not longer than 150 days, but the agency's authority to adopt an identical rule under Section 5-40 is not precluded. No emergency rule may be adopted more than once in any 24-month period, except that this limitation on the number of emergency rules that may be adopted in a 24-month period does not apply to (i) emergency rules that make additions to and deletions from the Drug Manual under Section 5-5.16 of the Illinois Public Aid Code or the generic drug formulary under Section

3.14 of the Illinois Food, Drug and Cosmetic Act, (ii) emergency rules adopted by the Pollution Control Board before July 1, 1997 to implement portions of the Livestock Management Facilities Act, (iii) emergency rules adopted by the Illinois Department of Public Health under subsections (a) through (i) of Section 2 of the Department of Public Health Act when necessary to protect the public's health, (iv) emergency rules adopted pursuant to subsection (n) of this Section, (v) emergency rules adopted pursuant to subsection (o) of this Section, or (vi) emergency rules adopted pursuant to subsection (c-5) of this Section. Two or more emergency rules having substantially the same purpose and effect shall be deemed to be a single rule for purposes of this Section.

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

(d) In order to provide for the expeditious and timely implementation of the State's fiscal year 1999 budget, emergency rules to implement any provision of Public Act 90-587 or 90-588 or any other budget initiative for fiscal year 1999

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

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

(f) In order to provide for the expeditious and timely implementation of the State's fiscal year 2001 budget, emergency rules to implement any provision of Public Act 91-712 or any other budget initiative for fiscal year 2001 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that

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

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

(h) In order to provide for the expeditious and timely implementation of the State's fiscal year 2003 budget, emergency rules to implement any provision of Public Act 92-597 or any other budget initiative for fiscal year 2003 may be adopted in accordance with this Section by the agency charged with administering that provision or initiative, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to

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

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

(j) In order to provide for the expeditious and timely implementation of the provisions of the State's fiscal year 2005 budget as provided under the Fiscal Year 2005 Budget Implementation (Human Services) Act, emergency rules to implement any provision of the Fiscal Year 2005 Budget Implementation (Human Services) Act may be adopted in accordance with this Section by the agency charged with administering that provision, except that the 24-month limitation on the adoption of emergency rules and the provisions of Sections 5-115 and 5-125 do not apply to rules

adopted under this subsection (j). The Department of Public Aid may also adopt rules under this subsection (j) necessary to administer the Illinois Public Aid Code and the Children's Health Insurance Program Act. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

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

(l) In order to provide for the expeditious and timely

implementation of the provisions of the State's fiscal year 2007 budget, the Department of Healthcare and Family Services may adopt emergency rules during fiscal year 2007, including rules effective July 1, 2007, in accordance with this subsection to the extent necessary to administer the Department's responsibilities with respect to amendments to the State plans and Illinois waivers approved by the federal Centers for Medicare and Medicaid Services necessitated by the requirements of Title XIX and Title XXI of the federal Social Security Act. The adoption of emergency rules authorized by this subsection (l) shall be deemed to be necessary for the public interest, safety, and welfare.

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

(n) In order to provide for the expeditious and timely

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

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

(p) In order to provide for the expeditious and timely implementation of the provisions of Public Act 97-689, emergency rules to implement any provision of Public Act 97-689

may be adopted in accordance with this subsection (p) by the agency charged with administering that provision or initiative. The 150-day limitation of the effective period of emergency rules does not apply to rules adopted under this subsection (p), and the effective period may continue through June 30, 2013. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this subsection (p). The adoption of emergency rules authorized by this subsection (p) is deemed to be necessary for the public interest, safety, and welfare.

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

(r) In order to provide for the expeditious and timely implementation of the provisions of Public Act 98-651, emergency rules to implement Public Act 98-651 may be adopted in accordance with this subsection (r) by the Department of Healthcare and Family Services. The 24-month limitation on the

adoption of emergency rules does not apply to rules adopted under this subsection (r). The adoption of emergency rules authorized by this subsection (r) is deemed to be necessary for the public interest, safety, and welfare.

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

(t) In order to provide for the expeditious and timely implementation of the provisions of Article II of Public Act 99-6, emergency rules to implement the changes made by Article II of Public Act 99-6 to the Emergency Telephone System Act may be adopted in accordance with this subsection (t) by the Department of State Police. The rulemaking authority granted in this subsection (t) shall apply only to those rules adopted prior to July 1, 2016. The 24-month limitation on the adoption of emergency rules does not apply to rules adopted under this

subsection (t). The adoption of emergency rules authorized by this subsection (t) is deemed to be necessary for the public interest, safety, and welfare.

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

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

(w) In order to provide for the expeditious and timely implementation of the provisions of Public Act 99-796, emergency rules to implement the changes made by Public Act 99-796 may be adopted in accordance with this subsection (w) by the Adjutant General. The adoption of emergency rules

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

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

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

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

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

(bb) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-587, emergency rules to implement the changes made by Public Act 100-587 to Section 4.02 of the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code, subsection (b) of Section 55-30 of the Alcoholism and Other

Drug Abuse and Dependency Act, Section 5-104 of the Specialized Mental Health Rehabilitation Act of 2013, and Section 75 and subsection (b) of Section 74 of the Mental Health and Developmental Disabilities Administrative Act may be adopted in accordance with this subsection (bb) by the respective Department. The adoption of emergency rules authorized by this subsection (bb) is deemed to be necessary for the public interest, safety, and welfare.

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

(dd) In order to provide for the expeditious and timely implementation of the provisions of Public Act 100-864, emergency rules to implement the changes made by Public Act 100-864 to Section 3.35 of the Newborn Metabolic Screening Act may be adopted in accordance with this subsection (dd) by the Secretary of State. The adoption of emergency rules authorized

by this subsection (dd) is deemed to be necessary for the public interest, safety, and welfare.

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

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

(gg) ~~(ff)~~ In order to provide for the expeditious and timely implementation of the provisions of Public Act 101-1 ~~this amendatory Act of the 101st General Assembly~~, emergency

rules may be adopted by the Department of Labor in accordance with this subsection (gg) ~~(ff)~~ to implement the changes made by Public Act 101-1 ~~this amendatory Act of the 101st General Assembly~~ to the Minimum Wage Law. The adoption of emergency rules authorized by this subsection (gg) ~~(ff)~~ is deemed to be necessary for the public interest, safety, and welfare.

(kk) In order to provide for the expeditious and timely implementation of the provisions of subsection (c) of Section 20 of the Video Gaming Act, emergency rules to implement the provisions of subsection (c) of Section 20 of the Video Gaming Act may be adopted in accordance with this subsection (kk) by the Illinois Gaming Board. The adoption of emergency rules authorized by this subsection (kk) is deemed to be necessary for the public interest, safety, and welfare.

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

Section 35-5. The Open Meetings Act is amended by changing Section 2 as follows:

(5 ILCS 120/2) (from Ch. 102, par. 42)

Sec. 2. Open meetings.

(a) Openness required. All meetings of public bodies shall

be open to the public unless excepted in subsection (c) and closed in accordance with Section 2a.

(b) Construction of exceptions. The exceptions contained in subsection (c) are in derogation of the requirement that public bodies meet in the open, and therefore, the exceptions are to be strictly construed, extending only to subjects clearly within their scope. The exceptions authorize but do not require the holding of a closed meeting to discuss a subject included within an enumerated exception.

(c) Exceptions. A public body may hold closed meetings to consider the following subjects:

(1) The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity. However, a meeting to consider an increase in compensation to a specific employee of a public body that is subject to the Local Government Wage Increase Transparency Act may not be closed and shall be open to the public and posted and held in accordance with this Act.

(2) Collective negotiating matters between the public body and its employees or their representatives, or deliberations concerning salary schedules for one or more classes of employees.

(3) The selection of a person to fill a public office, as defined in this Act, including a vacancy in a public office, when the public body is given power to appoint under law or ordinance, or the discipline, performance or removal of the occupant of a public office, when the public body is given power to remove the occupant under law or ordinance.

(4) Evidence or testimony presented in open hearing, or in closed hearing where specifically authorized by law, to a quasi-adjudicative body, as defined in this Act, provided that the body prepares and makes available for public inspection a written decision setting forth its determinative reasoning.

(5) The purchase or lease of real property for the use of the public body, including meetings held for the purpose of discussing whether a particular parcel should be acquired.

(6) The setting of a price for sale or lease of property owned by the public body.

(7) The sale or purchase of securities, investments, or investment contracts. This exception shall not apply to the investment of assets or income of funds deposited into the Illinois Prepaid Tuition Trust Fund.

(8) Security procedures, school building safety and security, and the use of personnel and equipment to respond to an actual, a threatened, or a reasonably potential

danger to the safety of employees, students, staff, the public, or public property.

(9) Student disciplinary cases.

(10) The placement of individual students in special education programs and other matters relating to individual students.

(11) Litigation, when an action against, affecting or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that an action is probable or imminent, in which case the basis for the finding shall be recorded and entered into the minutes of the closed meeting.

(12) The establishment of reserves or settlement of claims as provided in the Local Governmental and Governmental Employees Tort Immunity Act, if otherwise the disposition of a claim or potential claim might be prejudiced, or the review or discussion of claims, loss or risk management information, records, data, advice or communications from or with respect to any insurer of the public body or any intergovernmental risk management association or self insurance pool of which the public body is a member.

(13) Conciliation of complaints of discrimination in the sale or rental of housing, when closed meetings are authorized by the law or ordinance prescribing fair housing

practices and creating a commission or administrative agency for their enforcement.

(14) Informant sources, the hiring or assignment of undercover personnel or equipment, or ongoing, prior or future criminal investigations, when discussed by a public body with criminal investigatory responsibilities.

(15) Professional ethics or performance when considered by an advisory body appointed to advise a licensing or regulatory agency on matters germane to the advisory body's field of competence.

(16) Self evaluation, practices and procedures or professional ethics, when meeting with a representative of a statewide association of which the public body is a member.

(17) The recruitment, credentialing, discipline or formal peer review of physicians or other health care professionals, or for the discussion of matters protected under the federal Patient Safety and Quality Improvement Act of 2005, and the regulations promulgated thereunder, including 42 C.F.R. Part 3 (73 FR 70732), or the federal Health Insurance Portability and Accountability Act of 1996, and the regulations promulgated thereunder, including 45 C.F.R. Parts 160, 162, and 164, by a hospital, or other institution providing medical care, that is operated by the public body.

(18) Deliberations for decisions of the Prisoner

Review Board.

(19) Review or discussion of applications received under the Experimental Organ Transplantation Procedures Act.

(20) The classification and discussion of matters classified as confidential or continued confidential by the State Government Suggestion Award Board.

(21) Discussion of minutes of meetings lawfully closed under this Act, whether for purposes of approval by the body of the minutes or semi-annual review of the minutes as mandated by Section 2.06.

(22) Deliberations for decisions of the State Emergency Medical Services Disciplinary Review Board.

(23) The operation by a municipality of a municipal utility or the operation of a municipal power agency or municipal natural gas agency when the discussion involves (i) contracts relating to the purchase, sale, or delivery of electricity or natural gas or (ii) the results or conclusions of load forecast studies.

(24) Meetings of a residential health care facility resident sexual assault and death review team or the Executive Council under the Abuse Prevention Review Team Act.

(25) Meetings of an independent team of experts under Brian's Law.

(26) Meetings of a mortality review team appointed

under the Department of Juvenile Justice Mortality Review Team Act.

(27) (Blank).

(28) Correspondence and records (i) that may not be disclosed under Section 11-9 of the Illinois Public Aid Code or (ii) that pertain to appeals under Section 11-8 of the Illinois Public Aid Code.

(29) Meetings between internal or external auditors and governmental audit committees, finance committees, and their equivalents, when the discussion involves internal control weaknesses, identification of potential fraud risk areas, known or suspected frauds, and fraud interviews conducted in accordance with generally accepted auditing standards of the United States of America.

(30) Those meetings or portions of meetings of a fatality review team or the Illinois Fatality Review Team Advisory Council during which a review of the death of an eligible adult in which abuse or neglect is suspected, alleged, or substantiated is conducted pursuant to Section 15 of the Adult Protective Services Act.

(31) Meetings and deliberations for decisions of the Concealed Carry Licensing Review Board under the Firearm Concealed Carry Act.

(32) Meetings between the Regional Transportation Authority Board and its Service Boards when the discussion involves review by the Regional Transportation Authority

Board of employment contracts under Section 28d of the Metropolitan Transit Authority Act and Sections 3A.18 and 3B.26 of the Regional Transportation Authority Act.

(33) Those meetings or portions of meetings of the advisory committee and peer review subcommittee created under Section 320 of the Illinois Controlled Substances Act during which specific controlled substance prescriber, dispenser, or patient information is discussed.

(34) Meetings of the Tax Increment Financing Reform Task Force under Section 2505-800 of the Department of Revenue Law of the Civil Administrative Code of Illinois.

(35) Meetings of the group established to discuss Medicaid capitation rates under Section 5-30.8 of the Illinois Public Aid Code.

(36) Those deliberations or portions of deliberations for decisions of the Illinois Gaming Board in which there is discussed any of the following: (i) personal, commercial, financial, or other information obtained from any source that is privileged, proprietary, confidential, or a trade secret; or (ii) information specifically exempted from the disclosure by federal or State law.

(d) Definitions. For purposes of this Section:

"Employee" means a person employed by a public body whose relationship with the public body constitutes an employer-employee relationship under the usual common law rules, and who is not an independent contractor.

"Public office" means a position created by or under the Constitution or laws of this State, the occupant of which is charged with the exercise of some portion of the sovereign power of this State. The term "public office" shall include members of the public body, but it shall not include organizational positions filled by members thereof, whether established by law or by a public body itself, that exist to assist the body in the conduct of its business.

"Quasi-adjudicative body" means an administrative body charged by law or ordinance with the responsibility to conduct hearings, receive evidence or testimony and make determinations based thereon, but does not include local electoral boards when such bodies are considering petition challenges.

(e) Final action. No final action may be taken at a closed meeting. Final action shall be preceded by a public recital of the nature of the matter being considered and other information that will inform the public of the business being conducted.

(Source: P.A. 99-78, eff. 7-20-15; 99-235, eff. 1-1-16; 99-480, eff. 9-9-15; 99-642, eff. 7-28-16; 99-646, eff. 7-28-16; 99-687, eff. 1-1-17; 100-201, eff. 8-18-17; 100-465, eff. 8-31-17; 100-646, eff. 7-27-18.)

Section 35-10. The State Officials and Employees Ethics Act is amended by changing Section 5-45 as follows:

(5 ILCS 430/5-45)

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

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

(a-5) No officer, member, or spouse or immediate family member living with such person shall, during the officer or member's term in office or within a period of 2 years immediately leaving office, hold an ownership interest, other than a passive interest in a publicly traded company, in any gaming license under the Illinois Gambling Act, the Video Gaming Act, the Illinois Horse Racing Act of 1975, or the Sports Wagering Act. Any member of the General Assembly or spouse or immediate family member living with such person who has an ownership interest, other than a passive interest in a publicly traded company, in any gaming license under the Illinois Gambling Act, the Illinois Horse Racing Act of 1975, the Video Gaming Act, or the Sports Wagering Act at the time of

the effective date of this amendatory Act of the 101st General Assembly shall divest himself or herself of such ownership within one year after the effective date of this amendatory Act of the 101st General Assembly. No State employee who works for the Illinois Gaming Board or Illinois Racing Board or spouse or immediate family member living with such person shall, during State employment or within a period of 2 years immediately after termination of State employment, hold an ownership interest, other than a passive interest in a publicly traded company, in any gaming license under the Illinois Gambling Act, the Video Gaming Act, the Illinois Horse Racing Act of 1975, or the Sports Wagering Act.

(b) No former officer of the executive branch or State employee of the executive branch with regulatory or licensing authority, or spouse or immediate family member living with such person, shall, within a period of one year immediately after termination of State employment, knowingly accept employment or receive compensation or fees for services from a person or entity if the officer or State employee, during the year immediately preceding termination of State employment, participated personally and substantially in making a regulatory or licensing decision that directly applied to the person or entity, or its parent or subsidiary.

(c) Within 6 months after the effective date of this amendatory Act of the 96th General Assembly, each executive branch constitutional officer and legislative leader, the

Auditor General, and the Joint Committee on Legislative Support Services shall adopt a policy delineating which State positions under his or her jurisdiction and control, by the nature of their duties, may have the authority to participate personally and substantially in the award of State contracts or in regulatory or licensing decisions. The Governor shall adopt such a policy for all State employees of the executive branch not under the jurisdiction and control of any other executive branch constitutional officer.

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

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

(e) The Joint Committee on Legislative Support Services, the Auditor General, and each of the executive branch constitutional officers and legislative leaders subject to subsection (c) of this Section shall provide written notification to all employees in positions subject to the policies required by subsection (c) or a determination made

under subsection (d): (1) upon hiring, promotion, or transfer into the relevant position; and (2) at the time the employee's duties are changed in such a way as to qualify that employee. An employee receiving notification must certify in writing that the person was advised of the prohibition and the requirement to notify the appropriate Inspector General in subsection (f).

(f) Any State employee in a position subject to the policies required by subsection (c) or to a determination under subsection (d), but who does not fall within the prohibition of subsection (h) below, who is offered non-State employment during State employment or within a period of one year immediately after termination of State employment shall, prior to accepting such non-State employment, notify the appropriate Inspector General. Within 10 calendar days after receiving notification from an employee in a position subject to the policies required by subsection (c), such Inspector General shall make a determination as to whether the State employee is restricted from accepting such employment by subsection (a) or (b). In making a determination, in addition to any other relevant information, an Inspector General shall assess the effect of the prospective employment or relationship upon decisions referred to in subsections (a) and (b), based on the totality of the participation by the former officer, member, or State employee in those decisions. A determination by an Inspector General must be in writing, signed and dated by the Inspector General, and delivered to the subject of the

determination within 10 calendar days or the person is deemed eligible for the employment opportunity. For purposes of this subsection, "appropriate Inspector General" means (i) for members and employees of the legislative branch, the Legislative Inspector General; (ii) for the Auditor General and employees of the Office of the Auditor General, the Inspector General provided for in Section 30-5 of this Act; and (iii) for executive branch officers and employees, the Inspector General having jurisdiction over the officer or employee. Notice of any determination of an Inspector General and of any such appeal shall be given to the ultimate jurisdictional authority, the Attorney General, and the Executive Ethics Commission.

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

On appeal, the Ethics Commission or Auditor General shall seek, accept, and consider written public comments regarding a determination. In deciding whether to uphold an Inspector General's determination, the appropriate Ethics Commission or Auditor General shall assess, in addition to any other relevant information, the effect of the prospective employment or relationship upon the decisions referred to in subsections (a) and (b), based on the totality of the participation by the former officer, member, or State employee in those decisions.

The Ethics Commission shall decide whether to uphold an Inspector General's determination within 10 calendar days or the person is deemed eligible for the employment opportunity.

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

(1) members or officers;

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

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

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

(5) chief procurement officers, State purchasing

officers, and their designees whose duties are directly related to State procurement; ~~and~~

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

(7) employees of the Illinois Racing Board; and

(8) employees of the Illinois Gaming Board.

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

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

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

Section 35-15. The Alcoholism and Other Drug Abuse and Dependency Act is amended by changing Section 5-20 as follows:

(20 ILCS 301/5-20)

Sec. 5-20. Gambling disorders.

(a) Subject to appropriation, the Department shall establish a program for public education, research, and training regarding gambling disorders and the treatment and prevention of gambling disorders. Subject to specific

appropriation for these stated purposes, the program must include all of the following:

(1) Establishment and maintenance of a toll-free "800" telephone number to provide crisis counseling and referral services to families experiencing difficulty as a result of gambling disorders.

(2) Promotion of public awareness regarding the recognition and prevention of gambling disorders.

(3) Facilitation, through in-service training and other means, of the availability of effective assistance programs for gambling disorders.

(4) Conducting studies to identify adults and juveniles in this State who have, or who are at risk of developing, gambling disorders.

(b) Subject to appropriation, the Department shall either establish and maintain the program or contract with a private or public entity for the establishment and maintenance of the program. Subject to appropriation, either the Department or the private or public entity shall implement the toll-free telephone number, promote public awareness, and conduct in-service training concerning gambling disorders.

(c) Subject to appropriation, the Department shall produce and supply the signs specified in Section 10.7 of the Illinois Lottery Law, Section 34.1 of the Illinois Horse Racing Act of 1975, Section 4.3 of the Bingo License and Tax Act, Section 8.1 of the Charitable Games Act, and Section 13.1 of the Illinois

~~Riverboat~~ Gambling Act.

(Source: P.A. 100-759, eff. 1-1-19.)

Section 35-20. The Illinois Lottery Law is amended by changing Section 9.1 as follows:

(20 ILCS 1605/9.1)

Sec. 9.1. Private manager and management agreement.

(a) As used in this Section:

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

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

(1) Statements of qualifications.

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

"Final offer" means the last proposal submitted by an offeror in response to the request for qualifications, including the identity of any prospective vendor or vendors that the offeror intends to initially engage to assist the offeror in performing its obligations under the management agreement.

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

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

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

(1) where such contracts contain a provision authorizing termination upon notice, the Department shall provide notice of termination to occur upon the mutually agreed timetable for transfer of functions;

(2) upon the expiration of any initial term or renewal term of the current Lottery contracts, the Department shall

not renew such contract for a term extending beyond the mutually agreed timetable for transfer of functions; or

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

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

(c-5) The Department shall include provisions in the management agreement whereby the private manager shall, for a fee, and pursuant to a contract negotiated with the Department (the "Employee Use Contract"), utilize the services of current Department employees to assist in the administration and operation of the Lottery. The Department shall be the employer of all such bargaining unit employees assigned to perform such work for the private manager, and such employees shall be State employees, as defined by the Personnel Code. Department employees shall operate under the same employment policies, rules, regulations, and procedures, as other employees of the Department. In addition, neither historical representation

rights under the Illinois Public Labor Relations Act, nor existing collective bargaining agreements, shall be disturbed by the management agreement with the private manager for the management of the Lottery.

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

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

(2) A provision specifying that the Department:

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

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

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

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

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

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

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

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

(6) (Blank).

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

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

(8-5) A provision encouraging that at least 20% of the cost of contracts entered into for goods and services by the private manager in connection with its management of the Lottery, other than contracts with sales agents or technical advisors, be awarded to businesses that are a

minority-owned business, a women-owned business, or a business owned by a person with disability, as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

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

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

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

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

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

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

(F) A system for determining (i) the type of Lottery games, (ii) the method of selecting winning tickets, (iii) the manner of payment of prizes to holders of winning tickets, (iv) the frequency of drawings of winning tickets, (v) the method to be used in selling tickets, (vi) a system for verifying the

validity of tickets claimed to be winning tickets, (vii) the basis upon which retailer commissions are established by the manager, and (viii) minimum payouts.

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

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

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

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

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

(15) Cash reserves requirements.

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

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

(18) Procedures for amendment of the agreement.

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

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

(21) Right of use of copyrights, trademarks, and service marks held by the Department in the name of the State. The agreement must provide that any use of them by the manager shall only be for the purpose of fulfilling its

obligations under the management agreement during the term of the agreement.

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

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

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

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

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

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

a lottery.

(f) The Department may retain the services of an advisor or advisors with significant experience in financial services or the management, operation, and procurement of goods, services, and equipment for a government-run lottery to assist in the preparation of the terms of the request for qualifications and selection of the private manager. Any prospective advisor seeking to provide services under this subsection (f) shall disclose any material business or financial relationship during the past 3 years with any potential offeror, or with a contractor or subcontractor presently providing goods, services, or equipment to the Department to support the Lottery. The Department shall evaluate the material business or financial relationship of each prospective advisor. The Department shall not select any prospective advisor with a substantial business or financial relationship that the Department deems to impair the objectivity of the services to be provided by the prospective advisor. During the course of the advisor's engagement by the Department, and for a period of one year thereafter, the advisor shall not enter into any business or financial relationship with any offeror or any vendor identified to assist an offeror in performing its obligations under the management agreement. Any advisor retained by the Department shall be disqualified from being an offeror. The Department shall not include terms in the request for qualifications that provide a material advantage whether

directly or indirectly to any potential offeror, or any contractor or subcontractor presently providing goods, services, or equipment to the Department to support the Lottery, including terms contained in previous responses to requests for proposals or qualifications submitted to Illinois, another State or foreign government when those terms are uniquely associated with a particular potential offeror, contractor, or subcontractor. The request for proposals offered by the Department on December 22, 2008 as "LOT08GAMESYS" and reference number "22016176" is declared void.

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

- (1) The date, time, and place of the hearing.
- (2) The subject matter of the hearing.
- (3) A brief description of the management agreement to be awarded.
- (4) The identity of the offerors that have been selected as finalists to serve as the private manager.
- (5) The address and telephone number of the Department.

(h) At the public hearing, the Department shall (i) provide

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

(i) Any action to contest the private manager selected by the Governor under this Section must be brought within 7 calendar days after the publication of the notice of the designation of the private manager as provided in subsection (h) of this Section.

(j) The Lottery shall remain, for so long as a private manager manages the Lottery in accordance with provisions of

this Act, a Lottery conducted by the State, and the State shall not be authorized to sell or transfer the Lottery to a third party.

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

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

(m) Neither this Section nor any management agreement entered into under this Section prohibits the General Assembly from authorizing forms of gambling that are not in direct competition with the Lottery. The forms of gambling authorized by this amendatory Act of the 101st General Assembly constitute authorized forms of gambling that are not in direct competition with the Lottery.

(n) The private manager shall be subject to a complete investigation in the third, seventh, and tenth years of the agreement (if the agreement is for a 10-year term) by the Department in cooperation with the Auditor General to determine whether the private manager has complied with this Section and the management agreement. The private manager shall bear the cost of an investigation or reinvestigation of the private

manager under this subsection.

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

Upon receipt of a written request from the Chief Procurement Officer, the Department shall provide to the Chief Procurement Officer a complete and un-redacted copy of the management agreement or any contract that is subject to the Department's approval authority under this subsection (o). The Department shall provide a copy of the agreement or contract to

the Chief Procurement Officer in the time specified by the Chief Procurement Officer in his or her written request, but no later than 5 business days after the request is received by the Department. The Chief Procurement Officer must retain any portions of the management agreement or of any contract designated by the Department as confidential, proprietary, or trade secret information in complete confidence pursuant to subsection (g) of Section 7 of the Freedom of Information Act. The Department shall also provide the Chief Procurement Officer with reasonable advance written notice of any contract that is pending Department approval.

Notwithstanding any other provision of this Section to the contrary, the Chief Procurement Officer shall adopt administrative rules, including emergency rules, to establish a procurement process to select a successor private manager if a private management agreement has been terminated. The selection process shall at a minimum take into account the criteria set forth in items (1) through (4) of subsection (e) of this Section and may include provisions consistent with subsections (f), (g), (h), and (i) of this Section. The Chief Procurement Officer shall also implement and administer the adopted selection process upon the termination of a private management agreement. The Department, after the Chief Procurement Officer certifies that the procurement process has been followed in accordance with the rules adopted under this subsection (o), shall select a final offeror as the private

manager and sign the management agreement with the private manager.

Except as provided in Sections 21.5, 21.6, 21.7, 21.8, 21.9, ~~and~~ 21.10, and 21.11, ~~21.10~~ the Department shall distribute all proceeds of lottery tickets and shares sold in the following priority and manner:

(1) The payment of prizes and retailer bonuses.

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

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

(4) On or before September 30 of each fiscal year, deposit any estimated remaining proceeds from the prior fiscal year, subject to payments under items (1), (2), and (3), into the Capital Projects Fund. Beginning in fiscal year 2019, the amount deposited shall be increased or decreased each year by the amount the estimated payment differs from the amount determined from each year-end financial audit. Only remaining net deficits from prior

fiscal years may reduce the requirement to deposit these funds, as determined by the annual financial audit.

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

(1) the Department shall submit written quarterly reports to the Governor and the General Assembly on the activities and actions of the private manager selected under this Section;

(2) upon request of the Chief Procurement Officer, the Department shall promptly produce information related to the procurement activities of the Department and the private manager requested by the Chief Procurement Officer; the Chief Procurement Officer must retain confidential, proprietary, or trade secret information designated by the Department in complete confidence pursuant to subsection (g) of Section 7 of the Freedom of Information Act; and

(3) at least 30 days prior to the beginning of the Department's fiscal year, the Department shall prepare an annual written report on the activities of the private manager selected under this Section and deliver that report to the Governor and General Assembly.

(Source: P.A. 99-933, eff. 1-27-17; 100-391, eff. 8-25-17; 100-587, eff. 6-4-18; 100-647, eff. 7-30-18; 100-1068, eff. 8-24-18; revised 9-20-18.)

Section 35-25. The Department of Revenue Law of the Civil Administrative Code of Illinois is amended by changing Section 2505-305 as follows:

(20 ILCS 2505/2505-305) (was 20 ILCS 2505/39b15.1)

Sec. 2505-305. Investigators.

(a) The Department has the power to appoint investigators to conduct all investigations, searches, seizures, arrests, and other duties imposed under the provisions of any law administered by the Department. Except as provided in subsection (c), these investigators have and may exercise all the powers of peace officers solely for the purpose of enforcing taxing measures administered by the Department.

(b) The Director must authorize to each investigator employed under this Section and to any other employee of the Department exercising the powers of a peace officer a distinct badge that, on its face, (i) clearly states that the badge is authorized by the Department and (ii) contains a unique identifying number. No other badge shall be authorized by the Department.

(c) The Department may enter into agreements with the Illinois Gaming Board providing that investigators appointed under this Section shall exercise the peace officer powers set forth in paragraph (20.6) of subsection (c) of Section 5 of the Illinois Riverboat ~~Riverboat~~ Gambling Act.

(Source: P.A. 96-37, eff. 7-13-09.)

Section 35-30. The State Finance Act is amended by changing Section 6z-45 as follows:

(30 ILCS 105/6z-45)

Sec. 6z-45. The School Infrastructure Fund.

(a) The School Infrastructure Fund is created as a special fund in the State Treasury.

In addition to any other deposits authorized by law, beginning January 1, 2000, on the first day of each month, or as soon thereafter as may be practical, the State Treasurer and State Comptroller shall transfer the sum of \$5,000,000 from the General Revenue Fund to the School Infrastructure Fund, except that, notwithstanding any other provision of law, and in addition to any other transfers that may be provided for by law, before June 30, 2012, the Comptroller and the Treasurer shall transfer \$45,000,000 from the General Revenue Fund into the School Infrastructure Fund, and, for fiscal year 2013 only, the Treasurer and the Comptroller shall transfer \$1,250,000 from the General Revenue Fund to the School Infrastructure Fund on the first day of each month; provided, however, that no such transfers shall be made from July 1, 2001 through June 30, 2003.

(a-5) Money in the School Infrastructure Fund may be used to pay the expenses of the State Board of Education, the Governor's Office of Management and Budget, and the Capital

Development Board in administering programs under the School Construction Law, the total expenses not to exceed \$1,315,000 in any fiscal year.

(b) Subject to the transfer provisions set forth below, money in the School Infrastructure Fund shall, if and when the State of Illinois incurs any bonded indebtedness for the construction of school improvements under subsection (e) of Section 5 of the General Obligation Bond Act, be set aside and used for the purpose of paying and discharging annually the principal and interest on that bonded indebtedness then due and payable, and for no other purpose.

In addition to other transfers to the General Obligation Bond Retirement and Interest Fund made pursuant to Section 15 of the General Obligation Bond Act, upon each delivery of bonds issued for construction of school improvements under the School Construction Law, the State Comptroller shall compute and certify to the State Treasurer the total amount of principal of, interest on, and premium, if any, on such bonds during the then current and each succeeding fiscal year. With respect to the interest payable on variable rate bonds, such certifications shall be calculated at the maximum rate of interest that may be payable during the fiscal year, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for that period.

On or before the last day of each month, the State

Treasurer and State Comptroller shall transfer from the School Infrastructure Fund to the General Obligation Bond Retirement and Interest Fund an amount sufficient to pay the aggregate of the principal of, interest on, and premium, if any, on the bonds payable on their next payment date, divided by the number of monthly transfers occurring between the last previous payment date (or the delivery date if no payment date has yet occurred) and the next succeeding payment date. Interest payable on variable rate bonds shall be calculated at the maximum rate of interest that may be payable for the relevant period, after taking into account any credits permitted in the related indenture or other instrument against the amount of such interest required to be appropriated for that period. Interest for which moneys have already been deposited into the capitalized interest account within the General Obligation Bond Retirement and Interest Fund shall not be included in the calculation of the amounts to be transferred under this subsection.

(b-5) The money deposited into the School Infrastructure Fund from transfers pursuant to subsections (c-30) and (c-35) of Section 13 of the Illinois Riverboat ~~Riverboat~~ Gambling Act shall be applied, without further direction, as provided in subsection (b-3) of Section 5-35 of the School Construction Law.

(c) The surplus, if any, in the School Infrastructure Fund after payments made pursuant to subsections (a-5), (b), and (b-5) of this Section shall, subject to appropriation, be used

as follows:

First - to make 3 payments to the School Technology Revolving Loan Fund as follows:

Transfer of \$30,000,000 in fiscal year 1999;

Transfer of \$20,000,000 in fiscal year 2000; and

Transfer of \$10,000,000 in fiscal year 2001.

Second - to pay any amounts due for grants for school construction projects and debt service under the School Construction Law.

Third - to pay any amounts due for grants for school maintenance projects under the School Construction Law.

(Source: P.A. 100-23, eff. 7-6-17.)

Section 35-35. The Illinois Income Tax Act is amended by changing Sections 201, 303, 304, and 710 as follows:

(35 ILCS 5/201) (from Ch. 120, par. 2-201)

Sec. 201. Tax imposed.

(a) In general. A tax measured by net income is hereby imposed on every individual, corporation, trust and estate for each taxable year ending after July 31, 1969 on the privilege of earning or receiving income in or as a resident of this State. Such tax shall be in addition to all other occupation or privilege taxes imposed by this State or by any municipal corporation or political subdivision thereof.

(b) Rates. The tax imposed by subsection (a) of this

Section shall be determined as follows, except as adjusted by subsection (d-1):

(1) In the case of an individual, trust or estate, for taxable years ending prior to July 1, 1989, an amount equal to 2 1/2% of the taxpayer's net income for the taxable year.

(2) In the case of an individual, trust or estate, for taxable years beginning prior to July 1, 1989 and ending after June 30, 1989, an amount equal to the sum of (i) 2 1/2% of the taxpayer's net income for the period prior to July 1, 1989, as calculated under Section 202.3, and (ii) 3% of the taxpayer's net income for the period after June 30, 1989, as calculated under Section 202.3.

(3) In the case of an individual, trust or estate, for taxable years beginning after June 30, 1989, and ending prior to January 1, 2011, an amount equal to 3% of the taxpayer's net income for the taxable year.

(4) In the case of an individual, trust, or estate, for taxable years beginning prior to January 1, 2011, and ending after December 31, 2010, an amount equal to the sum of (i) 3% of the taxpayer's net income for the period prior to January 1, 2011, as calculated under Section 202.5, and (ii) 5% of the taxpayer's net income for the period after December 31, 2010, as calculated under Section 202.5.

(5) In the case of an individual, trust, or estate, for taxable years beginning on or after January 1, 2011, and

ending prior to January 1, 2015, an amount equal to 5% of the taxpayer's net income for the taxable year.

(5.1) In the case of an individual, trust, or estate, for taxable years beginning prior to January 1, 2015, and ending after December 31, 2014, an amount equal to the sum of (i) 5% of the taxpayer's net income for the period prior to January 1, 2015, as calculated under Section 202.5, and (ii) 3.75% of the taxpayer's net income for the period after December 31, 2014, as calculated under Section 202.5.

(5.2) In the case of an individual, trust, or estate, for taxable years beginning on or after January 1, 2015, and ending prior to July 1, 2017, an amount equal to 3.75% of the taxpayer's net income for the taxable year.

(5.3) In the case of an individual, trust, or estate, for taxable years beginning prior to July 1, 2017, and ending after June 30, 2017, an amount equal to the sum of (i) 3.75% of the taxpayer's net income for the period prior to July 1, 2017, as calculated under Section 202.5, and (ii) 4.95% of the taxpayer's net income for the period after June 30, 2017, as calculated under Section 202.5.

(5.4) In the case of an individual, trust, or estate, for taxable years beginning on or after July 1, 2017, an amount equal to 4.95% of the taxpayer's net income for the taxable year.

(6) In the case of a corporation, for taxable years ending prior to July 1, 1989, an amount equal to 4% of the

taxpayer's net income for the taxable year.

(7) In the case of a corporation, for taxable years beginning prior to July 1, 1989 and ending after June 30, 1989, an amount equal to the sum of (i) 4% of the taxpayer's net income for the period prior to July 1, 1989, as calculated under Section 202.3, and (ii) 4.8% of the taxpayer's net income for the period after June 30, 1989, as calculated under Section 202.3.

(8) In the case of a corporation, for taxable years beginning after June 30, 1989, and ending prior to January 1, 2011, an amount equal to 4.8% of the taxpayer's net income for the taxable year.

(9) In the case of a corporation, for taxable years beginning prior to January 1, 2011, and ending after December 31, 2010, an amount equal to the sum of (i) 4.8% of the taxpayer's net income for the period prior to January 1, 2011, as calculated under Section 202.5, and (ii) 7% of the taxpayer's net income for the period after December 31, 2010, as calculated under Section 202.5.

(10) In the case of a corporation, for taxable years beginning on or after January 1, 2011, and ending prior to January 1, 2015, an amount equal to 7% of the taxpayer's net income for the taxable year.

(11) In the case of a corporation, for taxable years beginning prior to January 1, 2015, and ending after December 31, 2014, an amount equal to the sum of (i) 7% of

the taxpayer's net income for the period prior to January 1, 2015, as calculated under Section 202.5, and (ii) 5.25% of the taxpayer's net income for the period after December 31, 2014, as calculated under Section 202.5.

(12) In the case of a corporation, for taxable years beginning on or after January 1, 2015, and ending prior to July 1, 2017, an amount equal to 5.25% of the taxpayer's net income for the taxable year.

(13) In the case of a corporation, for taxable years beginning prior to July 1, 2017, and ending after June 30, 2017, an amount equal to the sum of (i) 5.25% of the taxpayer's net income for the period prior to July 1, 2017, as calculated under Section 202.5, and (ii) 7% of the taxpayer's net income for the period after June 30, 2017, as calculated under Section 202.5.

(14) In the case of a corporation, for taxable years beginning on or after July 1, 2017, an amount equal to 7% of the taxpayer's net income for the taxable year.

The rates under this subsection (b) are subject to the provisions of Section 201.5.

(b-5) Surcharge; sale or exchange of assets, properties, and intangibles of organization gaming licensees. For each of taxable years 2019 through 2027, a surcharge is imposed on all taxpayers on income arising from the sale or exchange of capital assets, depreciable business property, real property used in the trade or business, and Section 197 intangibles (i)

of an organization licensee under the Illinois Horse Racing Act of 1975 and (ii) of an organization gaming licensee under the Illinois Gambling Act. The amount of the surcharge is equal to the amount of federal income tax liability for the taxable year attributable to those sales and exchanges. The surcharge imposed shall not apply if:

(1) the organization gaming license, organization license, or racetrack property is transferred as a result of any of the following:

(A) bankruptcy, a receivership, or a debt adjustment initiated by or against the initial licensee or the substantial owners of the initial licensee;

(B) cancellation, revocation, or termination of any such license by the Illinois Gaming Board or the Illinois Racing Board;

(C) a determination by the Illinois Gaming Board that transfer of the license is in the best interests of Illinois gaming;

(D) the death of an owner of the equity interest in a licensee;

(E) the acquisition of a controlling interest in the stock or substantially all of the assets of a publicly traded company;

(F) a transfer by a parent company to a wholly owned subsidiary; or

(G) the transfer or sale to or by one person to another person where both persons were initial owners of the license when the license was issued; or

(2) the controlling interest in the organization gaming license, organization license, or racetrack property is transferred in a transaction to lineal descendants in which no gain or loss is recognized or as a result of a transaction in accordance with Section 351 of the Internal Revenue Code in which no gain or loss is recognized; or

(3) live horse racing was not conducted in 2010 at a racetrack located within 3 miles of the Mississippi River under a license issued pursuant to the Illinois Horse Racing Act of 1975.

The transfer of an organization gaming license, organization license, or racetrack property by a person other than the initial licensee to receive the organization gaming license is not subject to a surcharge. The Department shall adopt rules necessary to implement and administer this subsection.

(c) Personal Property Tax Replacement Income Tax. Beginning on July 1, 1979 and thereafter, in addition to such income tax, there is also hereby imposed the Personal Property Tax Replacement Income Tax measured by net income on every corporation (including Subchapter S corporations), partnership and trust, for each taxable year ending after June 30, 1979.

Such taxes are imposed on the privilege of earning or receiving income in or as a resident of this State. The Personal Property Tax Replacement Income Tax shall be in addition to the income tax imposed by subsections (a) and (b) of this Section and in addition to all other occupation or privilege taxes imposed by this State or by any municipal corporation or political subdivision thereof.

(d) Additional Personal Property Tax Replacement Income Tax Rates. The personal property tax replacement income tax imposed by this subsection and subsection (c) of this Section in the case of a corporation, other than a Subchapter S corporation and except as adjusted by subsection (d-1), shall be an additional amount equal to 2.85% of such taxpayer's net income for the taxable year, except that beginning on January 1, 1981, and thereafter, the rate of 2.85% specified in this subsection shall be reduced to 2.5%, and in the case of a partnership, trust or a Subchapter S corporation shall be an additional amount equal to 1.5% of such taxpayer's net income for the taxable year.

(d-1) Rate reduction for certain foreign insurers. In the case of a foreign insurer, as defined by Section 35A-5 of the Illinois Insurance Code, whose state or country of domicile imposes on insurers domiciled in Illinois a retaliatory tax (excluding any insurer whose premiums from reinsurance assumed are 50% or more of its total insurance premiums as determined under paragraph (2) of subsection (b) of Section 304, except

that for purposes of this determination premiums from reinsurance do not include premiums from inter-affiliate reinsurance arrangements), beginning with taxable years ending on or after December 31, 1999, the sum of the rates of tax imposed by subsections (b) and (d) shall be reduced (but not increased) to the rate at which the total amount of tax imposed under this Act, net of all credits allowed under this Act, shall equal (i) the total amount of tax that would be imposed on the foreign insurer's net income allocable to Illinois for the taxable year by such foreign insurer's state or country of domicile if that net income were subject to all income taxes and taxes measured by net income imposed by such foreign insurer's state or country of domicile, net of all credits allowed or (ii) a rate of zero if no such tax is imposed on such income by the foreign insurer's state of domicile. For the purposes of this subsection (d-1), an inter-affiliate includes a mutual insurer under common management.

(1) For the purposes of subsection (d-1), in no event shall the sum of the rates of tax imposed by subsections (b) and (d) be reduced below the rate at which the sum of:

(A) the total amount of tax imposed on such foreign insurer under this Act for a taxable year, net of all credits allowed under this Act, plus

(B) the privilege tax imposed by Section 409 of the Illinois Insurance Code, the fire insurance company tax imposed by Section 12 of the Fire Investigation

Act, and the fire department taxes imposed under Section 11-10-1 of the Illinois Municipal Code, equals 1.25% for taxable years ending prior to December 31, 2003, or 1.75% for taxable years ending on or after December 31, 2003, of the net taxable premiums written for the taxable year, as described by subsection (1) of Section 409 of the Illinois Insurance Code. This paragraph will in no event increase the rates imposed under subsections (b) and (d).

(2) Any reduction in the rates of tax imposed by this subsection shall be applied first against the rates imposed by subsection (b) and only after the tax imposed by subsection (a) net of all credits allowed under this Section other than the credit allowed under subsection (i) has been reduced to zero, against the rates imposed by subsection (d).

This subsection (d-1) is exempt from the provisions of Section 250.

(e) Investment credit. A taxpayer shall be allowed a credit against the Personal Property Tax Replacement Income Tax for investment in qualified property.

(1) A taxpayer shall be allowed a credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1984. There shall be allowed an additional credit equal to .5% of the basis of qualified

property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1986, and the taxpayer's base employment within Illinois has increased by 1% or more over the preceding year as determined by the taxpayer's employment records filed with the Illinois Department of Employment Security. Taxpayers who are new to Illinois shall be deemed to have met the 1% growth in base employment for the first year in which they file employment records with the Illinois Department of Employment Security. The provisions added to this Section by Public Act 85-1200 (and restored by Public Act 87-895) shall be construed as declaratory of existing law and not as a new enactment. If, in any year, the increase in base employment within Illinois over the preceding year is less than 1%, the additional credit shall be limited to that percentage times a fraction, the numerator of which is .5% and the denominator of which is 1%, but shall not exceed .5%. The investment credit shall not be allowed to the extent that it would reduce a taxpayer's liability in any tax year below zero, nor may any credit for qualified property be allowed for any year other than the year in which the property was placed in service in Illinois. For tax years ending on or after December 31, 1987, and on or before December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the

credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years if the taxpayer (i) makes investments which cause the creation of a minimum of 2,000 full-time equivalent jobs in Illinois, (ii) is located in an enterprise zone established pursuant to the Illinois Enterprise Zone Act and (iii) is certified by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) as complying with the requirements specified in clause (i) and (ii) by July 1, 1986. The Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) shall notify the Department of Revenue of all such certifications immediately. For tax years ending after December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, earlier credit

shall be applied first.

(2) The term "qualified property" means property which:

(A) is tangible, whether new or used, including buildings and structural components of buildings and signs that are real property, but not including land or improvements to real property that are not a structural component of a building such as landscaping, sewer lines, local access roads, fencing, parking lots, and other appurtenances;

(B) is depreciable pursuant to Section 167 of the Internal Revenue Code, except that "3-year property" as defined in Section 168(c)(2)(A) of that Code is not eligible for the credit provided by this subsection (e);

(C) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code;

(D) is used in Illinois by a taxpayer who is primarily engaged in manufacturing, or in mining coal or fluorite, or in retailing, or was placed in service on or after July 1, 2006 in a River Edge Redevelopment Zone established pursuant to the River Edge Redevelopment Zone Act; and

(E) has not previously been used in Illinois in such a manner and by such a person as would qualify for the credit provided by this subsection (e) or

subsection (f).

(3) For purposes of this subsection (e), "manufacturing" means the material staging and production of tangible personal property by procedures commonly regarded as manufacturing, processing, fabrication, or assembling which changes some existing material into new shapes, new qualities, or new combinations. For purposes of this subsection (e) the term "mining" shall have the same meaning as the term "mining" in Section 613(c) of the Internal Revenue Code. For purposes of this subsection (e), the term "retailing" means the sale of tangible personal property for use or consumption and not for resale, or services rendered in conjunction with the sale of tangible personal property for use or consumption and not for resale. For purposes of this subsection (e), "tangible personal property" has the same meaning as when that term is used in the Retailers' Occupation Tax Act, and, for taxable years ending after December 31, 2008, does not include the generation, transmission, or distribution of electricity.

(4) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(5) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service in Illinois by the taxpayer, the amount of such

increase shall be deemed property placed in service on the date of such increase in basis.

(6) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.

(7) If during any taxable year, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside Illinois within 48 months after being placed in service, the Personal Property Tax Replacement Income Tax for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation and, (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this paragraph (7), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(8) Unless the investment credit is extended by law, the basis of qualified property shall not include costs incurred after December 31, 2018, except for costs incurred pursuant to a binding contract entered into on or before December 31, 2018.

(9) Each taxable year ending before December 31, 2000,

a partnership may elect to pass through to its partners the credits to which the partnership is entitled under this subsection (e) for the taxable year. A partner may use the credit allocated to him or her under this paragraph only against the tax imposed in subsections (c) and (d) of this Section. If the partnership makes that election, those credits shall be allocated among the partners in the partnership in accordance with the rules set forth in Section 704(b) of the Internal Revenue Code, and the rules promulgated under that Section, and the allocated amount of the credits shall be allowed to the partners for that taxable year. The partnership shall make this election on its Personal Property Tax Replacement Income Tax return for that taxable year. The election to pass through the credits shall be irrevocable.

For taxable years ending on or after December 31, 2000, a partner that qualifies its partnership for a subtraction under subparagraph (I) of paragraph (2) of subsection (d) of Section 203 or a shareholder that qualifies a Subchapter S corporation for a subtraction under subparagraph (S) of paragraph (2) of subsection (b) of Section 203 shall be allowed a credit under this subsection (e) equal to its share of the credit earned under this subsection (e) during the taxable year by the partnership or Subchapter S corporation, determined in accordance with the determination of income and distributive share of income

under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. This paragraph is exempt from the provisions of Section 250.

(f) Investment credit; Enterprise Zone; River Edge Redevelopment Zone.

(1) A taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for investment in qualified property which is placed in service in an Enterprise Zone created pursuant to the Illinois Enterprise Zone Act or, for property placed in service on or after July 1, 2006, a River Edge Redevelopment Zone established pursuant to the River Edge Redevelopment Zone Act. For partners, shareholders of Subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection (f) to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. The credit shall be .5% of the basis for such property. The credit shall be available only in the taxable year in which the property is placed in service in the Enterprise Zone or River Edge Redevelopment Zone and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section

to below zero. For tax years ending on or after December 31, 1985, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

(2) The term qualified property means property which:

(A) is tangible, whether new or used, including buildings and structural components of buildings;

(B) is depreciable pursuant to Section 167 of the Internal Revenue Code, except that "3-year property" as defined in Section 168(c)(2)(A) of that Code is not eligible for the credit provided by this subsection (f);

(C) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code;

(D) is used in the Enterprise Zone or River Edge Redevelopment Zone by the taxpayer; and

(E) has not been previously used in Illinois in such a manner and by such a person as would qualify for

the credit provided by this subsection (f) or subsection (e).

(3) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(4) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service in the Enterprise Zone or River Edge Redevelopment Zone by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

(5) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.

(6) If during any taxable year, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside the Enterprise Zone or River Edge Redevelopment Zone within 48 months after being placed in service, the tax imposed under subsections (a) and (b) of this Section for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation, and (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the

purposes of this paragraph (6), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(7) There shall be allowed an additional credit equal to 0.5% of the basis of qualified property placed in service during the taxable year in a River Edge Redevelopment Zone, provided such property is placed in service on or after July 1, 2006, and the taxpayer's base employment within Illinois has increased by 1% or more over the preceding year as determined by the taxpayer's employment records filed with the Illinois Department of Employment Security. Taxpayers who are new to Illinois shall be deemed to have met the 1% growth in base employment for the first year in which they file employment records with the Illinois Department of Employment Security. If, in any year, the increase in base employment within Illinois over the preceding year is less than 1%, the additional credit shall be limited to that percentage times a fraction, the numerator of which is 0.5% and the denominator of which is 1%, but shall not exceed 0.5%.

(g) (Blank).

(h) Investment credit; High Impact Business.

(1) Subject to subsections (b) and (b-5) of Section 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall be allowed a credit against the tax imposed by subsections (a)

and (b) of this Section for investment in qualified property which is placed in service by a Department of Commerce and Economic Opportunity designated High Impact Business. The credit shall be .5% of the basis for such property. The credit shall not be available (i) until the minimum investments in qualified property set forth in subdivision (a)(3)(A) of Section 5.5 of the Illinois Enterprise Zone Act have been satisfied or (ii) until the time authorized in subsection (b-5) of the Illinois Enterprise Zone Act for entities designated as High Impact Businesses under subdivisions (a)(3)(B), (a)(3)(C), and (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone Act, and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. The credit applicable to such investments shall be taken in the taxable year in which such investments have been completed. The credit for additional investments beyond the minimum investment by a designated high impact business authorized under subdivision (a)(3)(A) of Section 5.5 of the Illinois Enterprise Zone Act shall be available only in the taxable year in which the property is placed in service and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. For tax years ending on or after December 31, 1987, the credit shall be allowed

for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

Changes made in this subdivision (h) (1) by Public Act 88-670 restore changes made by Public Act 85-1182 and reflect existing law.

(2) The term qualified property means property which:

(A) is tangible, whether new or used, including buildings and structural components of buildings;

(B) is depreciable pursuant to Section 167 of the Internal Revenue Code, except that "3-year property" as defined in Section 168(c) (2) (A) of that Code is not eligible for the credit provided by this subsection (h);

(C) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code; and

(D) is not eligible for the Enterprise Zone Investment Credit provided by subsection (f) of this Section.

(3) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(4) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service in a federally designated Foreign Trade Zone or Sub-Zone located in Illinois by the taxpayer, the amount of such increase shall be deemed property placed in service on the date of such increase in basis.

(5) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.

(6) If during any taxable year ending on or before December 31, 1996, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside Illinois within 48 months after being placed in service, the tax imposed under subsections (a) and (b) of this Section for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation, and (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this paragraph (6), a reduction of the basis of qualified property resulting from a

redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(7) Beginning with tax years ending after December 31, 1996, if a taxpayer qualifies for the credit under this subsection (h) and thereby is granted a tax abatement and the taxpayer relocates its entire facility in violation of the explicit terms and length of the contract under Section 18-183 of the Property Tax Code, the tax imposed under subsections (a) and (b) of this Section shall be increased for the taxable year in which the taxpayer relocated its facility by an amount equal to the amount of credit received by the taxpayer under this subsection (h).

(i) Credit for Personal Property Tax Replacement Income Tax. For tax years ending prior to December 31, 2003, a credit shall be allowed against the tax imposed by subsections (a) and (b) of this Section for the tax imposed by subsections (c) and (d) of this Section. This credit shall be computed by multiplying the tax imposed by subsections (c) and (d) of this Section by a fraction, the numerator of which is base income allocable to Illinois and the denominator of which is Illinois base income, and further multiplying the product by the tax rate imposed by subsections (a) and (b) of this Section.

Any credit earned on or after December 31, 1986 under this subsection which is unused in the year the credit is computed because it exceeds the tax liability imposed by subsections (a)

and (b) for that year (whether it exceeds the original liability or the liability as later amended) may be carried forward and applied to the tax liability imposed by subsections (a) and (b) of the 5 taxable years following the excess credit year, provided that no credit may be carried forward to any year ending on or after December 31, 2003. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability the earliest credit arising under this subsection shall be applied first.

If, during any taxable year ending on or after December 31, 1986, the tax imposed by subsections (c) and (d) of this Section for which a taxpayer has claimed a credit under this subsection (i) is reduced, the amount of credit for such tax shall also be reduced. Such reduction shall be determined by recomputing the credit to take into account the reduced tax imposed by subsections (c) and (d). If any portion of the reduced amount of credit has been carried to a different taxable year, an amended return shall be filed for such taxable year to reduce the amount of credit claimed.

(j) Training expense credit. Beginning with tax years ending on or after December 31, 1986 and prior to December 31, 2003, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) under this Section for all amounts paid or accrued, on behalf of all persons employed by

the taxpayer in Illinois or Illinois residents employed outside of Illinois by a taxpayer, for educational or vocational training in semi-technical or technical fields or semi-skilled or skilled fields, which were deducted from gross income in the computation of taxable income. The credit against the tax imposed by subsections (a) and (b) shall be 1.6% of such training expenses. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection (j) to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

Any credit allowed under this subsection which is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first computed until it is used. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability the earliest credit arising under this subsection shall be applied first. No carryforward credit may be claimed in any tax year ending on or after December 31, 2003.

(k) Research and development credit. For tax years ending after July 1, 1990 and prior to December 31, 2003, and

beginning again for tax years ending on or after December 31, 2004, and ending prior to January 1, 2022, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for increasing research activities in this State. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 6 1/2% of the qualifying expenditures for increasing research activities in this State. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

For purposes of this subsection, "qualifying expenditures" means the qualifying expenditures as defined for the federal credit for increasing research activities which would be allowable under Section 41 of the Internal Revenue Code and which are conducted in this State, "qualifying expenditures for increasing research activities in this State" means the excess of qualifying expenditures for the taxable year in which incurred over qualifying expenditures for the base period, "qualifying expenditures for the base period" means the average of the qualifying expenditures for each year in the base period, and "base period" means the 3 taxable years immediately

preceding the taxable year for which the determination is being made.

Any credit in excess of the tax liability for the taxable year may be carried forward. A taxpayer may elect to have the unused credit shown on its final completed return carried over as a credit against the tax liability for the following 5 taxable years or until it has been fully used, whichever occurs first; provided that no credit earned in a tax year ending prior to December 31, 2003 may be carried forward to any year ending on or after December 31, 2003.

If an unused credit is carried forward to a given year from 2 or more earlier years, that credit arising in the earliest year will be applied first against the tax liability for the given year. If a tax liability for the given year still remains, the credit from the next earliest year will then be applied, and so on, until all credits have been used or no tax liability for the given year remains. Any remaining unused credit or credits then will be carried forward to the next following year in which a tax liability is incurred, except that no credit can be carried forward to a year which is more than 5 years after the year in which the expense for which the credit is given was incurred.

No inference shall be drawn from this amendatory Act of the 91st General Assembly in construing this Section for taxable years beginning before January 1, 1999.

It is the intent of the General Assembly that the research

and development credit under this subsection (k) shall apply continuously for all tax years ending on or after December 31, 2004 and ending prior to January 1, 2022, including, but not limited to, the period beginning on January 1, 2016 and ending on the effective date of this amendatory Act of the 100th General Assembly. All actions taken in reliance on the continuation of the credit under this subsection (k) by any taxpayer are hereby validated.

(1) Environmental Remediation Tax Credit.

(i) For tax years ending after December 31, 1997 and on or before December 31, 2001, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14 of the Environmental Protection Act that were paid in performing environmental remediation at a site for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a

release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. After the Pollution Control Board rules are adopted pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act, determinations as to credit availability for purposes of this Section shall be made consistent with those rules. For purposes of this Section, "taxpayer" includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the Internal Revenue Code and "related party" includes the persons disallowed a deduction for losses by paragraphs (b), (c), and (f) (1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible remediation costs in excess of \$100,000 per site, except that the \$100,000 threshold shall not apply to any site contained in an enterprise zone as determined by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity). The total credit allowed shall not exceed \$40,000 per year with a maximum total of \$150,000 per site. For partners and shareholders of subchapter S corporations, there shall be

allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

(ii) A credit allowed under this subsection that is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first earned until it is used. The term "unused credit" does not include any amounts of unreimbursed eligible remediation costs in excess of the maximum credit per site authorized under paragraph (i). This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion of

the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

(iii) For purposes of this Section, the term "site" shall have the same meaning as under Section 58.2 of the Environmental Protection Act.

(m) Education expense credit. Beginning with tax years ending after December 31, 1999, a taxpayer who is the custodian of one or more qualifying pupils shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for qualified education expenses incurred on behalf of the qualifying pupils. The credit shall be equal to 25% of qualified education expenses, but in no event may the total credit under this subsection claimed by a family that is the custodian of qualifying pupils exceed (i) \$500 for tax years ending prior to December 31, 2017, and (ii) \$750 for tax years ending on or after December 31, 2017. In no event shall a credit under this subsection reduce the taxpayer's liability under this Act to less than zero. Notwithstanding any other provision of law, for taxable years beginning on or after January 1, 2017, no taxpayer may claim a credit under this subsection (m) if the taxpayer's adjusted gross income for the taxable year exceeds (i) \$500,000, in the case of spouses filing a joint federal tax return or (ii) \$250,000, in the case of all other taxpayers. This subsection is exempt from the provisions of Section 250 of this Act.

For purposes of this subsection:

"Qualifying pupils" means individuals who (i) are residents of the State of Illinois, (ii) are under the age of 21 at the close of the school year for which a credit is sought, and (iii) during the school year for which a credit is sought were full-time pupils enrolled in a kindergarten through twelfth grade education program at any school, as defined in this subsection.

"Qualified education expense" means the amount incurred on behalf of a qualifying pupil in excess of \$250 for tuition, book fees, and lab fees at the school in which the pupil is enrolled during the regular school year.

"School" means any public or nonpublic elementary or secondary school in Illinois that is in compliance with Title VI of the Civil Rights Act of 1964 and attendance at which satisfies the requirements of Section 26-1 of the School Code, except that nothing shall be construed to require a child to attend any particular public or nonpublic school to qualify for the credit under this Section.

"Custodian" means, with respect to qualifying pupils, an Illinois resident who is a parent, the parents, a legal guardian, or the legal guardians of the qualifying pupils.

(n) River Edge Redevelopment Zone site remediation tax credit.

(i) For tax years ending on or after December 31, 2006, a taxpayer shall be allowed a credit against the tax

imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14a of the Environmental Protection Act that were paid in performing environmental remediation at a site within a River Edge Redevelopment Zone for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. Determinations as to credit availability for purposes of this Section shall be made consistent with rules adopted by the Pollution Control Board pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act. For purposes of this Section, "taxpayer" includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the

Internal Revenue Code and "related party" includes the persons disallowed a deduction for losses by paragraphs (b), (c), and (f)(1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible remediation costs in excess of \$100,000 per site.

(ii) A credit allowed under this subsection that is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first earned until it is used. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the

amount of the tax credit to be transferred as a portion of the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

(iii) For purposes of this Section, the term "site" shall have the same meaning as under Section 58.2 of the Environmental Protection Act.

(o) For each of taxable years during the Compassionate Use of Medical Cannabis Pilot Program, a surcharge is imposed on all taxpayers on income arising from the sale or exchange of capital assets, depreciable business property, real property used in the trade or business, and Section 197 intangibles of an organization registrant under the Compassionate Use of Medical Cannabis Pilot Program Act. The amount of the surcharge is equal to the amount of federal income tax liability for the taxable year attributable to those sales and exchanges. The surcharge imposed does not apply if:

(1) the medical cannabis cultivation center registration, medical cannabis dispensary registration, or the property of a registration is transferred as a result of any of the following:

(A) bankruptcy, a receivership, or a debt adjustment initiated by or against the initial registration or the substantial owners of the initial registration;

(B) cancellation, revocation, or termination of

any registration by the Illinois Department of Public Health;

(C) a determination by the Illinois Department of Public Health that transfer of the registration is in the best interests of Illinois qualifying patients as defined by the Compassionate Use of Medical Cannabis Pilot Program Act;

(D) the death of an owner of the equity interest in a registrant;

(E) the acquisition of a controlling interest in the stock or substantially all of the assets of a publicly traded company;

(F) a transfer by a parent company to a wholly owned subsidiary; or

(G) the transfer or sale to or by one person to another person where both persons were initial owners of the registration when the registration was issued; or

(2) the cannabis cultivation center registration, medical cannabis dispensary registration, or the controlling interest in a registrant's property is transferred in a transaction to lineal descendants in which no gain or loss is recognized or as a result of a transaction in accordance with Section 351 of the Internal Revenue Code in which no gain or loss is recognized.

(Source: P.A. 100-22, eff. 7-6-17.)

(35 ILCS 5/303) (from Ch. 120, par. 3-303)

Sec. 303. (a) In general. Any item of capital gain or loss, and any item of income from rents or royalties from real or tangible personal property, interest, dividends, and patent or copyright royalties, and prizes awarded under the Illinois Lottery Law, and, for taxable years ending on or after December 31, 2019, wagering and gambling winnings from Illinois sources as set forth in subsection (e-1) of this Section, to the extent such item constitutes nonbusiness income, together with any item of deduction directly allocable thereto, shall be allocated by any person other than a resident as provided in this Section.

(b) Capital gains and losses.

(1) Real property. Capital gains and losses from sales or exchanges of real property are allocable to this State if the property is located in this State.

(2) Tangible personal property. Capital gains and losses from sales or exchanges of tangible personal property are allocable to this State if, at the time of such sale or exchange:

(A) The property had its situs in this State; or

(B) The taxpayer had its commercial domicile in this State and was not taxable in the state in which the property had its situs.

(3) Intangibles. Capital gains and losses from sales or

exchanges of intangible personal property are allocable to this State if the taxpayer had its commercial domicile in this State at the time of such sale or exchange.

(c) Rents and royalties.

(1) Real property. Rents and royalties from real property are allocable to this State if the property is located in this State.

(2) Tangible personal property. Rents and royalties from tangible personal property are allocable to this State:

(A) If and to the extent that the property is utilized in this State; or

(B) In their entirety if, at the time such rents or royalties were paid or accrued, the taxpayer had its commercial domicile in this State and was not organized under the laws of or taxable with respect to such rents or royalties in the state in which the property was utilized. The extent of utilization of tangible personal property in a state is determined by multiplying the rents or royalties derived from such property by a fraction, the numerator of which is the number of days of physical location of the property in the state during the rental or royalty period in the taxable year and the denominator of which is the number of days of physical location of the property everywhere during all rental or royalty periods in the taxable

year. If the physical location of the property during the rental or royalty period is unknown or unascertainable by the taxpayer, tangible personal property is utilized in the state in which the property was located at the time the rental or royalty payer obtained possession.

(d) Patent and copyright royalties.

(1) Allocation. Patent and copyright royalties are allocable to this State:

(A) If and to the extent that the patent or copyright is utilized by the payer in this State; or

(B) If and to the extent that the patent or copyright is utilized by the payer in a state in which the taxpayer is not taxable with respect to such royalties and, at the time such royalties were paid or accrued, the taxpayer had its commercial domicile in this State.

(2) Utilization.

(A) A patent is utilized in a state to the extent that it is employed in production, fabrication, manufacturing or other processing in the state or to the extent that a patented product is produced in the state. If the basis of receipts from patent royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the patent is utilized in this State if

the taxpayer has its commercial domicile in this State.

(B) A copyright is utilized in a state to the extent that printing or other publication originates in the state. If the basis of receipts from copyright royalties does not permit allocation to states or if the accounting procedures do not reflect states of utilization, the copyright is utilized in this State if the taxpayer has its commercial domicile in this State.

(e) Illinois lottery prizes. Prizes awarded under the Illinois Lottery Law are allocable to this State. Payments received in taxable years ending on or after December 31, 2013, from the assignment of a prize under Section 13.1 of the Illinois Lottery Law are allocable to this State.

(e-1) Wagering and gambling winnings. Payments received in taxable years ending on or after December 31, 2019 of winnings from pari-mutuel wagering conducted at a wagering facility licensed under the Illinois Horse Racing Act of 1975 and from gambling games conducted on a riverboat or in a casino or organization gaming facility licensed under the Illinois Gambling Act are allocable to this State.

(e-5) Unemployment benefits. Unemployment benefits paid by the Illinois Department of Employment Security are allocable to this State.

(f) Taxability in other state. For purposes of allocation of income pursuant to this Section, a taxpayer is taxable in another state if:

(1) In that state he is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax; or

(2) That state has jurisdiction to subject the taxpayer to a net income tax regardless of whether, in fact, the state does or does not.

(g) Cross references.

(1) For allocation of interest and dividends by persons other than residents, see Section 301(c)(2).

(2) For allocation of nonbusiness income by residents, see Section 301(a).

(Source: P.A. 97-709, eff. 7-1-12; 98-496, eff. 1-1-14.)

(35 ILCS 5/304) (from Ch. 120, par. 3-304)

Sec. 304. Business income of persons other than residents.

(a) In general. The business income of a person other than a resident shall be allocated to this State if such person's business income is derived solely from this State. If a person other than a resident derives business income from this State and one or more other states, then, for tax years ending on or before December 30, 1998, and except as otherwise provided by this Section, such person's business income shall be apportioned to this State by multiplying the income by a fraction, the numerator of which is the sum of the property factor (if any), the payroll factor (if any) and 200% of the

sales factor (if any), and the denominator of which is 4 reduced by the number of factors other than the sales factor which have a denominator of zero and by an additional 2 if the sales factor has a denominator of zero. For tax years ending on or after December 31, 1998, and except as otherwise provided by this Section, persons other than residents who derive business income from this State and one or more other states shall compute their apportionment factor by weighting their property, payroll, and sales factors as provided in subsection (h) of this Section.

(1) Property factor.

(A) The property factor is a fraction, the numerator of which is the average value of the person's real and tangible personal property owned or rented and used in the trade or business in this State during the taxable year and the denominator of which is the average value of all the person's real and tangible personal property owned or rented and used in the trade or business during the taxable year.

(B) Property owned by the person is valued at its original cost. Property rented by the person is valued at 8 times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the person less any annual rental rate received by the person from sub-rentals.

(C) The average value of property shall be determined by averaging the values at the beginning and ending of the

taxable year but the Director may require the averaging of monthly values during the taxable year if reasonably required to reflect properly the average value of the person's property.

(2) Payroll factor.

(A) The payroll factor is a fraction, the numerator of which is the total amount paid in this State during the taxable year by the person for compensation, and the denominator of which is the total compensation paid everywhere during the taxable year.

(B) Compensation is paid in this State if:

(i) The individual's service is performed entirely within this State;

(ii) The individual's service is performed both within and without this State, but the service performed without this State is incidental to the individual's service performed within this State; or

(iii) Some of the service is performed within this State and either the base of operations, or if there is no base of operations, the place from which the service is directed or controlled is within this State, or the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this State.

(iv) Compensation paid to nonresident professional

athletes.

(a) General. The Illinois source income of a nonresident individual who is a member of a professional athletic team includes the portion of the individual's total compensation for services performed as a member of a professional athletic team during the taxable year which the number of duty days spent within this State performing services for the team in any manner during the taxable year bears to the total number of duty days spent both within and without this State during the taxable year.

(b) Travel days. Travel days that do not involve either a game, practice, team meeting, or other similar team event are not considered duty days spent in this State. However, such travel days are considered in the total duty days spent both within and without this State.

(c) Definitions. For purposes of this subpart (iv):

(1) The term "professional athletic team" includes, but is not limited to, any professional baseball, basketball, football, soccer, or hockey team.

(2) The term "member of a professional athletic team" includes those employees who are active players, players on the disabled list, and

any other persons required to travel and who travel with and perform services on behalf of a professional athletic team on a regular basis. This includes, but is not limited to, coaches, managers, and trainers.

(3) Except as provided in items (C) and (D) of this subpart (3), the term "duty days" means all days during the taxable year from the beginning of the professional athletic team's official pre-season training period through the last game in which the team competes or is scheduled to compete. Duty days shall be counted for the year in which they occur, including where a team's official pre-season training period through the last game in which the team competes or is scheduled to compete, occurs during more than one tax year.

(A) Duty days shall also include days on which a member of a professional athletic team performs service for a team on a date that does not fall within the foregoing period (e.g., participation in instructional leagues, the "All Star Game", or promotional "caravans"). Performing a service for a professional athletic team includes conducting training and rehabilitation activities, when such

activities are conducted at team facilities.

(B) Also included in duty days are game days, practice days, days spent at team meetings, promotional caravans, preseason training camps, and days served with the team through all post-season games in which the team competes or is scheduled to compete.

(C) Duty days for any person who joins a team during the period from the beginning of the professional athletic team's official pre-season training period through the last game in which the team competes, or is scheduled to compete, shall begin on the day that person joins the team. Conversely, duty days for any person who leaves a team during this period shall end on the day that person leaves the team. Where a person switches teams during a taxable year, a separate duty-day calculation shall be made for the period the person was with each team.

(D) Days for which a member of a professional athletic team is not compensated and is not performing services for the team in any manner, including days when such member of a professional athletic team has been suspended without pay and prohibited from

performing any services for the team, shall not be treated as duty days.

(E) Days for which a member of a professional athletic team is on the disabled list and does not conduct rehabilitation activities at facilities of the team, and is not otherwise performing services for the team in Illinois, shall not be considered duty days spent in this State. All days on the disabled list, however, are considered to be included in total duty days spent both within and without this State.

(4) The term "total compensation for services performed as a member of a professional athletic team" means the total compensation received during the taxable year for services performed:

(A) from the beginning of the official pre-season training period through the last game in which the team competes or is scheduled to compete during that taxable year; and

(B) during the taxable year on a date which does not fall within the foregoing period (e.g., participation in instructional leagues, the "All Star Game", or promotional caravans).

This compensation shall include, but is not limited to, salaries, wages, bonuses as described

in this subpart, and any other type of compensation paid during the taxable year to a member of a professional athletic team for services performed in that year. This compensation does not include strike benefits, severance pay, termination pay, contract or option year buy-out payments, expansion or relocation payments, or any other payments not related to services performed for the team.

For purposes of this subparagraph, "bonuses" included in "total compensation for services performed as a member of a professional athletic team" subject to the allocation described in Section 302(c)(1) are: bonuses earned as a result of play (i.e., performance bonuses) during the season, including bonuses paid for championship, playoff or "bowl" games played by a team, or for selection to all-star league or other honorary positions; and bonuses paid for signing a contract, unless the payment of the signing bonus is not conditional upon the signee playing any games for the team or performing any subsequent services for the team or even making the team, the signing bonus is payable separately from the salary and any other compensation, and the signing bonus is nonrefundable.

(3) Sales factor.

(A) The sales factor is a fraction, the numerator of which is the total sales of the person in this State during the taxable year, and the denominator of which is the total sales of the person everywhere during the taxable year.

(B) Sales of tangible personal property are in this State if:

(i) The property is delivered or shipped to a purchaser, other than the United States government, within this State regardless of the f. o. b. point or other conditions of the sale; or

(ii) The property is shipped from an office, store, warehouse, factory or other place of storage in this State and either the purchaser is the United States government or the person is not taxable in the state of the purchaser; provided, however, that premises owned or leased by a person who has independently contracted with the seller for the printing of newspapers, periodicals or books shall not be deemed to be an office, store, warehouse, factory or other place of storage for purposes of this Section. Sales of tangible personal property are not in this State if the seller and purchaser would be members of the same unitary business group but for the fact that either the seller or purchaser is a person with 80% or more of total business activity outside of the United States and the

property is purchased for resale.

(B-1) Patents, copyrights, trademarks, and similar items of intangible personal property.

(i) Gross receipts from the licensing, sale, or other disposition of a patent, copyright, trademark, or similar item of intangible personal property, other than gross receipts governed by paragraph (B-7) of this item (3), are in this State to the extent the item is utilized in this State during the year the gross receipts are included in gross income.

(ii) Place of utilization.

(I) A patent is utilized in a state to the extent that it is employed in production, fabrication, manufacturing, or other processing in the state or to the extent that a patented product is produced in the state. If a patent is utilized in more than one state, the extent to which it is utilized in any one state shall be a fraction equal to the gross receipts of the licensee or purchaser from sales or leases of items produced, fabricated, manufactured, or processed within that state using the patent and of patented items produced within that state, divided by the total of such gross receipts for all states in which the patent is utilized.

(II) A copyright is utilized in a state to the

extent that printing or other publication originates in the state. If a copyright is utilized in more than one state, the extent to which it is utilized in any one state shall be a fraction equal to the gross receipts from sales or licenses of materials printed or published in that state divided by the total of such gross receipts for all states in which the copyright is utilized.

(III) Trademarks and other items of intangible personal property governed by this paragraph (B-1) are utilized in the state in which the commercial domicile of the licensee or purchaser is located.

(iii) If the state of utilization of an item of property governed by this paragraph (B-1) cannot be determined from the taxpayer's books and records or from the books and records of any person related to the taxpayer within the meaning of Section 267(b) of the Internal Revenue Code, 26 U.S.C. 267, the gross receipts attributable to that item shall be excluded from both the numerator and the denominator of the sales factor.

(B-2) Gross receipts from the license, sale, or other disposition of patents, copyrights, trademarks, and similar items of intangible personal property, other than gross receipts governed by paragraph (B-7) of this item (3), may be included in the numerator or denominator of the

sales factor only if gross receipts from licenses, sales, or other disposition of such items comprise more than 50% of the taxpayer's total gross receipts included in gross income during the tax year and during each of the 2 immediately preceding tax years; provided that, when a taxpayer is a member of a unitary business group, such determination shall be made on the basis of the gross receipts of the entire unitary business group.

(B-5) For taxable years ending on or after December 31, 2008, except as provided in subsections (ii) through (vii), receipts from the sale of telecommunications service or mobile telecommunications service are in this State if the customer's service address is in this State.

(i) For purposes of this subparagraph (B-5), the following terms have the following meanings:

"Ancillary services" means services that are associated with or incidental to the provision of "telecommunications services", including but not limited to "detailed telecommunications billing", "directory assistance", "vertical service", and "voice mail services".

"Air-to-Ground Radiotelephone service" means a radio service, as that term is defined in 47 CFR 22.99, in which common carriers are authorized to offer and provide radio telecommunications service for hire to subscribers in aircraft.

"Call-by-call Basis" means any method of charging for telecommunications services where the price is measured by individual calls.

"Communications Channel" means a physical or virtual path of communications over which signals are transmitted between or among customer channel termination points.

"Conference bridging service" means an "ancillary service" that links two or more participants of an audio or video conference call and may include the provision of a telephone number. "Conference bridging service" does not include the "telecommunications services" used to reach the conference bridge.

"Customer Channel Termination Point" means the location where the customer either inputs or receives the communications.

"Detailed telecommunications billing service" means an "ancillary service" of separately stating information pertaining to individual calls on a customer's billing statement.

"Directory assistance" means an "ancillary service" of providing telephone number information, and/or address information.

"Home service provider" means the facilities based carrier or reseller with which the customer contracts for the provision of mobile telecommunications

services.

"Mobile telecommunications service" means commercial mobile radio service, as defined in Section 20.3 of Title 47 of the Code of Federal Regulations as in effect on June 1, 1999.

"Place of primary use" means the street address representative of where the customer's use of the telecommunications service primarily occurs, which must be the residential street address or the primary business street address of the customer. In the case of mobile telecommunications services, "place of primary use" must be within the licensed service area of the home service provider.

"Post-paid telecommunication service" means the telecommunications service obtained by making a payment on a call-by-call basis either through the use of a credit card or payment mechanism such as a bank card, travel card, credit card, or debit card, or by charge made to a telephone number which is not associated with the origination or termination of the telecommunications service. A post-paid calling service includes telecommunications service, except a prepaid wireless calling service, that would be a prepaid calling service except it is not exclusively a telecommunication service.

"Prepaid telecommunication service" means the

right to access exclusively telecommunications services, which must be paid for in advance and which enables the origination of calls using an access number or authorization code, whether manually or electronically dialed, and that is sold in predetermined units or dollars of which the number declines with use in a known amount.

"Prepaid Mobile telecommunication service" means a telecommunications service that provides the right to utilize mobile wireless service as well as other non-telecommunication services, including but not limited to ancillary services, which must be paid for in advance that is sold in predetermined units or dollars of which the number declines with use in a known amount.

"Private communication service" means a telecommunication service that entitles the customer to exclusive or priority use of a communications channel or group of channels between or among termination points, regardless of the manner in which such channel or channels are connected, and includes switching capacity, extension lines, stations, and any other associated services that are provided in connection with the use of such channel or channels.

"Service address" means:

- (a) The location of the telecommunications

equipment to which a customer's call is charged and from which the call originates or terminates, regardless of where the call is billed or paid;

(b) If the location in line (a) is not known, service address means the origination point of the signal of the telecommunications services first identified by either the seller's telecommunications system or in information received by the seller from its service provider where the system used to transport such signals is not that of the seller; and

(c) If the locations in line (a) and line (b) are not known, the service address means the location of the customer's place of primary use.

"Telecommunications service" means the electronic transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals to a point, or between or among points. The term "telecommunications service" includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code or protocol of the content for purposes of transmission, conveyance or routing without regard to whether such service is referred to as voice over Internet protocol services or is classified by the Federal Communications Commission as enhanced or value

added. "Telecommunications service" does not include:

(a) Data processing and information services that allow data to be generated, acquired, stored, processed, or retrieved and delivered by an electronic transmission to a purchaser when such purchaser's primary purpose for the underlying transaction is the processed data or information;

(b) Installation or maintenance of wiring or equipment on a customer's premises;

(c) Tangible personal property;

(d) Advertising, including but not limited to directory advertising;

(e) Billing and collection services provided to third parties;

(f) Internet access service;

(g) Radio and television audio and video programming services, regardless of the medium, including the furnishing of transmission, conveyance and routing of such services by the programming service provider. Radio and television audio and video programming services shall include but not be limited to cable service as defined in 47 USC 522(6) and audio and video programming services delivered by commercial mobile radio service providers, as defined in 47 CFR 20.3;

(h) "Ancillary services"; or

(i) Digital products "delivered electronically", including but not limited to software, music, video, reading materials or ring tones.

"Vertical service" means an "ancillary service" that is offered in connection with one or more "telecommunications services", which offers advanced calling features that allow customers to identify callers and to manage multiple calls and call connections, including "conference bridging services".

"Voice mail service" means an "ancillary service" that enables the customer to store, send or receive recorded messages. "Voice mail service" does not include any "vertical services" that the customer may be required to have in order to utilize the "voice mail service".

(ii) Receipts from the sale of telecommunications service sold on an individual call-by-call basis are in this State if either of the following applies:

(a) The call both originates and terminates in this State.

(b) The call either originates or terminates in this State and the service address is located in this State.

(iii) Receipts from the sale of postpaid telecommunications service at retail are in this State

if the origination point of the telecommunication signal, as first identified by the service provider's telecommunication system or as identified by information received by the seller from its service provider if the system used to transport telecommunication signals is not the seller's, is located in this State.

(iv) Receipts from the sale of prepaid telecommunications service or prepaid mobile telecommunications service at retail are in this State if the purchaser obtains the prepaid card or similar means of conveyance at a location in this State. Receipts from recharging a prepaid telecommunications service or mobile telecommunications service is in this State if the purchaser's billing information indicates a location in this State.

(v) Receipts from the sale of private communication services are in this State as follows:

(a) 100% of receipts from charges imposed at each channel termination point in this State.

(b) 100% of receipts from charges for the total channel mileage between each channel termination point in this State.

(c) 50% of the total receipts from charges for service segments when those segments are between 2 customer channel termination points, 1 of which is

located in this State and the other is located outside of this State, which segments are separately charged.

(d) The receipts from charges for service segments with a channel termination point located in this State and in two or more other states, and which segments are not separately billed, are in this State based on a percentage determined by dividing the number of customer channel termination points in this State by the total number of customer channel termination points.

(vi) Receipts from charges for ancillary services for telecommunications service sold to customers at retail are in this State if the customer's primary place of use of telecommunications services associated with those ancillary services is in this State. If the seller of those ancillary services cannot determine where the associated telecommunications are located, then the ancillary services shall be based on the location of the purchaser.

(vii) Receipts to access a carrier's network or from the sale of telecommunication services or ancillary services for resale are in this State as follows:

(a) 100% of the receipts from access fees attributable to intrastate telecommunications

service that both originates and terminates in this State.

(b) 50% of the receipts from access fees attributable to interstate telecommunications service if the interstate call either originates or terminates in this State.

(c) 100% of the receipts from interstate end user access line charges, if the customer's service address is in this State. As used in this subdivision, "interstate end user access line charges" includes, but is not limited to, the surcharge approved by the federal communications commission and levied pursuant to 47 CFR 69.

(d) Gross receipts from sales of telecommunication services or from ancillary services for telecommunications services sold to other telecommunication service providers for resale shall be sourced to this State using the apportionment concepts used for non-resale receipts of telecommunications services if the information is readily available to make that determination. If the information is not readily available, then the taxpayer may use any other reasonable and consistent method.

(B-7) For taxable years ending on or after December 31, 2008, receipts from the sale of broadcasting services are

in this State if the broadcasting services are received in this State. For purposes of this paragraph (B-7), the following terms have the following meanings:

"Advertising revenue" means consideration received by the taxpayer in exchange for broadcasting services or allowing the broadcasting of commercials or announcements in connection with the broadcasting of film or radio programming, from sponsorships of the programming, or from product placements in the programming.

"Audience factor" means the ratio that the audience or subscribers located in this State of a station, a network, or a cable system bears to the total audience or total subscribers for that station, network, or cable system. The audience factor for film or radio programming shall be determined by reference to the books and records of the taxpayer or by reference to published rating statistics provided the method used by the taxpayer is consistently used from year to year for this purpose and fairly represents the taxpayer's activity in this State.

"Broadcast" or "broadcasting" or "broadcasting services" means the transmission or provision of film or radio programming, whether through the public airwaves, by cable, by direct or indirect satellite transmission, or by any other means of communication,

either through a station, a network, or a cable system.

"Film" or "film programming" means the broadcast on television of any and all performances, events, or productions, including but not limited to news, sporting events, plays, stories, or other literary, commercial, educational, or artistic works, either live or through the use of video tape, disc, or any other type of format or medium. Each episode of a series of films produced for television shall constitute separate "film" notwithstanding that the series relates to the same principal subject and is produced during one or more tax periods.

"Radio" or "radio programming" means the broadcast on radio of any and all performances, events, or productions, including but not limited to news, sporting events, plays, stories, or other literary, commercial, educational, or artistic works, either live or through the use of an audio tape, disc, or any other format or medium. Each episode in a series of radio programming produced for radio broadcast shall constitute a separate "radio programming" notwithstanding that the series relates to the same principal subject and is produced during one or more tax periods.

(i) In the case of advertising revenue from broadcasting, the customer is the advertiser and

the service is received in this State if the commercial domicile of the advertiser is in this State.

(ii) In the case where film or radio programming is broadcast by a station, a network, or a cable system for a fee or other remuneration received from the recipient of the broadcast, the portion of the service that is received in this State is measured by the portion of the recipients of the broadcast located in this State. Accordingly, the fee or other remuneration for such service that is included in the Illinois numerator of the sales factor is the total of those fees or other remuneration received from recipients in Illinois. For purposes of this paragraph, a taxpayer may determine the location of the recipients of its broadcast using the address of the recipient shown in its contracts with the recipient or using the billing address of the recipient in the taxpayer's records.

(iii) In the case where film or radio programming is broadcast by a station, a network, or a cable system for a fee or other remuneration from the person providing the programming, the portion of the broadcast service that is received by such station, network, or cable system in this

State is measured by the portion of recipients of the broadcast located in this State. Accordingly, the amount of revenue related to such an arrangement that is included in the Illinois numerator of the sales factor is the total fee or other total remuneration from the person providing the programming related to that broadcast multiplied by the Illinois audience factor for that broadcast.

(iv) In the case where film or radio programming is provided by a taxpayer that is a network or station to a customer for broadcast in exchange for a fee or other remuneration from that customer the broadcasting service is received at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. Accordingly, in such a case the revenue derived by the taxpayer that is included in the taxpayer's Illinois numerator of the sales factor is the revenue from such customers who receive the broadcasting service in Illinois.

(v) In the case where film or radio programming is provided by a taxpayer that is not a network or station to another person for broadcasting in exchange for a fee or other remuneration from that

person, the broadcasting service is received at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. Accordingly, in such a case the revenue derived by the taxpayer that is included in the taxpayer's Illinois numerator of the sales factor is the revenue from such customers who receive the broadcasting service in Illinois.

(B-8) Gross receipts from winnings under the Illinois Lottery Law from the assignment of a prize under Section 13.1 of the Illinois Lottery Law are received in this State. This paragraph (B-8) applies only to taxable years ending on or after December 31, 2013.

(B-9) For taxable years ending on or after December 31, 2019, gross receipts from winnings from pari-mutuel wagering conducted at a wagering facility licensed under the Illinois Horse Racing Act of 1975 or from winnings from gambling games conducted on a riverboat or in a casino or organization gaming facility licensed under the Illinois Gambling Act are in this State.

(C) For taxable years ending before December 31, 2008, sales, other than sales governed by paragraphs (B), (B-1), (B-2), and (B-8) are in this State if:

(i) The income-producing activity is performed in this State; or

(ii) The income-producing activity is performed both within and without this State and a greater proportion of the income-producing activity is performed within this State than without this State, based on performance costs.

(C-5) For taxable years ending on or after December 31, 2008, sales, other than sales governed by paragraphs (B), (B-1), (B-2), (B-5), and (B-7), are in this State if any of the following criteria are met:

(i) Sales from the sale or lease of real property are in this State if the property is located in this State.

(ii) Sales from the lease or rental of tangible personal property are in this State if the property is located in this State during the rental period. Sales from the lease or rental of tangible personal property that is characteristically moving property, including, but not limited to, motor vehicles, rolling stock, aircraft, vessels, or mobile equipment are in this State to the extent that the property is used in this State.

(iii) In the case of interest, net gains (but not less than zero) and other items of income from intangible personal property, the sale is in this State if:

(a) in the case of a taxpayer who is a dealer

in the item of intangible personal property within the meaning of Section 475 of the Internal Revenue Code, the income or gain is received from a customer in this State. For purposes of this subparagraph, a customer is in this State if the customer is an individual, trust or estate who is a resident of this State and, for all other customers, if the customer's commercial domicile is in this State. Unless the dealer has actual knowledge of the residence or commercial domicile of a customer during a taxable year, the customer shall be deemed to be a customer in this State if the billing address of the customer, as shown in the records of the dealer, is in this State; or

(b) in all other cases, if the income-producing activity of the taxpayer is performed in this State or, if the income-producing activity of the taxpayer is performed both within and without this State, if a greater proportion of the income-producing activity of the taxpayer is performed within this State than in any other state, based on performance costs.

(iv) Sales of services are in this State if the services are received in this State. For the purposes of this section, gross receipts from the performance of

services provided to a corporation, partnership, or trust may only be attributed to a state where that corporation, partnership, or trust has a fixed place of business. If the state where the services are received is not readily determinable or is a state where the corporation, partnership, or trust receiving the service does not have a fixed place of business, the services shall be deemed to be received at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. If the ordering office cannot be determined, the services shall be deemed to be received at the office of the customer to which the services are billed. If the taxpayer is not taxable in the state in which the services are received, the sale must be excluded from both the numerator and the denominator of the sales factor. The Department shall adopt rules prescribing where specific types of service are received, including, but not limited to, publishing, and utility service.

(D) For taxable years ending on or after December 31, 1995, the following items of income shall not be included in the numerator or denominator of the sales factor: dividends; amounts included under Section 78 of the Internal Revenue Code; and Subpart F income as defined in Section 952 of the Internal Revenue Code. No inference

shall be drawn from the enactment of this paragraph (D) in construing this Section for taxable years ending before December 31, 1995.

(E) Paragraphs (B-1) and (B-2) shall apply to tax years ending on or after December 31, 1999, provided that a taxpayer may elect to apply the provisions of these paragraphs to prior tax years. Such election shall be made in the form and manner prescribed by the Department, shall be irrevocable, and shall apply to all tax years; provided that, if a taxpayer's Illinois income tax liability for any tax year, as assessed under Section 903 prior to January 1, 1999, was computed in a manner contrary to the provisions of paragraphs (B-1) or (B-2), no refund shall be payable to the taxpayer for that tax year to the extent such refund is the result of applying the provisions of paragraph (B-1) or (B-2) retroactively. In the case of a unitary business group, such election shall apply to all members of such group for every tax year such group is in existence, but shall not apply to any taxpayer for any period during which that taxpayer is not a member of such group.

(b) Insurance companies.

(1) In general. Except as otherwise provided by paragraph (2), business income of an insurance company for a taxable year shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is the direct premiums written for insurance upon

property or risk in this State, and the denominator of which is the direct premiums written for insurance upon property or risk everywhere. For purposes of this subsection, the term "direct premiums written" means the total amount of direct premiums written, assessments and annuity considerations as reported for the taxable year on the annual statement filed by the company with the Illinois Director of Insurance in the form approved by the National Convention of Insurance Commissioners or such other form as may be prescribed in lieu thereof.

(2) Reinsurance. If the principal source of premiums written by an insurance company consists of premiums for reinsurance accepted by it, the business income of such company shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is the sum of (i) direct premiums written for insurance upon property or risk in this State, plus (ii) premiums written for reinsurance accepted in respect of property or risk in this State, and the denominator of which is the sum of (iii) direct premiums written for insurance upon property or risk everywhere, plus (iv) premiums written for reinsurance accepted in respect of property or risk everywhere. For purposes of this paragraph, premiums written for reinsurance accepted in respect of property or risk in this State, whether or not otherwise determinable, may, at the election of the company, be determined on the

basis of the proportion which premiums written for reinsurance accepted from companies commercially domiciled in Illinois bears to premiums written for reinsurance accepted from all sources, or, alternatively, in the proportion which the sum of the direct premiums written for insurance upon property or risk in this State by each ceding company from which reinsurance is accepted bears to the sum of the total direct premiums written by each such ceding company for the taxable year. The election made by a company under this paragraph for its first taxable year ending on or after December 31, 2011, shall be binding for that company for that taxable year and for all subsequent taxable years, and may be altered only with the written permission of the Department, which shall not be unreasonably withheld.

(c) Financial organizations.

(1) In general. For taxable years ending before December 31, 2008, business income of a financial organization shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is its business income from sources within this State, and the denominator of which is its business income from all sources. For the purposes of this subsection, the business income of a financial organization from sources within this State is the sum of the amounts referred to in subparagraphs (A) through (E) following, but excluding the

adjusted income of an international banking facility as determined in paragraph (2):

(A) Fees, commissions or other compensation for financial services rendered within this State;

(B) Gross profits from trading in stocks, bonds or other securities managed within this State;

(C) Dividends, and interest from Illinois customers, which are received within this State;

(D) Interest charged to customers at places of business maintained within this State for carrying debit balances of margin accounts, without deduction of any costs incurred in carrying such accounts; and

(E) Any other gross income resulting from the operation as a financial organization within this State. In computing the amounts referred to in paragraphs (A) through (E) of this subsection, any amount received by a member of an affiliated group (determined under Section 1504(a) of the Internal Revenue Code but without reference to whether any such corporation is an "includible corporation" under Section 1504(b) of the Internal Revenue Code) from another member of such group shall be included only to the extent such amount exceeds expenses of the recipient directly related thereto.

(2) International Banking Facility. For taxable years ending before December 31, 2008:

(A) Adjusted Income. The adjusted income of an international banking facility is its income reduced by the amount of the floor amount.

(B) Floor Amount. The floor amount shall be the amount, if any, determined by multiplying the income of the international banking facility by a fraction, not greater than one, which is determined as follows:

(i) The numerator shall be:

The average aggregate, determined on a quarterly basis, of the financial organization's loans to banks in foreign countries, to foreign domiciled borrowers (except where secured primarily by real estate) and to foreign governments and other foreign official institutions, as reported for its branches, agencies and offices within the state on its "Consolidated Report of Condition", Schedule A, Lines 2.c., 5.b., and 7.a., which was filed with the Federal Deposit Insurance Corporation and other regulatory authorities, for the year 1980, minus

The average aggregate, determined on a quarterly basis, of such loans (other than loans of an international banking facility), as reported by the financial institution for its branches, agencies and offices within the state, on the

corresponding Schedule and lines of the Consolidated Report of Condition for the current taxable year, provided, however, that in no case shall the amount determined in this clause (the subtrahend) exceed the amount determined in the preceding clause (the minuend); and

(ii) the denominator shall be the average aggregate, determined on a quarterly basis, of the international banking facility's loans to banks in foreign countries, to foreign domiciled borrowers (except where secured primarily by real estate) and to foreign governments and other foreign official institutions, which were recorded in its financial accounts for the current taxable year.

(C) Change to Consolidated Report of Condition and in Qualification. In the event the Consolidated Report of Condition which is filed with the Federal Deposit Insurance Corporation and other regulatory authorities is altered so that the information required for determining the floor amount is not found on Schedule A, lines 2.c., 5.b. and 7.a., the financial institution shall notify the Department and the Department may, by regulations or otherwise, prescribe or authorize the use of an alternative source for such information. The financial institution shall also notify the Department should its international banking facility fail to

qualify as such, in whole or in part, or should there be any amendment or change to the Consolidated Report of Condition, as originally filed, to the extent such amendment or change alters the information used in determining the floor amount.

(3) For taxable years ending on or after December 31, 2008, the business income of a financial organization shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is its gross receipts from sources in this State or otherwise attributable to this State's marketplace and the denominator of which is its gross receipts everywhere during the taxable year. "Gross receipts" for purposes of this subparagraph (3) means gross income, including net taxable gain on disposition of assets, including securities and money market instruments, when derived from transactions and activities in the regular course of the financial organization's trade or business. The following examples are illustrative:

(i) Receipts from the lease or rental of real or tangible personal property are in this State if the property is located in this State during the rental period. Receipts from the lease or rental of tangible personal property that is characteristically moving property, including, but not limited to, motor vehicles, rolling stock, aircraft, vessels, or mobile

equipment are from sources in this State to the extent that the property is used in this State.

(ii) Interest income, commissions, fees, gains on disposition, and other receipts from assets in the nature of loans that are secured primarily by real estate or tangible personal property are from sources in this State if the security is located in this State.

(iii) Interest income, commissions, fees, gains on disposition, and other receipts from consumer loans that are not secured by real or tangible personal property are from sources in this State if the debtor is a resident of this State.

(iv) Interest income, commissions, fees, gains on disposition, and other receipts from commercial loans and installment obligations that are not secured by real or tangible personal property are from sources in this State if the proceeds of the loan are to be applied in this State. If it cannot be determined where the funds are to be applied, the income and receipts are from sources in this State if the office of the borrower from which the loan was negotiated in the regular course of business is located in this State. If the location of this office cannot be determined, the income and receipts shall be excluded from the numerator and denominator of the sales factor.

(v) Interest income, fees, gains on disposition,

service charges, merchant discount income, and other receipts from credit card receivables are from sources in this State if the card charges are regularly billed to a customer in this State.

(vi) Receipts from the performance of services, including, but not limited to, fiduciary, advisory, and brokerage services, are in this State if the services are received in this State within the meaning of subparagraph (a) (3) (C-5) (iv) of this Section.

(vii) Receipts from the issuance of travelers checks and money orders are from sources in this State if the checks and money orders are issued from a location within this State.

(viii) Receipts from investment assets and activities and trading assets and activities are included in the receipts factor as follows:

(1) Interest, dividends, net gains (but not less than zero) and other income from investment assets and activities from trading assets and activities shall be included in the receipts factor. Investment assets and activities and trading assets and activities include but are not limited to: investment securities; trading account assets; federal funds; securities purchased and sold under agreements to resell or repurchase; options; futures contracts; forward contracts;

notional principal contracts such as swaps; equities; and foreign currency transactions. With respect to the investment and trading assets and activities described in subparagraphs (A) and (B) of this paragraph, the receipts factor shall include the amounts described in such subparagraphs.

(A) The receipts factor shall include the amount by which interest from federal funds sold and securities purchased under resale agreements exceeds interest expense on federal funds purchased and securities sold under repurchase agreements.

(B) The receipts factor shall include the amount by which interest, dividends, gains and other income from trading assets and activities, including but not limited to assets and activities in the matched book, in the arbitrage book, and foreign currency transactions, exceed amounts paid in lieu of interest, amounts paid in lieu of dividends, and losses from such assets and activities.

(2) The numerator of the receipts factor includes interest, dividends, net gains (but not less than zero), and other income from investment assets and activities and from trading assets and

activities described in paragraph (1) of this subsection that are attributable to this State.

(A) The amount of interest, dividends, net gains (but not less than zero), and other income from investment assets and activities in the investment account to be attributed to this State and included in the numerator is determined by multiplying all such income from such assets and activities by a fraction, the numerator of which is the gross income from such assets and activities which are properly assigned to a fixed place of business of the taxpayer within this State and the denominator of which is the gross income from all such assets and activities.

(B) The amount of interest from federal funds sold and purchased and from securities purchased under resale agreements and securities sold under repurchase agreements attributable to this State and included in the numerator is determined by multiplying the amount described in subparagraph (A) of paragraph (1) of this subsection from such funds and such securities by a fraction, the numerator of which is the gross income from such funds and such securities which are

properly assigned to a fixed place of business of the taxpayer within this State and the denominator of which is the gross income from all such funds and such securities.

(C) The amount of interest, dividends, gains, and other income from trading assets and activities, including but not limited to assets and activities in the matched book, in the arbitrage book and foreign currency transactions (but excluding amounts described in subparagraphs (A) or (B) of this paragraph), attributable to this State and included in the numerator is determined by multiplying the amount described in subparagraph (B) of paragraph (1) of this subsection by a fraction, the numerator of which is the gross income from such trading assets and activities which are properly assigned to a fixed place of business of the taxpayer within this State and the denominator of which is the gross income from all such assets and activities.

(D) Properly assigned, for purposes of this paragraph (2) of this subsection, means the investment or trading asset or activity is assigned to the fixed place of business with which it has a preponderance of substantive

contacts. An investment or trading asset or activity assigned by the taxpayer to a fixed place of business without the State shall be presumed to have been properly assigned if:

(i) the taxpayer has assigned, in the regular course of its business, such asset or activity on its records to a fixed place of business consistent with federal or state regulatory requirements;

(ii) such assignment on its records is based upon substantive contacts of the asset or activity to such fixed place of business; and

(iii) the taxpayer uses such records reflecting assignment of such assets or activities for the filing of all state and local tax returns for which an assignment of such assets or activities to a fixed place of business is required.

(E) The presumption of proper assignment of an investment or trading asset or activity provided in subparagraph (D) of paragraph (2) of this subsection may be rebutted upon a showing by the Department, supported by a preponderance of the evidence, that the preponderance of substantive contacts

regarding such asset or activity did not occur at the fixed place of business to which it was assigned on the taxpayer's records. If the fixed place of business that has a preponderance of substantive contacts cannot be determined for an investment or trading asset or activity to which the presumption in subparagraph (D) of paragraph (2) of this subsection does not apply or with respect to which that presumption has been rebutted, that asset or activity is properly assigned to the state in which the taxpayer's commercial domicile is located. For purposes of this subparagraph (E), it shall be presumed, subject to rebuttal, that taxpayer's commercial domicile is in the state of the United States or the District of Columbia to which the greatest number of employees are regularly connected with the management of the investment or trading income or out of which they are working, irrespective of where the services of such employees are performed, as of the last day of the taxable year.

(4) (Blank).

(5) (Blank).

(c-1) Federally regulated exchanges. For taxable years

ending on or after December 31, 2012, business income of a federally regulated exchange shall, at the option of the federally regulated exchange, be apportioned to this State by multiplying such income by a fraction, the numerator of which is its business income from sources within this State, and the denominator of which is its business income from all sources. For purposes of this subsection, the business income within this State of a federally regulated exchange is the sum of the following:

(1) Receipts attributable to transactions executed on a physical trading floor if that physical trading floor is located in this State.

(2) Receipts attributable to all other matching, execution, or clearing transactions, including without limitation receipts from the provision of matching, execution, or clearing services to another entity, multiplied by (i) for taxable years ending on or after December 31, 2012 but before December 31, 2013, 63.77%; and (ii) for taxable years ending on or after December 31, 2013, 27.54%.

(3) All other receipts not governed by subparagraphs (1) or (2) of this subsection (c-1), to the extent the receipts would be characterized as "sales in this State" under item (3) of subsection (a) of this Section.

"Federally regulated exchange" means (i) a "registered entity" within the meaning of 7 U.S.C. Section 1a(40) (A), (B),

or (C), (ii) an "exchange" or "clearing agency" within the meaning of 15 U.S.C. Section 78c (a) (1) or (23), (iii) any such entities regulated under any successor regulatory structure to the foregoing, and (iv) all taxpayers who are members of the same unitary business group as a federally regulated exchange, determined without regard to the prohibition in Section 1501(a) (27) of this Act against including in a unitary business group taxpayers who are ordinarily required to apportion business income under different subsections of this Section; provided that this subparagraph (iv) shall apply only if 50% or more of the business receipts of the unitary business group determined by application of this subparagraph (iv) for the taxable year are attributable to the matching, execution, or clearing of transactions conducted by an entity described in subparagraph (i), (ii), or (iii) of this paragraph.

In no event shall the Illinois apportionment percentage computed in accordance with this subsection (c-1) for any taxpayer for any tax year be less than the Illinois apportionment percentage computed under this subsection (c-1) for that taxpayer for the first full tax year ending on or after December 31, 2013 for which this subsection (c-1) applied to the taxpayer.

(d) Transportation services. For taxable years ending before December 31, 2008, business income derived from furnishing transportation services shall be apportioned to this State in accordance with paragraphs (1) and (2):

(1) Such business income (other than that derived from transportation by pipeline) shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is the revenue miles of the person in this State, and the denominator of which is the revenue miles of the person everywhere. For purposes of this paragraph, a revenue mile is the transportation of 1 passenger or 1 net ton of freight the distance of 1 mile for a consideration. Where a person is engaged in the transportation of both passengers and freight, the fraction above referred to shall be determined by means of an average of the passenger revenue mile fraction and the freight revenue mile fraction, weighted to reflect the person's

(A) relative railway operating income from total passenger and total freight service, as reported to the Interstate Commerce Commission, in the case of transportation by railroad, and

(B) relative gross receipts from passenger and freight transportation, in case of transportation other than by railroad.

(2) Such business income derived from transportation by pipeline shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is the revenue miles of the person in this State, and the denominator of which is the revenue miles of the person

everywhere. For the purposes of this paragraph, a revenue mile is the transportation by pipeline of 1 barrel of oil, 1,000 cubic feet of gas, or of any specified quantity of any other substance, the distance of 1 mile for a consideration.

(3) For taxable years ending on or after December 31, 2008, business income derived from providing transportation services other than airline services shall be apportioned to this State by using a fraction, (a) the numerator of which shall be (i) all receipts from any movement or shipment of people, goods, mail, oil, gas, or any other substance (other than by airline) that both originates and terminates in this State, plus (ii) that portion of the person's gross receipts from movements or shipments of people, goods, mail, oil, gas, or any other substance (other than by airline) that originates in one state or jurisdiction and terminates in another state or jurisdiction, that is determined by the ratio that the miles traveled in this State bears to total miles everywhere and (b) the denominator of which shall be all revenue derived from the movement or shipment of people, goods, mail, oil, gas, or any other substance (other than by airline). Where a taxpayer is engaged in the transportation of both passengers and freight, the fraction above referred to shall first be determined separately for passenger miles and freight miles. Then an

average of the passenger miles fraction and the freight miles fraction shall be weighted to reflect the taxpayer's:

(A) relative railway operating income from total passenger and total freight service, as reported to the Surface Transportation Board, in the case of transportation by railroad; and

(B) relative gross receipts from passenger and freight transportation, in case of transportation other than by railroad.

(4) For taxable years ending on or after December 31, 2008, business income derived from furnishing airline transportation services shall be apportioned to this State by multiplying such income by a fraction, the numerator of which is the revenue miles of the person in this State, and the denominator of which is the revenue miles of the person everywhere. For purposes of this paragraph, a revenue mile is the transportation of one passenger or one net ton of freight the distance of one mile for a consideration. If a person is engaged in the transportation of both passengers and freight, the fraction above referred to shall be determined by means of an average of the passenger revenue mile fraction and the freight revenue mile fraction, weighted to reflect the person's relative gross receipts from passenger and freight airline transportation.

(e) Combined apportionment. Where 2 or more persons are engaged in a unitary business as described in subsection

(a) (27) of Section 1501, a part of which is conducted in this State by one or more members of the group, the business income attributable to this State by any such member or members shall be apportioned by means of the combined apportionment method.

(f) Alternative allocation. If the allocation and apportionment provisions of subsections (a) through (e) and of subsection (h) do not, for taxable years ending before December 31, 2008, fairly represent the extent of a person's business activity in this State, or, for taxable years ending on or after December 31, 2008, fairly represent the market for the person's goods, services, or other sources of business income, the person may petition for, or the Director may, without a petition, permit or require, in respect of all or any part of the person's business activity, if reasonable:

- (1) Separate accounting;
- (2) The exclusion of any one or more factors;
- (3) The inclusion of one or more additional factors which will fairly represent the person's business activities or market in this State; or
- (4) The employment of any other method to effectuate an equitable allocation and apportionment of the person's business income.

(g) Cross reference. For allocation of business income by residents, see Section 301(a).

(h) For tax years ending on or after December 31, 1998, the apportionment factor of persons who apportion their business

income to this State under subsection (a) shall be equal to:

(1) for tax years ending on or after December 31, 1998 and before December 31, 1999, $16 \frac{2}{3}\%$ of the property factor plus $16 \frac{2}{3}\%$ of the payroll factor plus $66 \frac{2}{3}\%$ of the sales factor;

(2) for tax years ending on or after December 31, 1999 and before December 31, 2000, $8 \frac{1}{3}\%$ of the property factor plus $8 \frac{1}{3}\%$ of the payroll factor plus $83 \frac{1}{3}\%$ of the sales factor;

(3) for tax years ending on or after December 31, 2000, the sales factor.

If, in any tax year ending on or after December 31, 1998 and before December 31, 2000, the denominator of the payroll, property, or sales factor is zero, the apportionment factor computed in paragraph (1) or (2) of this subsection for that year shall be divided by an amount equal to 100% minus the percentage weight given to each factor whose denominator is equal to zero.

(Source: P.A. 99-642, eff. 7-28-16; 100-201, eff. 8-18-17.)

(35 ILCS 5/710) (from Ch. 120, par. 7-710)

Sec. 710. Withholding from lottery winnings.

(a) In general.

(1) Any person making a payment to a resident or nonresident of winnings under the Illinois Lottery Law and not required to withhold Illinois income tax from such

payment under Subsection (b) of Section 701 of this Act because those winnings are not subject to Federal income tax withholding, must withhold Illinois income tax from such payment at a rate equal to the percentage tax rate for individuals provided in subsection (b) of Section 201, provided that withholding is not required if such payment of winnings is less than \$1,000.

(2) In the case of an assignment of a lottery prize under Section 13.1 of the Illinois Lottery Law, any person making a payment of the purchase price after December 31, 2013, shall withhold from the amount of each payment at a rate equal to the percentage tax rate for individuals provided in subsection (b) of Section 201.

(3) Any person making a payment after December 31, 2019 to a resident or nonresident of winnings from pari-mutuel wagering conducted at a wagering facility licensed under the Illinois Horse Racing Act of 1975 or from gambling games conducted on a riverboat or in a casino or organization gaming facility licensed under the Illinois Gambling Act must withhold Illinois income tax from such payment at a rate equal to the percentage tax rate for individuals provided in subsection (b) of Section 201, provided that the person making the payment is required to withhold under Section 3402(g) of the Internal Revenue Code.

(b) Credit for taxes withheld. Any amount withheld under

Subsection (a) shall be a credit against the Illinois income tax liability of the person to whom the payment of winnings was made for the taxable year in which that person incurred an Illinois income tax liability with respect to those winnings.

(Source: P.A. 98-496, eff. 1-1-14.)

Section 35-40. The Joliet Regional Port District Act is amended by changing Section 5.1 as follows:

(70 ILCS 1825/5.1) (from Ch. 19, par. 255.1)

Sec. 5.1. Riverboat and casino gambling. Notwithstanding any other provision of this Act, the District may not regulate the operation, conduct, or navigation of any riverboat gambling casino licensed under the Illinois Riverboat Gambling Act, and the District may not license, tax, or otherwise levy any assessment of any kind on any riverboat gambling casino licensed under the Illinois Riverboat Gambling Act. The General Assembly declares that the powers to regulate the operation, conduct, and navigation of riverboat gambling casinos and to license, tax, and levy assessments upon riverboat gambling casinos are exclusive powers of the State of Illinois and the Illinois Gaming Board as provided in the Illinois Riverboat Gambling Act.

(Source: P.A. 87-1175.)

Section 35-45. The Consumer Installment Loan Act is amended

by changing Section 12.5 as follows:

(205 ILCS 670/12.5)

Sec. 12.5. Limited purpose branch.

(a) Upon the written approval of the Director, a licensee may maintain a limited purpose branch for the sole purpose of making loans as permitted by this Act. A limited purpose branch may include an automatic loan machine. No other activity shall be conducted at the site, including but not limited to, accepting payments, servicing the accounts, or collections.

(b) The licensee must submit an application for a limited purpose branch to the Director on forms prescribed by the Director with an application fee of \$300. The approval for the limited purpose branch must be renewed concurrently with the renewal of the licensee's license along with a renewal fee of \$300 for the limited purpose branch.

(c) The books, accounts, records, and files of the limited purpose branch's transactions shall be maintained at the licensee's licensed location. The licensee shall notify the Director of the licensed location at which the books, accounts, records, and files shall be maintained.

(d) The licensee shall prominently display at the limited purpose branch the address and telephone number of the licensee's licensed location.

(e) No other business shall be conducted at the site of the limited purpose branch unless authorized by the Director.

(f) The Director shall make and enforce reasonable rules for the conduct of a limited purpose branch.

(g) A limited purpose branch may not be located within 1,000 feet of a facility operated by an inter-track wagering licensee or an organization licensee subject to the Illinois Horse Racing Act of 1975, on a riverboat or in a casino subject to the Illinois Riverboat Gambling Act, or within 1,000 feet of the location at which the riverboat docks or within 1,000 feet of a casino.

(Source: P.A. 90-437, eff. 1-1-98.)

Section 35-50. The Illinois Horse Racing Act of 1975 is amended by changing Sections 1.2, 3.11, 3.12, 6, 9, 15, 18, 19, 20, 21, 24, 25, 26, 26.8, 26.9, 27, 29, 30, 30.5, 31, 31.1, 32.1, 36, 40, and 54.75 and by adding Sections 3.32, 3.33, 3.34, 3.35, 19.5, 34.3, and 56 as follows:

(230 ILCS 5/1.2)

Sec. 1.2. Legislative intent. This Act is intended to benefit the people of the State of Illinois by encouraging the breeding and production of race horses, assisting economic development and promoting Illinois tourism. The General Assembly finds and declares it to be the public policy of the State of Illinois to:

(a) support and enhance Illinois' horse racing industry, which is a significant component within the agribusiness

industry;

(b) ensure that Illinois' horse racing industry remains competitive with neighboring states;

(c) stimulate growth within Illinois' horse racing industry, thereby encouraging new investment and development to produce additional tax revenues and to create additional jobs;

(d) promote the further growth of tourism;

(e) encourage the breeding of thoroughbred and standardbred horses in this State; and

(f) ensure that public confidence and trust in the credibility and integrity of racing operations and the regulatory process is maintained.

(Source: P.A. 91-40, eff. 6-25-99.)

(230 ILCS 5/3.11) (from Ch. 8, par. 37-3.11)

Sec. 3.11. "Organization Licensee" means any person receiving an organization license from the Board to conduct a race meeting or meetings. With respect only to organization gaming, "organization licensee" includes the authorization for an organization gaming license under subsection (a) of Section 56 of this Act.

(Source: P.A. 79-1185.)

(230 ILCS 5/3.12) (from Ch. 8, par. 37-3.12)

Sec. 3.12. Pari-mutuel system of wagering. "Pari-mutuel

system of wagering" means a form of wagering on the outcome of horse races in which wagers are made in various denominations on a horse or horses and all wagers for each race are pooled and held by a licensee for distribution in a manner approved by the Board. "Pari-mutuel system of wagering" shall not include wagering on historic races. Wagers may be placed via any method or at any location authorized under this Act.

(Source: P.A. 96-762, eff. 8-25-09.)

(230 ILCS 5/3.32 new)

Sec. 3.32. Gross receipts. "Gross receipts" means the total amount of money exchanged for the purchase of chips, tokens, or electronic cards by riverboat or casino patrons or organization gaming patrons.

(230 ILCS 5/3.33 new)

Sec. 3.33. Adjusted gross receipts. "Adjusted gross receipts" means the gross receipts less winnings paid to wagerers.

(230 ILCS 5/3.34 new)

Sec. 3.34. Organization gaming facility. "Organization gaming facility" means that portion of an organization licensee's racetrack facilities at which gaming authorized under Section 7.7 of the Illinois Gambling Act is conducted.

(230 ILCS 5/3.35 new)

Sec. 3.35. Organization gaming license. "Organization gaming license" means a license issued by the Illinois Gaming Board under Section 7.7 of the Illinois Gambling Act authorizing gaming pursuant to that Section at an organization gaming facility.

(230 ILCS 5/6) (from Ch. 8, par. 37-6)

Sec. 6. Restrictions on Board members.

(a) No person shall be appointed a member of the Board or continue to be a member of the Board if the person or any member of their immediate family is a member of the Board of Directors, employee, or financially interested in any of the following: (i) any licensee or other person who has applied for racing dates to the Board, or the operations thereof including, but not limited to, concessions, data processing, track maintenance, track security, and pari-mutuel operations, located, scheduled or doing business within the State of Illinois, (ii) any race horse competing at a meeting under the Board's jurisdiction, or (iii) any licensee under the Illinois Gambling Act. No person shall be appointed a member of the Board or continue to be a member of the Board who is (or any member of whose family is) a member of the Board of Directors of, or who is a person financially interested in, any licensee or other person who has applied for racing dates to the Board, or the operations thereof including, but not limited to,

~~concessions, data processing, track maintenance, track security and pari-mutuel operations, located, scheduled or doing business within the State of Illinois, or in any race horse competing at a meeting under the Board's jurisdiction. No Board member shall hold any other public office for which he shall receive compensation other than necessary travel or other incidental expenses.~~

(b) No person shall be a member of the Board who is not of good moral character or who has been convicted of, or is under indictment for, a felony under the laws of Illinois or any other state, or the United States.

(c) No member of the Board or employee shall engage in any political activity.

For the purposes of this subsection (c):

"Political" means any activity in support of or in connection with any campaign for State or local elective office or any political organization, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action (as those terms are defined in Section 2 of the Lobbyist Registration Act), (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the person's official State duties or governmental and public service functions.

"Political organization" means a party, committee, association, fund, or other organization (whether or not incorporated) that is required to file a statement of

organization with the State Board of Elections or county clerk under Section 9-3 of the Election Code, but only with regard to those activities that require filing with the State Board of Elections or county clerk.

(d) Board members and employees may not engage in communications or any activity that may cause or have the appearance of causing a conflict of interest. A conflict of interest exists if a situation influences or creates the appearance that it may influence judgment or performance of regulatory duties and responsibilities. This prohibition shall extend to any act identified by Board action that, in the judgment of the Board, could represent the potential for or the appearance of a conflict of interest.

(e) Board members and employees may not accept any gift, gratuity, service, compensation, travel, lodging, or thing of value, with the exception of unsolicited items of an incidental nature, from any person, corporation, limited liability company, or entity doing business with the Board.

(f) A Board member or employee shall not use or attempt to use his or her official position to secure, or attempt to secure, any privilege, advantage, favor, or influence for himself or herself or others. No Board member or employee, within a period of one year immediately preceding nomination by the Governor or employment, shall have been employed or received compensation or fees for services from a person or entity, or its parent or affiliate, that has engaged in

business with the Board, a licensee or a licensee under the Illinois Gambling Act. In addition, all Board members and employees are subject to the restrictions set forth in Section 5-45 of the State Officials and Employees Ethics Act.

(Source: P.A. 89-16, eff. 5-30-95.)

(230 ILCS 5/9) (from Ch. 8, par. 37-9)

Sec. 9. The Board shall have all powers necessary and proper to fully and effectively execute the provisions of this Act, including, but not limited to, the following:

(a) The Board is vested with jurisdiction and supervision over all race meetings in this State, over all licensees doing business in this State, over all occupation licensees, and over all persons on the facilities of any licensee. Such jurisdiction shall include the power to issue licenses to the Illinois Department of Agriculture authorizing the pari-mutuel system of wagering on harness and Quarter Horse races held (1) at the Illinois State Fair in Sangamon County, and (2) at the DuQuoin State Fair in Perry County. The jurisdiction of the Board shall also include the power to issue licenses to county fairs which are eligible to receive funds pursuant to the Agricultural Fair Act, as now or hereafter amended, or their agents, authorizing the pari-mutuel system of wagering on horse races conducted at the county fairs receiving such licenses. Such licenses shall be governed by subsection (n) of this Section.

Upon application, the Board shall issue a license to the Illinois Department of Agriculture to conduct harness and Quarter Horse races at the Illinois State Fair and at the DuQuoin State Fairgrounds during the scheduled dates of each fair. The Board shall not require and the Department of Agriculture shall be exempt from the requirements of Sections 15.3, 18 and 19, paragraphs (a)(2), (b), (c), (d), (e), (e-5), (e-10), (f), (g), and (h) of Section 20, and Sections 21, 24 and 25. The Board and the Department of Agriculture may extend any or all of these exemptions to any contractor or agent engaged by the Department of Agriculture to conduct its race meetings when the Board determines that this would best serve the public interest and the interest of horse racing.

Notwithstanding any provision of law to the contrary, it shall be lawful for any licensee to operate pari-mutuel wagering or contract with the Department of Agriculture to operate pari-mutuel wagering at the DuQuoin State Fairgrounds or for the Department to enter into contracts with a licensee, employ its owners, employees or agents and employ such other occupation licensees as the Department deems necessary in connection with race meetings and wagerings.

(b) The Board is vested with the full power to promulgate reasonable rules and regulations for the purpose of administering the provisions of this Act and to prescribe reasonable rules, regulations and conditions under which all horse race meetings or wagering in the State shall be

conducted. Such reasonable rules and regulations are to provide for the prevention of practices detrimental to the public interest and to promote the best interests of horse racing and to impose penalties for violations thereof.

(c) The Board, and any person or persons to whom it delegates this power, is vested with the power to enter the facilities and other places of business of any licensee to determine whether there has been compliance with the provisions of this Act and its rules and regulations.

(d) The Board, and any person or persons to whom it delegates this power, is vested with the authority to investigate alleged violations of the provisions of this Act, its reasonable rules and regulations, orders and final decisions; the Board shall take appropriate disciplinary action against any licensee or occupation licensee for violation thereof or institute appropriate legal action for the enforcement thereof.

(e) The Board, and any person or persons to whom it delegates this power, may eject or exclude from any race meeting or the facilities of any licensee, or any part thereof, any occupation licensee or any other individual whose conduct or reputation is such that his presence on those facilities may, in the opinion of the Board, call into question the honesty and integrity of horse racing or wagering or interfere with the orderly conduct of horse racing or wagering; provided, however, that no person shall be excluded or ejected from the

facilities of any licensee solely on the grounds of race, color, creed, national origin, ancestry, or sex. The power to eject or exclude an occupation licensee or other individual may be exercised for just cause by the licensee or the Board, subject to subsequent hearing by the Board as to the propriety of said exclusion.

(f) The Board is vested with the power to acquire, establish, maintain and operate (or provide by contract to maintain and operate) testing laboratories and related facilities, for the purpose of conducting saliva, blood, urine and other tests on the horses run or to be run in any horse race meeting, including races run at county fairs, and to purchase all equipment and supplies deemed necessary or desirable in connection with any such testing laboratories and related facilities and all such tests.

(g) The Board may require that the records, including financial or other statements of any licensee or any person affiliated with the licensee who is involved directly or indirectly in the activities of any licensee as regulated under this Act to the extent that those financial or other statements relate to such activities be kept in such manner as prescribed by the Board, and that Board employees shall have access to those records during reasonable business hours. Within 120 days of the end of its fiscal year, each licensee shall transmit to the Board an audit of the financial transactions and condition of the licensee's total operations. All audits shall be

conducted by certified public accountants. Each certified public accountant must be registered in the State of Illinois under the Illinois Public Accounting Act. The compensation for each certified public accountant shall be paid directly by the licensee to the certified public accountant. A licensee shall also submit any other financial or related information the Board deems necessary to effectively administer this Act and all rules, regulations, and final decisions promulgated under this Act.

(h) The Board shall name and appoint in the manner provided by the rules and regulations of the Board: an Executive Director; a State director of mutuels; State veterinarians and representatives to take saliva, blood, urine and other tests on horses; licensing personnel; revenue inspectors; and State seasonal employees (excluding admission ticket sellers and mutuel clerks). All of those named and appointed as provided in this subsection shall serve during the pleasure of the Board; their compensation shall be determined by the Board and be paid in the same manner as other employees of the Board under this Act.

(i) The Board shall require that there shall be 3 stewards at each horse race meeting, at least 2 of whom shall be named and appointed by the Board. Stewards appointed or approved by the Board, while performing duties required by this Act or by the Board, shall be entitled to the same rights and immunities as granted to Board members and Board employees in Section 10

of this Act.

(j) The Board may discharge any Board employee who fails or refuses for any reason to comply with the rules and regulations of the Board, or who, in the opinion of the Board, is guilty of fraud, dishonesty or who is proven to be incompetent. The Board shall have no right or power to determine who shall be officers, directors or employees of any licensee, or their salaries except the Board may, by rule, require that all or any officials or employees in charge of or whose duties relate to the actual running of races be approved by the Board.

(k) The Board is vested with the power to appoint delegates to execute any of the powers granted to it under this Section for the purpose of administering this Act and any rules or regulations promulgated in accordance with this Act.

(l) The Board is vested with the power to impose civil penalties of up to \$5,000 against an individual and up to \$10,000 against a licensee for each violation of any provision of this Act, any rules adopted by the Board, any order of the Board or any other action which, in the Board's discretion, is a detriment or impediment to horse racing or wagering. Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the power granted to the Board pursuant to this subsection (l) shall authorize the Board to impose penalties of up to \$10,000 against an individual and up to \$25,000 against a licensee. All such civil

penalties shall be deposited into the Horse Racing Fund.

(m) The Board is vested with the power to prescribe a form to be used by licensees as an application for employment for employees of each licensee.

(n) The Board shall have the power to issue a license to any county fair, or its agent, authorizing the conduct of the pari-mutuel system of wagering. The Board is vested with the full power to promulgate reasonable rules, regulations and conditions under which all horse race meetings licensed pursuant to this subsection shall be held and conducted, including rules, regulations and conditions for the conduct of the pari-mutuel system of wagering. The rules, regulations and conditions shall provide for the prevention of practices detrimental to the public interest and for the best interests of horse racing, and shall prescribe penalties for violations thereof. Any authority granted the Board under this Act shall extend to its jurisdiction and supervision over county fairs, or their agents, licensed pursuant to this subsection. However, the Board may waive any provision of this Act or its rules or regulations which would otherwise apply to such county fairs or their agents.

(o) Whenever the Board is authorized or required by law to consider some aspect of criminal history record information for the purpose of carrying out its statutory powers and responsibilities, then, upon request and payment of fees in conformance with the requirements of Section 2605-400 of the

Department of State Police Law (20 ILCS 2605/2605-400), the Department of State Police is authorized to furnish, pursuant to positive identification, such information contained in State files as is necessary to fulfill the request.

(p) To insure the convenience, comfort, and wagering accessibility of race track patrons, to provide for the maximization of State revenue, and to generate increases in purse allotments to the horsemen, the Board shall require any licensee to staff the pari-mutuel department with adequate personnel.

(Source: P.A. 97-1060, eff. 8-24-12.)

(230 ILCS 5/15) (from Ch. 8, par. 37-15)

Sec. 15. (a) The Board shall, in its discretion, issue occupation licenses to horse owners, trainers, harness drivers, jockeys, agents, apprentices, grooms, stable foremen, exercise persons, veterinarians, valets, blacksmiths, concessionaires and others designated by the Board whose work, in whole or in part, is conducted upon facilities within the State. Such occupation licenses will be obtained prior to the persons engaging in their vocation upon such facilities. The Board shall not license pari-mutuel clerks, parking attendants, security guards and employees of concessionaires. No occupation license shall be required of any person who works at facilities within this State as a pari-mutuel clerk, parking attendant, security guard or as an employee of a

concessionaire. Concessionaires of the Illinois State Fair and DuQuoin State Fair and employees of the Illinois Department of Agriculture shall not be required to obtain an occupation license by the Board.

(b) Each application for an occupation license shall be on forms prescribed by the Board. Such license, when issued, shall be for the period ending December 31 of each year, except that the Board in its discretion may grant 3-year licenses. The application shall be accompanied by a fee of not more than \$25 per year or, in the case of 3-year occupation license applications, a fee of not more than \$60. Each applicant shall set forth in the application his full name and address, and if he had been issued prior occupation licenses or has been licensed in any other state under any other name, such name, his age, whether or not a permit or license issued to him in any other state has been suspended or revoked and if so whether such suspension or revocation is in effect at the time of the application, and such other information as the Board may require. Fees for registration of stable names shall not exceed \$50.00. Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the fee for registration of stable names shall not exceed \$150, and the application fee for an occupation license shall not exceed \$75, per year or, in the case of a 3-year occupation license application, the fee shall not exceed \$180.

(c) The Board may in its discretion refuse an occupation license to any person:

(1) who has been convicted of a crime;

(2) who is unqualified to perform the duties required of such applicant;

(3) who fails to disclose or states falsely any information called for in the application;

(4) who has been found guilty of a violation of this Act or of the rules and regulations of the Board; or

(5) whose license or permit has been suspended, revoked or denied for just cause in any other state.

(d) The Board may suspend or revoke any occupation license:

(1) for violation of any of the provisions of this Act;

or

(2) for violation of any of the rules or regulations of the Board; or

(3) for any cause which, if known to the Board, would have justified the Board in refusing to issue such occupation license; or

(4) for any other just cause.

(e) Each applicant shall submit his or her fingerprints to the Department of State Police in the form and manner prescribed by the Department of State Police. These fingerprints shall be checked against the fingerprint records now and hereafter filed in the Department of State Police and Federal Bureau of Investigation criminal history records

databases. The Department of State Police shall charge a fee for conducting the criminal history records check, which shall be deposited in the State Police Services Fund and shall not exceed the actual cost of the records check. The Department of State Police shall furnish, pursuant to positive identification, records of conviction to the Board. Each applicant for licensure shall submit with his occupation license application, on forms provided by the Board, 2 sets of his fingerprints. All such applicants shall appear in person at the location designated by the Board for the purpose of submitting such sets of fingerprints; however, with the prior approval of a State steward, an applicant may have such sets of fingerprints taken by an official law enforcement agency and submitted to the Board.

(f) The Board may, in its discretion, issue an occupation license without submission of fingerprints if an applicant has been duly licensed in another recognized racing jurisdiction after submitting fingerprints that were subjected to a Federal Bureau of Investigation criminal history background check in that jurisdiction.

(g) Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the Board may charge each applicant a reasonable nonrefundable fee to defray the costs associated with the background investigation conducted by the Board. This fee shall be exclusive of any

other fee or fees charged in connection with an application for and, if applicable, the issuance of, an organization gaming license. If the costs of the investigation exceed the amount of the fee charged, the Board shall immediately notify the applicant of the additional amount owed, payment of which must be submitted to the Board within 7 days after such notification. All information, records, interviews, reports, statements, memoranda, or other data supplied to or used by the Board in the course of its review or investigation of an applicant for a license or renewal under this Act shall be privileged, strictly confidential, and shall be used only for the purpose of evaluating an applicant for a license or a renewal. Such information, records, interviews, reports, statements, memoranda, or other data shall not be admissible as evidence, nor discoverable, in any action of any kind in any court or before any tribunal, board, agency, or person, except for any action deemed necessary by the Board.

(Source: P.A. 93-418, eff. 1-1-04.)

(230 ILCS 5/18) (from Ch. 8, par. 37-18)

Sec. 18. (a) Together with its application, each applicant for racing dates shall deliver to the Board a certified check or bank draft payable to the order of the Board for \$1,000. In the event the applicant applies for racing dates in 2 or 3 successive calendar years as provided in subsection (b) of Section 21, the fee shall be \$2,000. Filing fees shall not be

refunded in the event the application is denied. Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the application fee for racing dates imposed by this subsection (a) shall be \$10,000 and the application fee for racing dates in 2 or 3 successive calendar years as provided in subsection (b) of Section 21 shall be \$20,000. All filing fees shall be deposited into the Horse Racing Fund.

(b) In addition to the filing fee imposed by subsection (a) of ~~\$1000~~ and the fees provided in subsection (j) of Section 20, each organization licensee shall pay a license fee of \$100 for each racing program on which its daily pari-mutuel handle is \$400,000 or more but less than \$700,000, and a license fee of \$200 for each racing program on which its daily pari-mutuel handle is \$700,000 or more. The additional fees required to be paid under this Section by this amendatory Act of 1982 shall be remitted by the organization licensee to the Illinois Racing Board with each day's graduated privilege tax or pari-mutuel tax and breakage as provided under Section 27. Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the license fee imposed by this subsection (b) shall be \$200 for each racing program on which the organization licensee's daily pari-mutuel handle is \$100,000 or more, but less than \$400,000, and the license fee

imposed by this subsection (b) shall be \$400 for each racing program on which the organization licensee's daily pari-mutuel handle is \$400,000 or more.

(c) Sections 11-42-1, 11-42-5, and 11-54-1 of the "~~Illinois Municipal Code,~~" ~~approved May 29, 1961, as now or hereafter amended,~~ shall not apply to any license under this Act.

(Source: P.A. 97-1060, eff. 8-24-12.)

(230 ILCS 5/19) (from Ch. 8, par. 37-19)

Sec. 19. (a) No organization license may be granted to conduct a horse race meeting:

(1) except as provided in subsection (c) of Section 21 of this Act, to any person at any place within 35 miles of any other place licensed by the Board to hold a race meeting on the same date during the same hours, the mileage measurement used in this subsection (a) shall be certified to the Board by the Bureau of Systems and Services in the Illinois Department of Transportation as the most commonly used public way of vehicular travel;

(2) to any person in default in the payment of any obligation or debt due the State under this Act, provided no applicant shall be deemed in default in the payment of any obligation or debt due to the State under this Act as long as there is pending a hearing of any kind relevant to such matter;

(3) to any person who has been convicted of the

violation of any law of the United States or any State law which provided as all or part of its penalty imprisonment in any penal institution; to any person against whom there is pending a Federal or State criminal charge; to any person who is or has been connected with or engaged in the operation of any illegal business; to any person who does not enjoy a general reputation in his community of being an honest, upright, law-abiding person; provided that none of the matters set forth in this subparagraph (3) shall make any person ineligible to be granted an organization license if the Board determines, based on circumstances of any such case, that the granting of a license would not be detrimental to the interests of horse racing and of the public;

(4) to any person who does not at the time of application for the organization license own or have a contract or lease for the possession of a finished race track suitable for the type of racing intended to be held by the applicant and for the accommodation of the public.

(b) (Blank) ~~Horse racing on Sunday shall be prohibited unless authorized by ordinance or referendum of the municipality in which a race track or any of its appurtenances or facilities are located, or utilized.~~

(c) If any person is ineligible to receive an organization license because of any of the matters set forth in subsection (a) (2) or subsection (a) (3) of this Section, any other or

separate person that either (i) controls, directly or indirectly, such ineligible person or (ii) is controlled, directly or indirectly, by such ineligible person or by a person which controls, directly or indirectly, such ineligible person shall also be ineligible.

(Source: P.A. 88-495; 89-16, eff. 5-30-95.)

(230 ILCS 5/19.5 new)

Sec. 19.5. Standardbred racetrack in Cook County.
Notwithstanding anything in this Act to the contrary, in addition to organization licenses issued by the Board on the effective date of this amendatory Act of the 101st General Assembly, the Board shall issue an organization license limited to standardbred racing to a racetrack located in one of the following townships of Cook County: Bloom, Bremen, Calumet, Orland, Rich, Thornton, or Worth. This additional organization license shall not be issued within a 35-mile radius of another organization license issued by the Board on the effective date of this amendatory Act of the 101st General Assembly, unless the person having operating control of such racetrack has given written consent to the organization licensee applicant, which consent must be filed with the Board at or prior to the time application is made. The organization license shall be granted upon application, and the licensee shall have all of the current and future rights of existing Illinois racetracks, including, but not limited to, the ability to obtain an

inter-track wagering license, the ability to obtain inter-track wagering location licenses, the ability to obtain an organization gaming license pursuant to the Illinois Gambling Act with 1,200 gaming positions, and the ability to offer Internet wagering on horse racing.

(230 ILCS 5/20) (from Ch. 8, par. 37-20)

Sec. 20. (a) Any person desiring to conduct a horse race meeting may apply to the Board for an organization license. The application shall be made on a form prescribed and furnished by the Board. The application shall specify:

(1) the dates on which it intends to conduct the horse race meeting, which dates shall be provided under Section 21;

(2) the hours of each racing day between which it intends to hold or conduct horse racing at such meeting;

(3) the location where it proposes to conduct the meeting; and

(4) any other information the Board may reasonably require.

(b) A separate application for an organization license shall be filed for each horse race meeting which such person proposes to hold. Any such application, if made by an individual, or by any individual as trustee, shall be signed and verified under oath by such individual. If the application is made by individuals, then it shall be signed and verified

~~under oath by at least 2 of the individuals; if the application is made by or a partnership, it shall be signed and verified under oath by at least 2 of such individuals or members of such partnership as the case may be. If made by an association, a corporation, a corporate trustee, a limited liability company, or any other entity, it shall be signed by an authorized officer, a partner, a member, or a manager, as the case may be, of the entity the president and attested by the secretary or assistant secretary under the seal of such association, trust or corporation if it has a seal, and shall also be verified under oath by one of the signing officers.~~

(c) The application shall specify:

(1) the name of the persons, association, trust, or corporation making such application; ~~and~~

(2) the principal ~~post office~~ address of the applicant;

(3) if the applicant is a trustee, the names and addresses of the beneficiaries; if the applicant is a corporation, the names and ~~post office~~ addresses of all officers, stockholders and directors; or if such stockholders hold stock as a nominee or fiduciary, the names and ~~post office~~ addresses of the parties ~~these persons, partnerships, corporations, or trusts~~ who are the beneficial owners thereof or who are beneficially interested therein; ~~and~~ if the applicant is a partnership, the names and ~~post office~~ addresses of all partners, general or limited; if the applicant is a limited liability

company, the names and addresses of the manager and members; and if the applicant is any other entity, the names and addresses of all officers or other authorized persons of the entity ~~corporation, the name of the state of its incorporation shall be specified.~~

(d) The applicant shall execute and file with the Board a good faith affirmative action plan to recruit, train, and upgrade minorities in all classifications within the association.

(e) With such application there shall be delivered to the Board a certified check or bank draft payable to the order of the Board for an amount equal to \$1,000. All applications for the issuance of an organization license shall be filed with the Board before August 1 of the year prior to the year for which application is made and shall be acted upon by the Board at a meeting to be held on such date as shall be fixed by the Board during the last 15 days of September of such prior year. At such meeting, the Board shall announce the award of the racing meets, live racing schedule, and designation of host track to the applicants and its approval or disapproval of each application. No announcement shall be considered binding until a formal order is executed by the Board, which shall be executed no later than October 15 of that prior year. Absent the agreement of the affected organization licensees, the Board shall not grant overlapping race meetings to 2 or more tracks that are within 100 miles of each other to conduct the

thoroughbred racing.

(e-1) The Board shall award standardbred racing dates to organization licensees with an organization gaming license pursuant to the following schedule:

(1) For the first calendar year of operation of gambling games by an organization gaming licensee under this amendatory Act of the 101st General Assembly, when a single entity requests standardbred racing dates, the Board shall award no fewer than 100 days of racing. The 100-day requirement may be reduced to no fewer than 80 days if no dates are requested for the first 3 months of a calendar year. If more than one entity requests standardbred racing dates, the Board shall award no fewer than 140 days of racing between the applicants.

(2) For the second calendar year of operation of gambling games by an organization gaming licensee under this amendatory Act of the 101st General Assembly, when a single entity requests standardbred racing dates, the Board shall award no fewer than 100 days of racing. The 100-day requirement may be reduced to no fewer than 80 days if no dates are requested for the first 3 months of a calendar year. If more than one entity requests standardbred racing dates, the Board shall award no fewer than 160 days of racing between the applicants.

(3) For the third calendar year of operation of gambling games by an organization gaming licensee under

this amendatory Act of the 101st General Assembly, and each calendar year thereafter, when a single entity requests standardbred racing dates, the Board shall award no fewer than 120 days of racing. The 120-day requirement may be reduced to no fewer than 100 days if no dates are requested for the first 3 months of a calendar year. If more than one entity requests standardbred racing dates, the Board shall award no fewer than 200 days of racing between the applicants.

An organization licensee shall apply for racing dates pursuant to this subsection (e-1). In awarding racing dates under this subsection (e-1), the Board shall have the discretion to allocate those standardbred racing dates among these organization licensees.

(e-2) The Board shall award thoroughbred racing days to Cook County organization licensees pursuant to the following schedule:

(1) During the first year in which only one organization licensee is awarded an organization gaming license, the Board shall award no fewer than 110 days of racing.

During the second year in which only one organization licensee is awarded an organization gaming license, the Board shall award no fewer than 115 racing days.

During the third year and every year thereafter, in which only one organization licensee is awarded an

organization gaming license, the Board shall award no fewer than 120 racing days.

(2) During the first year in which 2 organization licensees are awarded an organization gaming license, the Board shall award no fewer than 139 total racing days.

During the second year in which 2 organization licensees are awarded an organization gaming license, the Board shall award no fewer than 160 total racing days.

During the third year and every year thereafter in which 2 organization licensees are awarded an organization gaming license, the Board shall award no fewer than 174 total racing days.

A Cook County organization licensee shall apply for racing dates pursuant to this subsection (e-2). In awarding racing dates under this subsection (e-2), the Board shall have the discretion to allocate those thoroughbred racing dates among these Cook County organization licensees.

(e-3) In awarding racing dates for calendar year 2020 and thereafter in connection with a racetrack in Madison County, the Board shall award racing dates and such organization licensee shall run at least 700 thoroughbred races at the racetrack in Madison County each year.

Notwithstanding Section 7.7 of the Illinois Gambling Act or any provision of this Act other than subsection (e-4.5), for each calendar year for which an organization gaming licensee located in Madison County requests racing dates resulting in

less than 700 live thoroughbred races at its racetrack facility, the organization gaming licensee may not conduct gaming pursuant to an organization gaming license issued under the Illinois Gambling Act for the calendar year of such requested live races.

(e-4) Notwithstanding the provisions of Section 7.7 of the Illinois Gambling Act or any provision of this Act other than subsections (e-3) and (e-4.5), for each calendar year for which an organization gaming licensee requests thoroughbred racing dates which results in a number of live races under its organization license that is less than the total number of live races which it conducted in 2017 at its racetrack facility, the organization gaming licensee may not conduct gaming pursuant to its organization gaming license for the calendar year of such requested live races.

(e-4.1) Notwithstanding the provisions of Section 7.7 of the Illinois Gambling Act or any provision of this Act other than subsections (e-3) and (e-4.5), for each calendar year for which an organization licensee requests racing dates for standardbred racing which results in a number of live races that is less than the total number of live races required in subsection (e-1), the organization gaming licensee may not conduct gaming pursuant to its organization gaming license for the calendar year of such requested live races.

(e-4.5) The Board shall award the minimum live racing guarantees contained in subsections (e-1), (e-2), and (e-3) to

ensure that each organization licensee shall individually run a sufficient number of races per year to qualify for an organization gaming license under this Act. The General Assembly finds that the minimum live racing guarantees contained in subsections (e-1), (e-2), and (e-3) are in the best interest of the sport of horse racing, and that such guarantees may only be reduced in the calendar year in which they will be conducted in the limited circumstances described in this subsection. The Board may decrease the number of racing days without affecting an organization licensee's ability to conduct gaming pursuant to an organization gaming license issued under the Illinois Gambling Act only if the Board determines, after notice and hearing, that:

(i) a decrease is necessary to maintain a sufficient number of betting interests per race to ensure the integrity of racing;

(ii) there are unsafe track conditions due to weather or acts of God;

(iii) there is an agreement between an organization licensee and the breed association that is applicable to the involved live racing guarantee, such association representing either the largest number of thoroughbred owners and trainers or the largest number of standardbred owners, trainers and drivers who race horses at the involved organization licensee's racing meeting, so long as the agreement does not compromise the integrity of the

sport of horse racing; or

(iv) the horse population or purse levels are insufficient to provide the number of racing opportunities otherwise required in this Act.

In decreasing the number of racing dates in accordance with this subsection, the Board shall hold a hearing and shall provide the public and all interested parties notice and an opportunity to be heard. The Board shall accept testimony from all interested parties, including any association representing owners, trainers, jockeys, or drivers who will be affected by the decrease in racing dates. The Board shall provide a written explanation of the reasons for the decrease and the Board's findings. The written explanation shall include a listing and content of all communication between any party and any Illinois Racing Board member or staff that does not take place at a public meeting of the Board.

(e-5) In reviewing an application for the purpose of granting an organization license consistent with the best interests of the public and the sport of horse racing, the Board shall consider:

(1) the character, reputation, experience, and financial integrity of the applicant and of any other separate person that either:

(i) controls the applicant, directly or indirectly, or

(ii) is controlled, directly or indirectly, by

that applicant or by a person who controls, directly or indirectly, that applicant;

(2) the applicant's facilities or proposed facilities for conducting horse racing;

(3) the total revenue without regard to Section 32.1 to be derived by the State and horsemen from the applicant's conducting a race meeting;

(4) the applicant's good faith affirmative action plan to recruit, train, and upgrade minorities in all employment classifications;

(5) the applicant's financial ability to purchase and maintain adequate liability and casualty insurance;

(6) the applicant's proposed and prior year's promotional and marketing activities and expenditures of the applicant associated with those activities;

(7) an agreement, if any, among organization licensees as provided in subsection (b) of Section 21 of this Act; and

(8) the extent to which the applicant exceeds or meets other standards for the issuance of an organization license that the Board shall adopt by rule.

In granting organization licenses and allocating dates for horse race meetings, the Board shall have discretion to determine an overall schedule, including required simulcasts of Illinois races by host tracks that will, in its judgment, be conducive to the best interests of the public and the sport of

horse racing.

(e-10) The Illinois Administrative Procedure Act shall apply to administrative procedures of the Board under this Act for the granting of an organization license, except that (1) notwithstanding the provisions of subsection (b) of Section 10-40 of the Illinois Administrative Procedure Act regarding cross-examination, the Board may prescribe rules limiting the right of an applicant or participant in any proceeding to award an organization license to conduct cross-examination of witnesses at that proceeding where that cross-examination would unduly obstruct the timely award of an organization license under subsection (e) of Section 20 of this Act; (2) the provisions of Section 10-45 of the Illinois Administrative Procedure Act regarding proposals for decision are excluded under this Act; (3) notwithstanding the provisions of subsection (a) of Section 10-60 of the Illinois Administrative Procedure Act regarding ex parte communications, the Board may prescribe rules allowing ex parte communications with applicants or participants in a proceeding to award an organization license where conducting those communications would be in the best interest of racing, provided all those communications are made part of the record of that proceeding pursuant to subsection (c) of Section 10-60 of the Illinois Administrative Procedure Act; (4) the provisions of Section 14a of this Act and the rules of the Board promulgated under that Section shall apply instead of the provisions of Article 10 of

the Illinois Administrative Procedure Act regarding administrative law judges; and (5) the provisions of subsection (d) of Section 10-65 of the Illinois Administrative Procedure Act that prevent summary suspension of a license pending revocation or other action shall not apply.

(f) The Board may allot racing dates to an organization licensee for more than one calendar year but for no more than 3 successive calendar years in advance, provided that the Board shall review such allotment for more than one calendar year prior to each year for which such allotment has been made. The granting of an organization license to a person constitutes a privilege to conduct a horse race meeting under the provisions of this Act, and no person granted an organization license shall be deemed to have a vested interest, property right, or future expectation to receive an organization license in any subsequent year as a result of the granting of an organization license. Organization licenses shall be subject to revocation if the organization licensee has violated any provision of this Act or the rules and regulations promulgated under this Act or has been convicted of a crime or has failed to disclose or has stated falsely any information called for in the application for an organization license. Any organization license revocation proceeding shall be in accordance with Section 16 regarding suspension and revocation of occupation licenses.

(f-5) If, (i) an applicant does not file an acceptance of the racing dates awarded by the Board as required under part

(1) of subsection (h) of this Section 20, or (ii) an organization licensee has its license suspended or revoked under this Act, the Board, upon conducting an emergency hearing as provided for in this Act, may reaward on an emergency basis pursuant to rules established by the Board, racing dates not accepted or the racing dates associated with any suspension or revocation period to one or more organization licensees, new applicants, or any combination thereof, upon terms and conditions that the Board determines are in the best interest of racing, provided, the organization licensees or new applicants receiving the awarded racing dates file an acceptance of those reawarded racing dates as required under paragraph (1) of subsection (h) of this Section 20 and comply with the other provisions of this Act. The Illinois Administrative Procedure Act shall not apply to the administrative procedures of the Board in conducting the emergency hearing and the reallocation of racing dates on an emergency basis.

(g) (Blank).

(h) The Board shall send the applicant a copy of its formally executed order by certified mail addressed to the applicant at the address stated in his application, which notice shall be mailed within 5 days of the date the formal order is executed.

Each applicant notified shall, within 10 days after receipt of the final executed order of the Board awarding racing dates:

(1) file with the Board an acceptance of such award in the form prescribed by the Board;

(2) pay to the Board an additional amount equal to \$110 for each racing date awarded; and

(3) file with the Board the bonds required in Sections 21 and 25 at least 20 days prior to the first day of each race meeting.

Upon compliance with the provisions of paragraphs (1), (2), and (3) of this subsection (h), the applicant shall be issued an organization license.

If any applicant fails to comply with this Section or fails to pay the organization license fees herein provided, no organization license shall be issued to such applicant.

(Source: P.A. 97-333, eff. 8-12-11.)

(230 ILCS 5/21) (from Ch. 8, par. 37-21)

Sec. 21. (a) Applications for organization licenses must be filed with the Board at a time and place prescribed by the rules and regulations of the Board. The Board shall examine the applications within 21 days after the date allowed for filing with respect to their conformity with this Act and such rules and regulations as may be prescribed by the Board. If any application does not comply with this Act or the rules and regulations prescribed by the Board, such application may be rejected and an organization license refused to the applicant, or the Board may, within 21 days of the receipt of such

application, advise the applicant of the deficiencies of the application under the Act or the rules and regulations of the Board, and require the submittal of an amended application within a reasonable time determined by the Board; and upon submittal of the amended application by the applicant, the Board may consider the application consistent with the process described in subsection (e-5) of Section 20 of this Act. If it is found to be in compliance with this Act and the rules and regulations of the Board, the Board may then issue an organization license to such applicant.

(b) The Board may exercise discretion in granting racing dates to qualified applicants different from those requested by the applicants in their applications. However, if all eligible applicants for organization licenses whose tracks are located within 100 miles of each other execute and submit to the Board a written agreement among such applicants as to the award of racing dates, including where applicable racing programs, for up to 3 consecutive years, then subject to annual review of each applicant's compliance with Board rules and regulations, provisions of this Act and conditions contained in annual dates orders issued by the Board, the Board may grant such dates and programs to such applicants as so agreed by them if the Board determines that the grant of these racing dates is in the best interests of racing. The Board shall treat any such agreement as the agreement signatories' joint and several application for racing dates during the term of the agreement.

(c) Where 2 or more applicants propose to conduct horse race meetings within 35 miles of each other, as certified to the Board under Section 19 (a) (1) of this Act, on conflicting dates, the Board may determine and grant the number of racing days to be awarded to the several applicants in accordance with the provisions of subsection (e-5) of Section 20 of this Act.

(d) (Blank).

(e) Prior to the issuance of an organization license, the applicant shall file with the Board a bond payable to the State of Illinois in the sum of \$200,000, executed by the applicant and a surety company or companies authorized to do business in this State, and conditioned upon the payment by the organization licensee of all taxes due under Section 27, other monies due and payable under this Act, all purses due and payable, and that the organization licensee will upon presentation of the winning ticket or tickets distribute all sums due to the patrons of pari-mutuel pools. Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the amount of the bond required under this subsection (e) shall be \$500,000.

(f) Each organization license shall specify the person to whom it is issued, the dates upon which horse racing is permitted, and the location, place, track, or enclosure where the horse race meeting is to be held.

(g) Any person who owns one or more race tracks within the

State may seek, in its own name, a separate organization license for each race track.

(h) All racing conducted under such organization license is subject to this Act and to the rules and regulations from time to time prescribed by the Board, and every such organization license issued by the Board shall contain a recital to that effect.

(i) Each such organization licensee may provide that at least one race per day may be devoted to the racing of quarter horses, appaloosas, arabians, or paints.

(j) In acting on applications for organization licenses, the Board shall give weight to an organization license which has implemented a good faith affirmative action effort to recruit, train and upgrade minorities in all classifications within the organization license.

(Source: P.A. 90-754, eff. 1-1-99; 91-40, eff. 6-25-99.)

(230 ILCS 5/24) (from Ch. 8, par. 37-24)

Sec. 24. (a) No license shall be issued to or held by an organization licensee unless all of its officers, directors, and holders of ownership interests of at least 5% are first approved by the Board. The Board shall not give approval of an organization license application to any person who has been convicted of or is under an indictment for a crime of moral turpitude or has violated any provision of the racing law of this State or any rules of the Board.

(b) An organization licensee must notify the Board within 10 days of any change in the holders of a direct or indirect interest in the ownership of the organization licensee. The Board may, after hearing, revoke the organization license of any person who registers on its books or knowingly permits a direct or indirect interest in the ownership of that person without notifying the Board of the name of the holder in interest within this period.

(c) In addition to the provisions of subsection (a) of this Section, no person shall be granted an organization license if any public official of the State or member of his or her family holds any ownership or financial interest, directly or indirectly, in the person.

(d) No person which has been granted an organization license to hold a race meeting shall give to any public official or member of his family, directly or indirectly, for or without consideration, any interest in the person. The Board shall, after hearing, revoke the organization license granted to a person which has violated this subsection.

(e) (Blank).

(f) No organization licensee or concessionaire or officer, director or holder or controller of 5% or more legal or beneficial interest in any organization licensee or concession shall make any sort of gift or contribution that is prohibited under Article 10 of the State Officials and Employees Ethics Act of any kind or pay or give any money or other thing of value

to any person who is a public official, or a candidate or nominee for public office if that payment or gift is prohibited under Article 10 of the State Officials and Employees Ethics Act.

(Source: P.A. 89-16, eff. 5-30-95.)

(230 ILCS 5/25) (from Ch. 8, par. 37-25)

Sec. 25. Admission charge; bond; fine.

(a) There shall be paid to the Board at such time or times as it shall prescribe, the sum of fifteen cents (15¢) for each person entering the grounds or enclosure of each organization licensee and inter-track wagering licensee upon a ticket of admission except as provided in subsection (g) of Section 27 of this Act. If tickets are issued for more than one day then the sum of fifteen cents (15¢) shall be paid for each person using such ticket on each day that the same shall be used. Provided, however, that no charge shall be made on tickets of admission issued to and in the name of directors, officers, agents or employees of the organization licensee, or inter-track wagering licensee, or to owners, trainers, jockeys, drivers and their employees or to any person or persons entering the grounds or enclosure for the transaction of business in connection with such race meeting. The organization licensee or inter-track wagering licensee may, if it desires, collect such amount from each ticket holder in addition to the amount or amounts charged for such ticket of admission. Beginning on the

date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the admission charge imposed by this subsection (a) shall be 40 cents for each person entering the grounds or enclosure of each organization licensee and inter-track wagering licensee upon a ticket of admission, and if such tickets are issued for more than one day, 40 cents shall be paid for each person using such ticket on each day that the same shall be used.

(b) Accurate records and books shall at all times be kept and maintained by the organization licensees and inter-track wagering licensees showing the admission tickets issued and used on each racing day and the attendance thereat of each horse racing meeting. The Board or its duly authorized representative or representatives shall at all reasonable times have access to the admission records of any organization licensee and inter-track wagering licensee for the purpose of examining and checking the same and ascertaining whether or not the proper amount has been or is being paid the State of Illinois as herein provided. The Board shall also require, before issuing any license, that the licensee shall execute and deliver to it a bond, payable to the State of Illinois, in such sum as it shall determine, not, however, in excess of fifty thousand dollars (\$50,000), with a surety or sureties to be approved by it, conditioned for the payment of all sums due and payable or collected by it under this Section upon admission

fees received for any particular racing meetings. The Board may also from time to time require sworn statements of the number or numbers of such admissions and may prescribe blanks upon which such reports shall be made. Any organization licensee or inter-track wagering licensee failing or refusing to pay the amount found to be due as herein provided, shall be deemed guilty of a business offense and upon conviction shall be punished by a fine of not more than five thousand dollars (\$5,000) in addition to the amount due from such organization licensee or inter-track wagering licensee as herein provided. All fines paid into court by an organization licensee or inter-track wagering licensee found guilty of violating this Section shall be transmitted and paid over by the clerk of the court to the Board. Beginning on the date when any organization licensee begins conducting gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, any fine imposed pursuant to this subsection (b) shall not exceed \$10,000.

(Source: P.A. 88-495; 89-16, eff. 5-30-95.)

(230 ILCS 5/26) (from Ch. 8, par. 37-26)

Sec. 26. Wagering.

(a) Any licensee may conduct and supervise the pari-mutuel system of wagering, as defined in Section 3.12 of this Act, on horse races conducted by an Illinois organization licensee or conducted at a racetrack located in another state or country

~~and televised in Illinois~~ in accordance with subsection (g) of Section 26 of this Act. Subject to the prior consent of the Board, licensees may supplement any pari-mutuel pool in order to guarantee a minimum distribution. Such pari-mutuel method of wagering shall not, under any circumstances if conducted under the provisions of this Act, be held or construed to be unlawful, other statutes of this State to the contrary notwithstanding. Subject to rules for advance wagering promulgated by the Board, any licensee may accept wagers in advance of the day of the race wagered upon occurs.

(b) Except for those gaming activities for which a license is obtained and authorized under the Illinois Lottery Law, the Charitable Games Act, the Raffles and Poker Runs Act, or the Illinois Gambling Act, no ~~no~~ other method of betting, pool making, wagering or gambling shall be used or permitted by the licensee. Each licensee may retain, subject to the payment of all applicable taxes and purses, an amount not to exceed 17% of all money wagered under subsection (a) of this Section, except as may otherwise be permitted under this Act.

(b-5) An individual may place a wager under the pari-mutuel system from any licensed location authorized under this Act provided that wager is electronically recorded in the manner described in Section 3.12 of this Act. Any wager made electronically by an individual while physically on the premises of a licensee shall be deemed to have been made at the premises of that licensee.

~~(c) (Blank). Until January 1, 2000, the sum held by any licensee for payment of outstanding pari-mutuel tickets, if unclaimed prior to December 31 of the next year, shall be retained by the licensee for payment of such tickets until that date. Within 10 days thereafter, the balance of such sum remaining unclaimed, less any uncashed supplements contributed by such licensee for the purpose of guaranteeing minimum distributions of any pari-mutuel pool, shall be paid to the Illinois Veterans' Rehabilitation Fund of the State treasury, except as provided in subsection (g) of Section 27 of this Act.~~

(c-5) ~~The~~ Beginning January 1, 2000, the sum held by any licensee for payment of outstanding pari-mutuel tickets, if unclaimed prior to December 31 of the next year, shall be retained by the licensee for payment of such tickets until that date. Within 10 days thereafter, the balance of such sum remaining unclaimed, less any uncashed supplements contributed by such licensee for the purpose of guaranteeing minimum distributions of any pari-mutuel pool, shall be evenly distributed to the purse account of the organization licensee and the organization licensee, except that the balance of the sum of all outstanding pari-mutuel tickets generated from simulcast wagering and inter-track wagering by an organization licensee located in a county with a population in excess of 230,000 and borders the Mississippi River or any licensee that derives its license from that organization licensee shall be evenly distributed to the purse account of the organization

licensee and the organization licensee.

(d) A pari-mutuel ticket shall be honored until December 31 of the next calendar year, and the licensee shall pay the same and may charge the amount thereof against unpaid money similarly accumulated on account of pari-mutuel tickets not presented for payment.

(e) No licensee shall knowingly permit any minor, other than an employee of such licensee or an owner, trainer, jockey, driver, or employee thereof, to be admitted during a racing program unless accompanied by a parent or guardian, or any minor to be a patron of the pari-mutuel system of wagering conducted or supervised by it. The admission of any unaccompanied minor, other than an employee of the licensee or an owner, trainer, jockey, driver, or employee thereof at a race track is a Class C misdemeanor.

(f) Notwithstanding the other provisions of this Act, an organization licensee may contract with an entity in another state or country to permit any legal wagering entity in another state or country to accept wagers solely within such other state or country on races conducted by the organization licensee in this State. Beginning January 1, 2000, these wagers shall not be subject to State taxation. Until January 1, 2000, when the out-of-State entity conducts a pari-mutuel pool separate from the organization licensee, a privilege tax equal to 7 1/2% of all monies received by the organization licensee from entities in other states or countries pursuant to such

contracts is imposed on the organization licensee, and such privilege tax shall be remitted to the Department of Revenue within 48 hours of receipt of the moneys from the simulcast. When the out-of-State entity conducts a combined pari-mutuel pool with the organization licensee, the tax shall be 10% of all monies received by the organization licensee with 25% of the receipts from this 10% tax to be distributed to the county in which the race was conducted.

An organization licensee may permit one or more of its races to be utilized for pari-mutuel wagering at one or more locations in other states and may transmit audio and visual signals of races the organization licensee conducts to one or more locations outside the State or country and may also permit pari-mutuel pools in other states or countries to be combined with its gross or net wagering pools or with wagering pools established by other states.

(g) A host track may accept interstate simulcast wagers on horse races conducted in other states or countries and shall control the number of signals and types of breeds of racing in its simulcast program, subject to the disapproval of the Board. The Board may prohibit a simulcast program only if it finds that the simulcast program is clearly adverse to the integrity of racing. The host track simulcast program shall include the signal of live racing of all organization licensees. All non-host licensees and advance deposit wagering licensees shall carry the signal of and accept wagers on live racing of

all organization licensees. Advance deposit wagering licensees shall not be permitted to accept out-of-state wagers on any Illinois signal provided pursuant to this Section without the approval and consent of the organization licensee providing the signal. For one year after August 15, 2014 (the effective date of Public Act 98-968), non-host licensees may carry the host track simulcast program and shall accept wagers on all races included as part of the simulcast program of horse races conducted at race tracks located within North America upon which wagering is permitted. For a period of one year after August 15, 2014 (the effective date of Public Act 98-968), on horse races conducted at race tracks located outside of North America, non-host licensees may accept wagers on all races included as part of the simulcast program upon which wagering is permitted. Beginning August 15, 2015 (one year after the effective date of Public Act 98-968), non-host licensees may carry the host track simulcast program and shall accept wagers on all races included as part of the simulcast program upon which wagering is permitted. All organization licensees shall provide their live signal to all advance deposit wagering licensees for a simulcast commission fee not to exceed 6% of the advance deposit wagering licensee's Illinois handle on the organization licensee's signal without prior approval by the Board. The Board may adopt rules under which it may permit simulcast commission fees in excess of 6%. The Board shall adopt rules limiting the interstate commission fees charged to

an advance deposit wagering licensee. The Board shall adopt rules regarding advance deposit wagering on interstate simulcast races that shall reflect, among other things, the General Assembly's desire to maximize revenues to the State, horsemen purses, and organization ~~organizational~~ licensees. However, organization licensees providing live signals pursuant to the requirements of this subsection (g) may petition the Board to withhold their live signals from an advance deposit wagering licensee if the organization licensee discovers and the Board finds reputable or credible information that the advance deposit wagering licensee is under investigation by another state or federal governmental agency, the advance deposit wagering licensee's license has been suspended in another state, or the advance deposit wagering licensee's license is in revocation proceedings in another state. The organization licensee's provision of their live signal to an advance deposit wagering licensee under this subsection (g) pertains to wagers placed from within Illinois. Advance deposit wagering licensees may place advance deposit wagering terminals at wagering facilities as a convenience to customers. The advance deposit wagering licensee shall not charge or collect any fee from purses for the placement of the advance deposit wagering terminals. The costs and expenses of the host track and non-host licensees associated with interstate simulcast wagering, other than the interstate commission fee, shall be borne by the host track and all

non-host licensees incurring these costs. The interstate commission fee shall not exceed 5% of Illinois handle on the interstate simulcast race or races without prior approval of the Board. The Board shall promulgate rules under which it may permit interstate commission fees in excess of 5%. The interstate commission fee and other fees charged by the sending racetrack, including, but not limited to, satellite decoder fees, shall be uniformly applied to the host track and all non-host licensees.

Notwithstanding any other provision of this Act, ~~through December 31, 2020,~~ an organization licensee, with the consent of the horsemen association representing the largest number of owners, trainers, jockeys, or standardbred drivers who race horses at that organization licensee's racing meeting, may maintain a system whereby advance deposit wagering may take place or an organization licensee, with the consent of the horsemen association representing the largest number of owners, trainers, jockeys, or standardbred drivers who race horses at that organization licensee's racing meeting, may contract with another person to carry out a system of advance deposit wagering. Such consent may not be unreasonably withheld. Only with respect to an appeal to the Board that consent for an organization licensee that maintains its own advance deposit wagering system is being unreasonably withheld, the Board shall issue a final order within 30 days after initiation of the appeal, and the organization licensee's

advance deposit wagering system may remain operational during that 30-day period. The actions of any organization licensee who conducts advance deposit wagering or any person who has a contract with an organization licensee to conduct advance deposit wagering who conducts advance deposit wagering on or after January 1, 2013 and prior to June 7, 2013 (the effective date of Public Act 98-18) taken in reliance on the changes made to this subsection (g) by Public Act 98-18 are hereby validated, provided payment of all applicable pari-mutuel taxes are remitted to the Board. All advance deposit wagers placed from within Illinois must be placed through a Board-approved advance deposit wagering licensee; no other entity may accept an advance deposit wager from a person within Illinois. All advance deposit wagering is subject to any rules adopted by the Board. The Board may adopt rules necessary to regulate advance deposit wagering through the use of emergency rulemaking in accordance with Section 5-45 of the Illinois Administrative Procedure Act. The General Assembly finds that the adoption of rules to regulate advance deposit wagering is deemed an emergency and necessary for the public interest, safety, and welfare. An advance deposit wagering licensee may retain all moneys as agreed to by contract with an organization licensee. Any moneys retained by the organization licensee from advance deposit wagering, not including moneys retained by the advance deposit wagering licensee, shall be paid 50% to the organization licensee's purse account and 50% to the

organization licensee. With the exception of any organization licensee that is owned by a publicly traded company that is incorporated in a state other than Illinois and advance deposit wagering licensees under contract with such organization licensees, organization licensees that maintain advance deposit wagering systems and advance deposit wagering licensees that contract with organization licensees shall provide sufficiently detailed monthly accountings to the horsemen association representing the largest number of owners, trainers, jockeys, or standardbred drivers who race horses at that organization licensee's racing meeting so that the horsemen association, as an interested party, can confirm the accuracy of the amounts paid to the purse account at the horsemen association's affiliated organization licensee from advance deposit wagering. If more than one breed races at the same race track facility, then the 50% of the moneys to be paid to an organization licensee's purse account shall be allocated among all organization licensees' purse accounts operating at that race track facility proportionately based on the actual number of host days that the Board grants to that breed at that race track facility in the current calendar year. To the extent any fees from advance deposit wagering conducted in Illinois for wagers in Illinois or other states have been placed in escrow or otherwise withheld from wagers pending a determination of the legality of advance deposit wagering, no action shall be brought to declare such wagers or the

disbursement of any fees previously escrowed illegal.

(1) Between the hours of 6:30 a.m. and 6:30 p.m. an inter-track wagering licensee other than the host track may supplement the host track simulcast program with additional simulcast races or race programs, provided that between January 1 and the third Friday in February of any year, inclusive, if no live thoroughbred racing is occurring in Illinois during this period, only thoroughbred races may be used for supplemental interstate simulcast purposes. The Board shall withhold approval for a supplemental interstate simulcast only if it finds that the simulcast is clearly adverse to the integrity of racing. A supplemental interstate simulcast may be transmitted from an inter-track wagering licensee to its affiliated non-host licensees. The interstate commission fee for a supplemental interstate simulcast shall be paid by the non-host licensee and its affiliated non-host licensees receiving the simulcast.

(2) Between the hours of 6:30 p.m. and 6:30 a.m. an inter-track wagering licensee other than the host track may receive supplemental interstate simulcasts only with the consent of the host track, except when the Board finds that the simulcast is clearly adverse to the integrity of racing. Consent granted under this paragraph (2) to any inter-track wagering licensee shall be deemed consent to all non-host licensees. The interstate commission fee for

the supplemental interstate simulcast shall be paid by all participating non-host licensees.

(3) Each licensee conducting interstate simulcast wagering may retain, subject to the payment of all applicable taxes and the purses, an amount not to exceed 17% of all money wagered. If any licensee conducts the pari-mutuel system wagering on races conducted at racetracks in another state or country, each such race or race program shall be considered a separate racing day for the purpose of determining the daily handle and computing the privilege tax of that daily handle as provided in subsection (a) of Section 27. Until January 1, 2000, from the sums permitted to be retained pursuant to this subsection, each inter-track wagering location licensee shall pay 1% of the pari-mutuel handle wagered on simulcast wagering to the Horse Racing Tax Allocation Fund, subject to the provisions of subparagraph (B) of paragraph (11) of subsection (h) of Section 26 of this Act.

(4) A licensee who receives an interstate simulcast may combine its gross or net pools with pools at the sending racetracks pursuant to rules established by the Board. All licensees combining their gross pools at a sending racetrack shall adopt the takeout ~~take-out~~ percentages of the sending racetrack. A licensee may also establish a separate pool and takeout structure for wagering purposes on races conducted at race tracks outside of the State of

Illinois. The licensee may permit pari-mutuel wagers placed in other states or countries to be combined with its gross or net wagering pools or other wagering pools.

(5) After the payment of the interstate commission fee (except for the interstate commission fee on a supplemental interstate simulcast, which shall be paid by the host track and by each non-host licensee through the host track ~~host track~~) and all applicable State and local taxes, except as provided in subsection (g) of Section 27 of this Act, the remainder of moneys retained from simulcast wagering pursuant to this subsection (g), and Section 26.2 shall be divided as follows:

(A) For interstate simulcast wagers made at a host track, 50% to the host track and 50% to purses at the host track.

(B) For wagers placed on interstate simulcast races, supplemental simulcasts as defined in subparagraphs (1) and (2), and separately pooled races conducted outside of the State of Illinois made at a non-host licensee, 25% to the host track, 25% to the non-host licensee, and 50% to the purses at the host track.

(6) Notwithstanding any provision in this Act to the contrary, non-host licensees who derive their licenses from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River

may receive supplemental interstate simulcast races at all times subject to Board approval, which shall be withheld only upon a finding that a supplemental interstate simulcast is clearly adverse to the integrity of racing.

(7) Effective January 1, 2017, notwithstanding any provision of this Act to the contrary, after payment of all applicable State and local taxes and interstate commission fees, non-host licensees who derive their licenses from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall retain 50% of the retention from interstate simulcast wagers and shall pay 50% to purses at the track from which the non-host licensee derives its license.

(7.1) Notwithstanding any other provision of this Act to the contrary, if no standardbred racing is conducted at a racetrack located in Madison County during any calendar year beginning on or after January 1, 2002, all moneys derived by that racetrack from simulcast wagering and inter-track wagering that (1) are to be used for purses and (2) are generated between the hours of 6:30 p.m. and 6:30 a.m. during that calendar year shall be paid as follows:

(A) If the licensee that conducts horse racing at that racetrack requests from the Board at least as many racing dates as were conducted in calendar year 2000, 80% shall be paid to its thoroughbred purse account; and

(B) Twenty percent shall be deposited into the Illinois Colt Stakes Purse Distribution Fund and shall be paid to purses for standardbred races for Illinois conceived and foaled horses conducted at any county fairgrounds. The moneys deposited into the Fund pursuant to this subparagraph (B) shall be deposited within 2 weeks after the day they were generated, shall be in addition to and not in lieu of any other moneys paid to standardbred purses under this Act, and shall not be commingled with other moneys paid into that Fund. The moneys deposited pursuant to this subparagraph (B) shall be allocated as provided by the Department of Agriculture, with the advice and assistance of the Illinois Standardbred Breeders Fund Advisory Board.

(7.2) Notwithstanding any other provision of this Act to the contrary, if no thoroughbred racing is conducted at a racetrack located in Madison County during any calendar year beginning on or after January 1, 2002, all moneys derived by that racetrack from simulcast wagering and inter-track wagering that (1) are to be used for purses and (2) are generated between the hours of 6:30 a.m. and 6:30 p.m. during that calendar year shall be deposited as follows:

(A) If the licensee that conducts horse racing at that racetrack requests from the Board at least as many

racing dates as were conducted in calendar year 2000, 80% shall be deposited into its standardbred purse account; and

 (B) Twenty percent shall be deposited into the Illinois Colt Stakes Purse Distribution Fund. Moneys deposited into the Illinois Colt Stakes Purse Distribution Fund pursuant to this subparagraph (B) shall be paid to Illinois conceived and foaled thoroughbred breeders' programs and to thoroughbred purses for races conducted at any county fairgrounds for Illinois conceived and foaled horses at the discretion of the Department of Agriculture, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board. The moneys deposited into the Illinois Colt Stakes Purse Distribution Fund pursuant to this subparagraph (B) shall be deposited within 2 weeks after the day they were generated, shall be in addition to and not in lieu of any other moneys paid to thoroughbred purses under this Act, and shall not be commingled with other moneys deposited into that Fund.

(7.3) (Blank).

(7.4) (Blank).

(8) Notwithstanding any provision in this Act to the contrary, an organization licensee from a track located in a county with a population in excess of 230,000 and that

borders the Mississippi River and its affiliated non-host licensees shall not be entitled to share in any retention generated on racing, inter-track wagering, or simulcast wagering at any other Illinois wagering facility.

(8.1) Notwithstanding any provisions in this Act to the contrary, if 2 organization licensees are conducting standardbred race meetings concurrently between the hours of 6:30 p.m. and 6:30 a.m., after payment of all applicable State and local taxes and interstate commission fees, the remainder of the amount retained from simulcast wagering otherwise attributable to the host track and to host track purses shall be split daily between the 2 organization licensees and the purses at the tracks of the 2 organization licensees, respectively, based on each organization licensee's share of the total live handle for that day, provided that this provision shall not apply to any non-host licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River.

(9) (Blank).

(10) (Blank).

(11) (Blank).

(12) The Board shall have authority to compel all host tracks to receive the simulcast of any or all races conducted at the Springfield or DuQuoin State fairgrounds and include all such races as part of their simulcast

programs.

(13) Notwithstanding any other provision of this Act, in the event that the total Illinois pari-mutuel handle on Illinois horse races at all wagering facilities in any calendar year is less than 75% of the total Illinois pari-mutuel handle on Illinois horse races at all such wagering facilities for calendar year 1994, then each wagering facility that has an annual total Illinois pari-mutuel handle on Illinois horse races that is less than 75% of the total Illinois pari-mutuel handle on Illinois horse races at such wagering facility for calendar year 1994, shall be permitted to receive, from any amount otherwise payable to the purse account at the race track with which the wagering facility is affiliated in the succeeding calendar year, an amount equal to 2% of the differential in total Illinois pari-mutuel handle on Illinois horse races at the wagering facility between that calendar year in question and 1994 provided, however, that a wagering facility shall not be entitled to any such payment until the Board certifies in writing to the wagering facility the amount to which the wagering facility is entitled and a schedule for payment of the amount to the wagering facility, based on: (i) the racing dates awarded to the race track affiliated with the wagering facility during the succeeding year; (ii) the sums available or anticipated to be available in the purse account of the

race track affiliated with the wagering facility for purses during the succeeding year; and (iii) the need to ensure reasonable purse levels during the payment period. The Board's certification shall be provided no later than January 31 of the succeeding year. In the event a wagering facility entitled to a payment under this paragraph (13) is affiliated with a race track that maintains purse accounts for both standardbred and thoroughbred racing, the amount to be paid to the wagering facility shall be divided between each purse account pro rata, based on the amount of Illinois handle on Illinois standardbred and thoroughbred racing respectively at the wagering facility during the previous calendar year. Annually, the General Assembly shall appropriate sufficient funds from the General Revenue Fund to the Department of Agriculture for payment into the thoroughbred and standardbred horse racing purse accounts at Illinois pari-mutuel tracks. The amount paid to each purse account shall be the amount certified by the Illinois Racing Board in January to be transferred from each account to each eligible racing facility in accordance with the provisions of this Section. Beginning in the calendar year in which an organization licensee that is eligible to receive payment under this paragraph (13) begins to receive funds from gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the amount of the payment due to all wagering

facilities licensed under that organization licensee under this paragraph (13) shall be the amount certified by the Board in January of that year. An organization licensee and its related wagering facilities shall no longer be able to receive payments under this paragraph (13) beginning in the year subsequent to the first year in which the organization licensee begins to receive funds from gaming pursuant to an organization gaming license issued under the Illinois Gambling Act.

(h) The Board may approve and license the conduct of inter-track wagering and simulcast wagering by inter-track wagering licensees and inter-track wagering location licensees subject to the following terms and conditions:

(1) Any person licensed to conduct a race meeting (i) at a track where 60 or more days of racing were conducted during the immediately preceding calendar year or where over the 5 immediately preceding calendar years an average of 30 or more days of racing were conducted annually may be issued an inter-track wagering license; (ii) at a track located in a county that is bounded by the Mississippi River, which has a population of less than 150,000 according to the 1990 decennial census, and an average of at least 60 days of racing per year between 1985 and 1993 may be issued an inter-track wagering license; ~~or~~ (iii) at a track awarded standardbred racing dates; or (iv) at a track located in Madison County that conducted at least 100

days of live racing during the immediately preceding calendar year may be issued an inter-track wagering license, unless a lesser schedule of live racing is the result of (A) weather, unsafe track conditions, or other acts of God; (B) an agreement between the organization licensee and the associations representing the largest number of owners, trainers, jockeys, or standardbred drivers who race horses at that organization licensee's racing meeting; or (C) a finding by the Board of extraordinary circumstances and that it was in the best interest of the public and the sport to conduct fewer than 100 days of live racing. Any such person having operating control of the racing facility may receive inter-track wagering location licenses. An eligible race track located in a county that has a population of more than 230,000 and that is bounded by the Mississippi River may establish up to 9 inter-track wagering locations, an eligible race track located in Stickney Township in Cook County may establish up to 16 inter-track wagering locations, and an eligible race track located in Palatine Township in Cook County may establish up to 18 inter-track wagering locations. An eligible racetrack conducting standardbred racing may have up to 16 inter-track wagering locations. An application for said license shall be filed with the Board prior to such dates as may be fixed by the Board. With an application for an inter-track wagering location license there shall be

delivered to the Board a certified check or bank draft payable to the order of the Board for an amount equal to \$500. The application shall be on forms prescribed and furnished by the Board. The application shall comply with all other rules, regulations and conditions imposed by the Board in connection therewith.

(2) The Board shall examine the applications with respect to their conformity with this Act and the rules and regulations imposed by the Board. If found to be in compliance with the Act and rules and regulations of the Board, the Board may then issue a license to conduct inter-track wagering and simulcast wagering to such applicant. All such applications shall be acted upon by the Board at a meeting to be held on such date as may be fixed by the Board.

(3) In granting licenses to conduct inter-track wagering and simulcast wagering, the Board shall give due consideration to the best interests of the public, of horse racing, and of maximizing revenue to the State.

(4) Prior to the issuance of a license to conduct inter-track wagering and simulcast wagering, the applicant shall file with the Board a bond payable to the State of Illinois in the sum of \$50,000, executed by the applicant and a surety company or companies authorized to do business in this State, and conditioned upon (i) the payment by the licensee of all taxes due under Section 27 or 27.1 and any

other monies due and payable under this Act, and (ii) distribution by the licensee, upon presentation of the winning ticket or tickets, of all sums payable to the patrons of pari-mutuel pools.

(5) Each license to conduct inter-track wagering and simulcast wagering shall specify the person to whom it is issued, the dates on which such wagering is permitted, and the track or location where the wagering is to be conducted.

(6) All wagering under such license is subject to this Act and to the rules and regulations from time to time prescribed by the Board, and every such license issued by the Board shall contain a recital to that effect.

(7) An inter-track wagering licensee or inter-track wagering location licensee may accept wagers at the track or location where it is licensed, or as otherwise provided under this Act.

(8) Inter-track wagering or simulcast wagering shall not be conducted at any track less than 4 ~~5~~ miles from a track at which a racing meeting is in progress.

(8.1) Inter-track wagering location licensees who derive their licenses from a particular organization licensee shall conduct inter-track wagering and simulcast wagering only at locations that are within 160 miles of that race track where the particular organization licensee is licensed to conduct racing. However, inter-track

wagering and simulcast wagering shall not be conducted by those licensees at any location within 5 miles of any race track at which a horse race meeting has been licensed in the current year, unless the person having operating control of such race track has given its written consent to such inter-track wagering location licensees, which consent must be filed with the Board at or prior to the time application is made. In the case of any inter-track wagering location licensee initially licensed after December 31, 2013, inter-track wagering and simulcast wagering shall not be conducted by those inter-track wagering location licensees that are located outside the City of Chicago at any location within 8 miles of any race track at which a horse race meeting has been licensed in the current year, unless the person having operating control of such race track has given its written consent to such inter-track wagering location licensees, which consent must be filed with the Board at or prior to the time application is made.

(8.2) Inter-track wagering or simulcast wagering shall not be conducted by an inter-track wagering location licensee at any location within 500 feet of an existing church, an ~~or~~ existing elementary or secondary public school, or an existing elementary or secondary private school registered with or recognized by the State Board of Education school, nor within 500 feet of the residences of

more than 50 registered voters without receiving written permission from a majority of the registered voters at such residences. Such written permission statements shall be filed with the Board. The distance of 500 feet shall be measured to the nearest part of any building used for worship services, education programs, residential purposes, or conducting inter-track wagering by an inter-track wagering location licensee, and not to property boundaries. However, inter-track wagering or simulcast wagering may be conducted at a site within 500 feet of a church, school or residences of 50 or more registered voters if such church, school or residences have been erected or established, or such voters have been registered, after the Board issues the original inter-track wagering location license at the site in question. Inter-track wagering location licensees may conduct inter-track wagering and simulcast wagering only in areas that are zoned for commercial or manufacturing purposes or in areas for which a special use has been approved by the local zoning authority. However, no license to conduct inter-track wagering and simulcast wagering shall be granted by the Board with respect to any inter-track wagering location within the jurisdiction of any local zoning authority which has, by ordinance or by resolution, prohibited the establishment of an inter-track wagering location within its jurisdiction. However,

inter-track wagering and simulcast wagering may be conducted at a site if such ordinance or resolution is enacted after the Board licenses the original inter-track wagering location licensee for the site in question.

(9) (Blank).

(10) An inter-track wagering licensee or an inter-track wagering location licensee may retain, subject to the payment of the privilege taxes and the purses, an amount not to exceed 17% of all money wagered. Each program of racing conducted by each inter-track wagering licensee or inter-track wagering location licensee shall be considered a separate racing day for the purpose of determining the daily handle and computing the privilege tax or pari-mutuel tax on such daily handle as provided in Section 27.

(10.1) Except as provided in subsection (g) of Section 27 of this Act, inter-track wagering location licensees shall pay 1% of the pari-mutuel handle at each location to the municipality in which such location is situated and 1% of the pari-mutuel handle at each location to the county in which such location is situated. In the event that an inter-track wagering location licensee is situated in an unincorporated area of a county, such licensee shall pay 2% of the pari-mutuel handle from such location to such county.

(10.2) Notwithstanding any other provision of this

Act, with respect to inter-track wagering at a race track located in a county that has a population of more than 230,000 and that is bounded by the Mississippi River ("the first race track"), or at a facility operated by an inter-track wagering licensee or inter-track wagering location licensee that derives its license from the organization licensee that operates the first race track, on races conducted at the first race track or on races conducted at another Illinois race track and simultaneously televised to the first race track or to a facility operated by an inter-track wagering licensee or inter-track wagering location licensee that derives its license from the organization licensee that operates the first race track, those moneys shall be allocated as follows:

(A) That portion of all moneys wagered on standardbred racing that is required under this Act to be paid to purses shall be paid to purses for standardbred races.

(B) That portion of all moneys wagered on thoroughbred racing that is required under this Act to be paid to purses shall be paid to purses for thoroughbred races.

(11) (A) After payment of the privilege or pari-mutuel tax, any other applicable taxes, and the costs and expenses in connection with the gathering, transmission, and

dissemination of all data necessary to the conduct of inter-track wagering, the remainder of the monies retained under either Section 26 or Section 26.2 of this Act by the inter-track wagering licensee on inter-track wagering shall be allocated with 50% to be split between the 2 participating licensees and 50% to purses, except that an inter-track wagering licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with the Illinois organization licensee that provides the race or races, and an inter-track wagering licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with that organization licensee.

(B) From the sums permitted to be retained pursuant to this Act each inter-track wagering location licensee shall pay (i) the privilege or pari-mutuel tax to the State; (ii) 4.75% of the pari-mutuel handle on inter-track wagering at such location on races as purses, except that an inter-track wagering location licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall retain all purse moneys for its own purse account

consistent with distribution set forth in this subsection (h), and inter-track wagering location licensees that accept wagers on races conducted by an organization licensee located in a county with a population in excess of 230,000 and that borders the Mississippi River shall distribute all purse moneys to purses at the operating host track; (iii) until January 1, 2000, except as provided in subsection (g) of Section 27 of this Act, 1% of the pari-mutuel handle wagered on inter-track wagering and simulcast wagering at each inter-track wagering location licensee facility to the Horse Racing Tax Allocation Fund, provided that, to the extent the total amount collected and distributed to the Horse Racing Tax Allocation Fund under this subsection (h) during any calendar year exceeds the amount collected and distributed to the Horse Racing Tax Allocation Fund during calendar year 1994, that excess amount shall be redistributed (I) to all inter-track wagering location licensees, based on each licensee's pro rata ~~pro rata~~ share of the total handle from inter-track wagering and simulcast wagering for all inter-track wagering location licensees during the calendar year in which this provision is applicable; then (II) the amounts redistributed to each inter-track wagering location licensee as described in subpart (I) shall be further redistributed as provided in subparagraph (B) of paragraph (5) of subsection (g) of this Section 26 provided first,

that the shares of those amounts, which are to be redistributed to the host track or to purses at the host track under subparagraph (B) of paragraph (5) of subsection (g) of this Section 26 shall be redistributed based on each host track's pro rata share of the total inter-track wagering and simulcast wagering handle at all host tracks during the calendar year in question, and second, that any amounts redistributed as described in part (I) to an inter-track wagering location licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of 230,000 and that borders the Mississippi River shall be further redistributed, effective January 1, 2017, as provided in paragraph (7) of subsection (g) of this Section 26, with the portion of that further redistribution allocated to purses at that organization licensee to be divided between standardbred purses and thoroughbred purses based on the amounts otherwise allocated to purses at that organization licensee during the calendar year in question; and (iv) 8% of the pari-mutuel handle on inter-track wagering wagered at such location to satisfy all costs and expenses of conducting its wagering. The remainder of the monies retained by the inter-track wagering location licensee shall be allocated 40% to the location licensee and 60% to the organization licensee which provides the Illinois races to the location, except

that an inter-track wagering location licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with the organization licensee that provides the race or races and an inter-track wagering location licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with the organization licensee. Notwithstanding the provisions of clauses (ii) and (iv) of this paragraph, in the case of the additional inter-track wagering location licenses authorized under paragraph (1) of this subsection (h) by Public Act 87-110, those licensees shall pay the following amounts as purses: during the first 12 months the licensee is in operation, 5.25% of the pari-mutuel handle wagered at the location on races; during the second 12 months, 5.25%; during the third 12 months, 5.75%; during the fourth 12 months, 6.25%; and during the fifth 12 months and thereafter, 6.75%. The following amounts shall be retained by the licensee to satisfy all costs and expenses of conducting its wagering: during the first 12 months the licensee is in operation, 8.25% of the pari-mutuel handle wagered at the location; during the second 12 months, 8.25%; during the third 12 months, 7.75%; during the fourth

12 months, 7.25%; and during the fifth 12 months and thereafter, 6.75%. For additional inter-track wagering location licensees authorized under Public Act 89-16, purses for the first 12 months the licensee is in operation shall be 5.75% of the pari-mutuel wagered at the location, purses for the second 12 months the licensee is in operation shall be 6.25%, and purses thereafter shall be 6.75%. For additional inter-track location licensees authorized under Public Act 89-16, the licensee shall be allowed to retain to satisfy all costs and expenses: 7.75% of the pari-mutuel handle wagered at the location during its first 12 months of operation, 7.25% during its second 12 months of operation, and 6.75% thereafter.

(C) There is hereby created the Horse Racing Tax Allocation Fund which shall remain in existence until December 31, 1999. Moneys remaining in the Fund after December 31, 1999 shall be paid into the General Revenue Fund. Until January 1, 2000, all monies paid into the Horse Racing Tax Allocation Fund pursuant to this paragraph (11) by inter-track wagering location licensees located in park districts of 500,000 population or less, or in a municipality that is not included within any park district but is included within a conservation district and is the county seat of a county that (i) is contiguous to the state of Indiana and (ii) has a 1990 population of 88,257 according to the United States Bureau of the Census, and

operating on May 1, 1994 shall be allocated by appropriation as follows:

Two-sevenths to the Department of Agriculture. Fifty percent of this two-sevenths shall be used to promote the Illinois horse racing and breeding industry, and shall be distributed by the Department of Agriculture upon the advice of a 9-member committee appointed by the Governor consisting of the following members: the Director of Agriculture, who shall serve as chairman; 2 representatives of organization licensees conducting thoroughbred race meetings in this State, recommended by those licensees; 2 representatives of organization licensees conducting standardbred race meetings in this State, recommended by those licensees; a representative of the Illinois Thoroughbred Breeders and Owners Foundation, recommended by that Foundation; a representative of the Illinois Standardbred Owners and Breeders Association, recommended by that Association; a representative of the Horsemen's Benevolent and Protective Association or any successor organization thereto established in Illinois comprised of the largest number of owners and trainers, recommended by that Association or that successor organization; and a representative of the Illinois Harness Horsemen's Association, recommended by that Association.

Committee members shall serve for terms of 2 years, commencing January 1 of each even-numbered year. If a representative of any of the above-named entities has not been recommended by January 1 of any even-numbered year, the Governor shall appoint a committee member to fill that position. Committee members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the performance of their official duties. The remaining 50% of this two-sevenths shall be distributed to county fairs for premiums and rehabilitation as set forth in the Agricultural Fair Act;

Four-sevenths to park districts or municipalities that do not have a park district of 500,000 population or less for museum purposes (if an inter-track wagering location licensee is located in such a park district) or to conservation districts for museum purposes (if an inter-track wagering location licensee is located in a municipality that is not included within any park district but is included within a conservation district and is the county seat of a county that (i) is contiguous to the state of Indiana and (ii) has a 1990 population of 88,257 according to the United States Bureau of the Census, except that if the conservation district does not maintain a museum, the monies shall

be allocated equally between the county and the municipality in which the inter-track wagering location licensee is located for general purposes) or to a municipal recreation board for park purposes (if an inter-track wagering location licensee is located in a municipality that is not included within any park district and park maintenance is the function of the municipal recreation board and the municipality has a 1990 population of 9,302 according to the United States Bureau of the Census); provided that the monies are distributed to each park district or conservation district or municipality that does not have a park district in an amount equal to four-sevenths of the amount collected by each inter-track wagering location licensee within the park district or conservation district or municipality for the Fund. Monies that were paid into the Horse Racing Tax Allocation Fund before August 9, 1991 (the effective date of Public Act 87-110) by an inter-track wagering location licensee located in a municipality that is not included within any park district but is included within a conservation district as provided in this paragraph shall, as soon as practicable after August 9, 1991 (the effective date of Public Act 87-110), be allocated and paid to that conservation district as provided in this paragraph. Any park district or municipality not maintaining a

museum may deposit the monies in the corporate fund of the park district or municipality where the inter-track wagering location is located, to be used for general purposes; and

One-seventh to the Agricultural Premium Fund to be used for distribution to agricultural home economics extension councils in accordance with "An Act in relation to additional support and finances for the Agricultural and Home Economic Extension Councils in the several counties of this State and making an appropriation therefor", approved July 24, 1967.

Until January 1, 2000, all other monies paid into the Horse Racing Tax Allocation Fund pursuant to this paragraph (11) shall be allocated by appropriation as follows:

Two-sevenths to the Department of Agriculture. Fifty percent of this two-sevenths shall be used to promote the Illinois horse racing and breeding industry, and shall be distributed by the Department of Agriculture upon the advice of a 9-member committee appointed by the Governor consisting of the following members: the Director of Agriculture, who shall serve as chairman; 2 representatives of organization licensees conducting thoroughbred race meetings in this State, recommended by those licensees; 2 representatives of organization licensees conducting standardbred race meetings in this State, recommended

by those licensees; a representative of the Illinois Thoroughbred Breeders and Owners Foundation, recommended by that Foundation; a representative of the Illinois Standardbred Owners and Breeders Association, recommended by that Association; a representative of the Horsemen's Benevolent and Protective Association or any successor organization thereto established in Illinois comprised of the largest number of owners and trainers, recommended by that Association or that successor organization; and a representative of the Illinois Harness Horsemen's Association, recommended by that Association. Committee members shall serve for terms of 2 years, commencing January 1 of each even-numbered year. If a representative of any of the above-named entities has not been recommended by January 1 of any even-numbered year, the Governor shall appoint a committee member to fill that position. Committee members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the performance of their official duties. The remaining 50% of this two-sevenths shall be distributed to county fairs for premiums and rehabilitation as set forth in the Agricultural Fair Act;

Four-sevenths to museums and aquariums located in

park districts of over 500,000 population; provided that the monies are distributed in accordance with the previous year's distribution of the maintenance tax for such museums and aquariums as provided in Section 2 of the Park District Aquarium and Museum Act; and

One-seventh to the Agricultural Premium Fund to be used for distribution to agricultural home economics extension councils in accordance with "An Act in relation to additional support and finances for the Agricultural and Home Economic Extension Councils in the several counties of this State and making an appropriation therefor", approved July 24, 1967. This subparagraph (C) shall be inoperative and of no force and effect on and after January 1, 2000.

(D) Except as provided in paragraph (11) of this subsection (h), with respect to purse allocation from inter-track wagering, the monies so retained shall be divided as follows:

(i) If the inter-track wagering licensee, except an inter-track wagering licensee that derives its license from an organization licensee located in a county with a population in excess of 230,000 and bounded by the Mississippi River, is not conducting its own race meeting during the same dates, then the entire purse allocation shall be to purses at the track where the races wagered on are

being conducted.

(ii) If the inter-track wagering licensee, except an inter-track wagering licensee that derives its license from an organization licensee located in a county with a population in excess of 230,000 and bounded by the Mississippi River, is also conducting its own race meeting during the same dates, then the purse allocation shall be as follows: 50% to purses at the track where the races wagered on are being conducted; 50% to purses at the track where the inter-track wagering licensee is accepting such wagers.

(iii) If the inter-track wagering is being conducted by an inter-track wagering location licensee, except an inter-track wagering location licensee that derives its license from an organization licensee located in a county with a population in excess of 230,000 and bounded by the Mississippi River, the entire purse allocation for Illinois races shall be to purses at the track where the race meeting being wagered on is being held.

(12) The Board shall have all powers necessary and proper to fully supervise and control the conduct of inter-track wagering and simulcast wagering by inter-track wagering licensees and inter-track wagering location

licensees, including, but not limited to the following:

(A) The Board is vested with power to promulgate reasonable rules and regulations for the purpose of administering the conduct of this wagering and to prescribe reasonable rules, regulations and conditions under which such wagering shall be held and conducted. Such rules and regulations are to provide for the prevention of practices detrimental to the public interest and for the best interests of said wagering and to impose penalties for violations thereof.

(B) The Board, and any person or persons to whom it delegates this power, is vested with the power to enter the facilities of any licensee to determine whether there has been compliance with the provisions of this Act and the rules and regulations relating to the conduct of such wagering.

(C) The Board, and any person or persons to whom it delegates this power, may eject or exclude from any licensee's facilities, any person whose conduct or reputation is such that his presence on such premises may, in the opinion of the Board, call into the question the honesty and integrity of, or interfere with the orderly conduct of such wagering; provided, however, that no person shall be excluded or ejected from such premises solely on the grounds of race, color, creed, national origin, ancestry, or sex.

(D) (Blank).

(E) The Board is vested with the power to appoint delegates to execute any of the powers granted to it under this Section for the purpose of administering this wagering and any rules and regulations promulgated in accordance with this Act.

(F) The Board shall name and appoint a State director of this wagering who shall be a representative of the Board and whose duty it shall be to supervise the conduct of inter-track wagering as may be provided for by the rules and regulations of the Board; such rules and regulation shall specify the method of appointment and the Director's powers, authority and duties.

(G) The Board is vested with the power to impose civil penalties of up to \$5,000 against individuals and up to \$10,000 against licensees for each violation of any provision of this Act relating to the conduct of this wagering, any rules adopted by the Board, any order of the Board or any other action which in the Board's discretion, is a detriment or impediment to such wagering.

(13) The Department of Agriculture may enter into agreements with licensees authorizing such licensees to conduct inter-track wagering on races to be held at the licensed race meetings conducted by the Department of

Agriculture. Such agreement shall specify the races of the Department of Agriculture's licensed race meeting upon which the licensees will conduct wagering. In the event that a licensee conducts inter-track pari-mutuel wagering on races from the Illinois State Fair or DuQuoin State Fair which are in addition to the licensee's previously approved racing program, those races shall be considered a separate racing day for the purpose of determining the daily handle and computing the privilege or pari-mutuel tax on that daily handle as provided in Sections 27 and 27.1. Such agreements shall be approved by the Board before such wagering may be conducted. In determining whether to grant approval, the Board shall give due consideration to the best interests of the public and of horse racing. The provisions of paragraphs (1), (8), (8.1), and (8.2) of subsection (h) of this Section which are not specified in this paragraph (13) shall not apply to licensed race meetings conducted by the Department of Agriculture at the Illinois State Fair in Sangamon County or the DuQuoin State Fair in Perry County, or to any wagering conducted on those race meetings.

(14) An inter-track wagering location license authorized by the Board in 2016 that is owned and operated by a race track in Rock Island County shall be transferred to a commonly owned race track in Cook County on August 12, 2016 (the effective date of Public Act 99-757). The

licensee shall retain its status in relation to purse distribution under paragraph (11) of this subsection (h) following the transfer to the new entity. The pari-mutuel tax credit under Section 32.1 shall not be applied toward any pari-mutuel tax obligation of the inter-track wagering location licensee of the license that is transferred under this paragraph (14).

(i) Notwithstanding the other provisions of this Act, the conduct of wagering at wagering facilities is authorized on all days, except as limited by subsection (b) of Section 19 of this Act.

(Source: P.A. 99-756, eff. 8-12-16; 99-757, eff. 8-12-16; 100-201, eff. 8-18-17; 100-627, eff. 7-20-18; 100-1152, eff. 12-14-18; revised 1-13-19.)

(230 ILCS 5/26.8)

Sec. 26.8. Beginning on February 1, 2014 ~~and through December 31, 2020~~, each wagering licensee may impose a surcharge of up to 0.5% on winning wagers and winnings from wagers. The surcharge shall be deducted from winnings prior to payout. All amounts collected from the imposition of this surcharge shall be evenly distributed to the organization licensee and the purse account of the organization licensee with which the licensee is affiliated. The amounts distributed under this Section shall be in addition to the amounts paid pursuant to paragraph (10) of subsection (h) of Section 26,

Section 26.3, Section 26.4, Section 26.5, and Section 26.7.

(Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

(230 ILCS 5/26.9)

Sec. 26.9. Beginning on February 1, 2014 ~~and through December 31, 2020~~, in addition to the surcharge imposed in Sections 26.3, 26.4, 26.5, 26.7, and 26.8 of this Act, each licensee shall impose a surcharge of 0.2% on winning wagers and winnings from wagers. The surcharge shall be deducted from winnings prior to payout. All amounts collected from the surcharges imposed under this Section shall be remitted to the Board. From amounts collected under this Section, the Board shall deposit an amount not to exceed \$100,000 annually into the Quarter Horse Purse Fund and all remaining amounts into the Horse Racing Fund.

(Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

(230 ILCS 5/27) (from Ch. 8, par. 37-27)

Sec. 27. (a) In addition to the organization license fee provided by this Act, until January 1, 2000, a graduated privilege tax is hereby imposed for conducting the pari-mutuel system of wagering permitted under this Act. Until January 1, 2000, except as provided in subsection (g) of Section 27 of this Act, all of the breakage of each racing day held by any licensee in the State shall be paid to the State. Until January 1, 2000, such daily graduated privilege tax shall be paid by

the licensee from the amount permitted to be retained under this Act. Until January 1, 2000, each day's graduated privilege tax, breakage, and Horse Racing Tax Allocation funds shall be remitted to the Department of Revenue within 48 hours after the close of the racing day upon which it is assessed or within such other time as the Board prescribes. The privilege tax hereby imposed, until January 1, 2000, shall be a flat tax at the rate of 2% of the daily pari-mutuel handle except as provided in Section 27.1.

In addition, every organization licensee, except as provided in Section 27.1 of this Act, which conducts multiple wagering shall pay, until January 1, 2000, as a privilege tax on multiple wagers an amount equal to 1.25% of all moneys wagered each day on such multiple wagers, plus an additional amount equal to 3.5% of the amount wagered each day on any other multiple wager which involves a single betting interest on 3 or more horses. The licensee shall remit the amount of such taxes to the Department of Revenue within 48 hours after the close of the racing day on which it is assessed or within such other time as the Board prescribes.

This subsection (a) shall be inoperative and of no force and effect on and after January 1, 2000.

(a-5) Beginning on January 1, 2000, a flat pari-mutuel tax at the rate of 1.5% of the daily pari-mutuel handle is imposed at all pari-mutuel wagering facilities and on advance deposit wagering from a location other than a wagering facility, except

as otherwise provided for in this subsection (a-5). In addition to the pari-mutuel tax imposed on advance deposit wagering pursuant to this subsection (a-5), beginning on August 24, 2012 (the effective date of Public Act 97-1060) ~~and through December 31, 2020~~, an additional pari-mutuel tax at the rate of 0.25% shall be imposed on advance deposit wagering. Until August 25, 2012, the additional 0.25% pari-mutuel tax imposed on advance deposit wagering by Public Act 96-972 shall be deposited into the Quarter Horse Purse Fund, which shall be created as a non-appropriated trust fund administered by the Board for grants to thoroughbred organization licensees for payment of purses for quarter horse races conducted by the organization licensee. Beginning on August 26, 2012, the additional 0.25% pari-mutuel tax imposed on advance deposit wagering shall be deposited into the Standardbred Purse Fund, which shall be created as a non-appropriated trust fund administered by the Board, for grants to the standardbred organization licensees for payment of purses for standardbred horse races conducted by the organization licensee. Thoroughbred organization licensees may petition the Board to conduct quarter horse racing and receive purse grants from the Quarter Horse Purse Fund. The Board shall have complete discretion in distributing the Quarter Horse Purse Fund to the petitioning organization licensees. Beginning on July 26, 2010 (the effective date of Public Act 96-1287), a pari-mutuel tax at the rate of 0.75% of the daily pari-mutuel handle is imposed at a pari-mutuel

facility whose license is derived from a track located in a county that borders the Mississippi River and conducted live racing in the previous year. The pari-mutuel tax imposed by this subsection (a-5) shall be remitted to the Department of Revenue within 48 hours after the close of the racing day upon which it is assessed or within such other time as the Board prescribes.

(a-10) Beginning on the date when an organization licensee begins conducting gaming pursuant to an organization gaming license, the following pari-mutuel tax is imposed upon an organization licensee on Illinois races at the licensee's racetrack:

1.5% of the pari-mutuel handle at or below the average daily pari-mutuel handle for 2011.

2% of the pari-mutuel handle above the average daily pari-mutuel handle for 2011 up to 125% of the average daily pari-mutuel handle for 2011.

2.5% of the pari-mutuel handle 125% or more above the average daily pari-mutuel handle for 2011 up to 150% of the average daily pari-mutuel handle for 2011.

3% of the pari-mutuel handle 150% or more above the average daily pari-mutuel handle for 2011 up to 175% of the average daily pari-mutuel handle for 2011.

3.5% of the pari-mutuel handle 175% or more above the average daily pari-mutuel handle for 2011.

The pari-mutuel tax imposed by this subsection (a-10) shall

be remitted to the Board within 48 hours after the close of the racing day upon which it is assessed or within such other time as the Board prescribes.

(b) On or before December 31, 1999, in the event that any organization licensee conducts 2 separate programs of races on any day, each such program shall be considered a separate racing day for purposes of determining the daily handle and computing the privilege tax on such daily handle as provided in subsection (a) of this Section.

(c) Licensees shall at all times keep accurate books and records of all monies wagered on each day of a race meeting and of the taxes paid to the Department of Revenue under the provisions of this Section. The Board or its duly authorized representative or representatives shall at all reasonable times have access to such records for the purpose of examining and checking the same and ascertaining whether the proper amount of taxes is being paid as provided. The Board shall require verified reports and a statement of the total of all monies wagered daily at each wagering facility upon which the taxes are assessed and may prescribe forms upon which such reports and statement shall be made.

(d) Before a license is issued or re-issued, the licensee shall post a bond in the sum of \$500,000 to the State of Illinois. The bond shall be used to guarantee that the licensee faithfully makes the payments, keeps the books and records and makes reports, and conducts games of chance in conformity with

this Act and the rules adopted by the Board. The bond shall not be canceled by a surety on less than 30 days' notice in writing to the Board. If a bond is canceled and the licensee fails to file a new bond with the Board in the required amount on or before the effective date of cancellation, the licensee's license shall be revoked. The total and aggregate liability of the surety on the bond is limited to the amount specified in the bond. ~~Any licensee failing or refusing to pay the amount of any tax due under this Section shall be guilty of a business offense and upon conviction shall be fined not more than \$5,000 in addition to the amount found due as tax under this Section. Each day's violation shall constitute a separate offense. All fines paid into Court by a licensee hereunder shall be transmitted and paid over by the Clerk of the Court to the Board.~~

(e) No other license fee, privilege tax, excise tax, or racing fee, except as provided in this Act, shall be assessed or collected from any such licensee by the State.

(f) No other license fee, privilege tax, excise tax or racing fee shall be assessed or collected from any such licensee by units of local government except as provided in paragraph 10.1 of subsection (h) and subsection (f) of Section 26 of this Act. However, any municipality that has a Board licensed horse race meeting at a race track wholly within its corporate boundaries or a township that has a Board licensed horse race meeting at a race track wholly within the

unincorporated area of the township may charge a local amusement tax not to exceed 10¢ per admission to such horse race meeting by the enactment of an ordinance. However, any municipality or county that has a Board licensed inter-track wagering location facility wholly within its corporate boundaries may each impose an admission fee not to exceed \$1.00 per admission to such inter-track wagering location facility, so that a total of not more than \$2.00 per admission may be imposed. Except as provided in subparagraph (g) of Section 27 of this Act, the inter-track wagering location licensee shall collect any and all such fees and ~~within 48 hours~~ remit the fees to the Board as the Board prescribes, which shall, pursuant to rule, cause the fees to be distributed to the county or municipality.

(g) Notwithstanding any provision in this Act to the contrary, if in any calendar year the total taxes and fees from wagering on live racing and from inter-track wagering required to be collected from licensees and distributed under this Act to all State and local governmental authorities exceeds the amount of such taxes and fees distributed to each State and local governmental authority to which each State and local governmental authority was entitled under this Act for calendar year 1994, then the first \$11 million of that excess amount shall be allocated at the earliest possible date for distribution as purse money for the succeeding calendar year. Upon reaching the 1994 level, and until the excess amount of

taxes and fees exceeds \$11 million, the Board shall direct all licensees to cease paying the subject taxes and fees and the Board shall direct all licensees to allocate any such excess amount for purses as follows:

(i) the excess amount shall be initially divided between thoroughbred and standardbred purses based on the thoroughbred's and standardbred's respective percentages of total Illinois live wagering in calendar year 1994;

(ii) each thoroughbred and standardbred organization licensee issued an organization licensee in that succeeding allocation year shall be allocated an amount equal to the product of its percentage of total Illinois live thoroughbred or standardbred wagering in calendar year 1994 (the total to be determined based on the sum of 1994 on-track wagering for all organization licensees issued organization licenses in both the allocation year and the preceding year) multiplied by the total amount allocated for standardbred or thoroughbred purses, provided that the first \$1,500,000 of the amount allocated to standardbred purses under item (i) shall be allocated to the Department of Agriculture to be expended with the assistance and advice of the Illinois Standardbred Breeders Funds Advisory Board for the purposes listed in subsection (g) of Section 31 of this Act, before the amount allocated to standardbred purses under item (i) is allocated to standardbred organization licensees in the

succeeding allocation year.

To the extent the excess amount of taxes and fees to be collected and distributed to State and local governmental authorities exceeds \$11 million, that excess amount shall be collected and distributed to State and local authorities as provided for under this Act.

(Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

(230 ILCS 5/29) (from Ch. 8, par. 37-29)

Sec. 29. (a) After the privilege or pari-mutuel tax established in Sections 26(f), 27, and 27.1 is paid to the State from the monies retained by the organization licensee pursuant to Sections 26, 26.2, and 26.3, the remainder of those monies retained pursuant to Sections 26 and 26.2, except as provided in subsection (g) of Section 27 of this Act, shall be allocated evenly to the organization licensee and as purses.

(b) (Blank).

(c) (Blank).

(d) From the amounts generated for purses from all sources, including, but not limited to, amounts generated from wagering conducted by organization licensees, organization gaming licensees, inter-track wagering licensees, inter-track wagering location licensees, and advance deposit wagering licensees, an organization licensee shall pay to an organization representing the largest number of horse owners and trainers in Illinois, for thoroughbred and standardbred

horses that race at the track of the organization licensee, an amount equal to at least 5% of any and all revenue earned by the organization licensee for purses for that calendar year. A contract with the appropriate thoroughbred or standardbred horsemen organization shall be negotiated and signed by the organization licensee before the beginning of each calendar year. Amounts may be used for any legal purpose, including, but not limited to, operational expenses, programs for backstretch workers, retirement plans, diversity scholarships, horse aftercare programs, workers compensation insurance fees, and horse ownership programs. Financial statements highlighting how the funding is spent shall be provided upon request to the organization licensee. The appropriate thoroughbred or standardbred horsemen organization shall make that information available on its website.

~~Each organization licensee and inter track wagering licensee from the money retained for purses as set forth in subsection (a) of this Section, shall pay to an organization representing the largest number of horse owners and trainers which has negotiated a contract with the organization licensee for such purpose an amount equal to at least 1% of the organization licensee's and inter track wagering licensee's retention of the pari-mutuel handle for the racing season. Each inter track wagering location licensee, from the 4% of its handle required to be paid as purses under paragraph (11) of subsection (h) of Section 26 of this Act, shall pay to the~~

~~contractually established representative organization 2% of that 4%, provided that the payments so made to the organization shall not exceed a total of \$125,000 in any calendar year. Such contract shall be negotiated and signed prior to the beginning of the racing season.~~

(Source: P.A. 91-40, eff. 6-25-99.)

(230 ILCS 5/30) (from Ch. 8, par. 37-30)

Sec. 30. (a) The General Assembly declares that it is the policy of this State to encourage the breeding of thoroughbred horses in this State and the ownership of such horses by residents of this State in order to provide for: sufficient numbers of high quality thoroughbred horses to participate in thoroughbred racing meetings in this State, and to establish and preserve the agricultural and commercial benefits of such breeding and racing industries to the State of Illinois. It is the intent of the General Assembly to further this policy by the provisions of this Act.

(b) Each organization licensee conducting a thoroughbred racing meeting pursuant to this Act shall provide at least two races each day limited to Illinois conceived and foaled horses or Illinois foaled horses or both. A minimum of 6 races shall be conducted each week limited to Illinois conceived and foaled or Illinois foaled horses or both. No horses shall be permitted to start in such races unless duly registered under the rules of the Department of Agriculture.

(c) Conditions of races under subsection (b) shall be commensurate with past performance, quality, and class of Illinois conceived and foaled and Illinois foaled horses available. If, however, sufficient competition cannot be had among horses of that class on any day, the races may, with consent of the Board, be eliminated for that day and substitute races provided.

(d) There is hereby created a special fund of the State Treasury to be known as the Illinois Thoroughbred Breeders Fund.

Beginning on the effective date of this amendatory Act of the 101st General Assembly, the Illinois Thoroughbred Breeders Fund shall become a non-appropriated trust fund held separate from State moneys. Expenditures from this Fund shall no longer be subject to appropriation.

Except as provided in subsection (g) of Section 27 of this Act, 8.5% of all the monies received by the State as privilege taxes on Thoroughbred racing meetings shall be paid into the Illinois Thoroughbred Breeders Fund.

Notwithstanding any provision of law to the contrary, amounts deposited into the Illinois Thoroughbred Breeders Fund from revenues generated by gaming pursuant to an organization gaming license issued under the Illinois Gambling Act after the effective date of this amendatory Act of the 101st General Assembly shall be in addition to tax and fee amounts paid under this Section for calendar year 2019 and thereafter.

(e) The Illinois Thoroughbred Breeders Fund shall be administered by the Department of Agriculture with the advice and assistance of the Advisory Board created in subsection (f) of this Section.

(f) The Illinois Thoroughbred Breeders Fund Advisory Board shall consist of the Director of the Department of Agriculture, who shall serve as Chairman; a member of the Illinois Racing Board, designated by it; 2 representatives of the organization licensees conducting thoroughbred racing meetings, recommended by them; 2 representatives of the Illinois Thoroughbred Breeders and Owners Foundation, recommended by it; one representative ~~and 2 representatives~~ of the Horsemen's Benevolent Protective Association; and one representative from the Illinois Thoroughbred Horsemen's Association ~~or any successor organization established in Illinois comprised of the largest number of owners and trainers, recommended by it, with one representative of the Horsemen's Benevolent and Protective Association to come from its Illinois Division, and one from its Chicago Division.~~ Advisory Board members shall serve for 2 years commencing January 1 of each odd numbered year. If representatives of the organization licensees conducting thoroughbred racing meetings, the Illinois Thoroughbred Breeders and Owners Foundation, ~~and~~ the Horsemen's Benevolent Protection Association, and the Illinois Thoroughbred Horsemen's Association have not been recommended by January 1, of each odd numbered year, the Director of the

Department of Agriculture shall make an appointment for the organization failing to so recommend a member of the Advisory Board. Advisory Board members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of their official duties.

(g) ~~No monies shall be expended from the Illinois Thoroughbred Breeders Fund except as appropriated by the General Assembly.~~ Monies expended ~~appropriated~~ from the Illinois Thoroughbred Breeders Fund shall be expended by the Department of Agriculture, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board, for the following purposes only:

(1) To provide purse supplements to owners of horses participating in races limited to Illinois conceived and foaled and Illinois foaled horses. Any such purse supplements shall not be included in and shall be paid in addition to any purses, stakes, or breeders' awards offered by each organization licensee as determined by agreement between such organization licensee and an organization representing the horsemen. No monies from the Illinois Thoroughbred Breeders Fund shall be used to provide purse supplements for claiming races in which the minimum claiming price is less than \$7,500.

(2) To provide stakes and awards to be paid to the owners of the winning horses in certain races limited to

Illinois conceived and foaled and Illinois foaled horses designated as stakes races.

(2.5) To provide an award to the owner or owners of an Illinois conceived and foaled or Illinois foaled horse that wins a maiden special weight, an allowance, overnight handicap race, or claiming race with claiming price of \$10,000 or more providing the race is not restricted to Illinois conceived and foaled or Illinois foaled horses. Awards shall also be provided to the owner or owners of Illinois conceived and foaled and Illinois foaled horses that place second or third in those races. To the extent that additional moneys are required to pay the minimum additional awards of 40% of the purse the horse earns for placing first, second or third in those races for Illinois foaled horses and of 60% of the purse the horse earns for placing first, second or third in those races for Illinois conceived and foaled horses, those moneys shall be provided from the purse account at the track where earned.

(3) To provide stallion awards to the owner or owners of any stallion that is duly registered with the Illinois Thoroughbred Breeders Fund Program ~~prior to the effective date of this amendatory Act of 1995~~ whose duly registered Illinois conceived and foaled offspring wins a race conducted at an Illinois thoroughbred racing meeting other than a claiming race, provided that the stallion stood service within Illinois at the time the offspring was

~~conceived and that the stallion did not stand for service outside of Illinois at any time during the year in which the offspring was conceived. Such award shall not be paid to the owner or owners of an Illinois stallion that served outside this State at any time during the calendar year in which such race was conducted.~~

(4) To provide \$75,000 annually for purses to be distributed to county fairs that provide for the running of races during each county fair exclusively for the thoroughbreds conceived and foaled in Illinois. The conditions of the races shall be developed by the county fair association and reviewed by the Department with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board. There shall be no wagering of any kind on the running of Illinois conceived and foaled races at county fairs.

(4.1) To provide purse money for an Illinois stallion stakes program.

(5) No less than 90% ~~80%~~ of all monies expended ~~appropriated~~ from the Illinois Thoroughbred Breeders Fund shall be expended for the purposes in (1), (2), (2.5), (3), (4), (4.1), and (5) as shown above.

(6) To provide for educational programs regarding the thoroughbred breeding industry.

(7) To provide for research programs concerning the health, development and care of the thoroughbred horse.

(8) To provide for a scholarship and training program for students of equine veterinary medicine.

(9) To provide for dissemination of public information designed to promote the breeding of thoroughbred horses in Illinois.

(10) To provide for all expenses incurred in the administration of the Illinois Thoroughbred Breeders Fund.

(h) The Illinois Thoroughbred Breeders Fund is not subject to administrative charges or chargebacks, including, but not limited to, those authorized under Section 8h of the State Finance Act. Whenever the Governor finds that the amount in the Illinois Thoroughbred Breeders Fund is more than the total of the outstanding appropriations from such fund, the Governor shall notify the State Comptroller and the State Treasurer of such fact. The Comptroller and the State Treasurer, upon receipt of such notification, shall transfer such excess amount from the Illinois Thoroughbred Breeders Fund to the General Revenue Fund.

(i) A sum equal to 13% of the first prize money of every purse won by an Illinois foaled or Illinois conceived and foaled horse in races not limited to Illinois foaled horses or Illinois conceived and foaled horses, or both, shall be paid by the organization licensee conducting the horse race meeting. Such sum shall be paid 50% from the organization licensee's share of the money wagered and 50% from the purse account as follows: 11 1/2% to the breeder of the winning horse and 1 1/2%

to the organization representing thoroughbred breeders and owners who representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, ensuring their distribution in accordance with this Act, and servicing and promoting the Illinois thoroughbred horse racing industry. Beginning in the calendar year in which an organization licensee that is eligible to receive payments under paragraph (13) of subsection (g) of Section 26 of this Act begins to receive funds from gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, a sum equal to 21 1/2% of the first prize money of every purse won by an Illinois foaled or an Illinois conceived and foaled horse in races not limited to an Illinois conceived and foaled horse, or both, shall be paid 30% from the organization licensee's account and 70% from the purse account as follows: 20% to the breeder of the winning horse and 1 1/2% to the organization representing thoroughbred breeders and owners whose representatives serve on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, ensuring their distribution in accordance with this Act, and servicing and promoting the Illinois Thoroughbred racing industry. A sum equal to 12 1/2% of the first prize money of every purse won by an Illinois foaled or an Illinois conceived and foaled horse in races not limited to Illinois foaled horses or Illinois conceived and foaled horses, or both, shall be paid by the

~~organization licensee conducting the horse race meeting. Such sum shall be paid from the organization licensee's share of the money wagered as follows: 11 1/2% to the breeder of the winning horse and 1% to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, assuring their distribution in accordance with this Act, and servicing and promoting the Illinois thoroughbred horse racing industry.~~ The organization representing thoroughbred breeders and owners shall cause all expenditures of monies received under this subsection (i) to be audited at least annually by a registered public accountant. The organization shall file copies of each annual audit with the Racing Board, the Clerk of the House of Representatives and the Secretary of the Senate, and shall make copies of each annual audit available to the public upon request and upon payment of the reasonable cost of photocopying the requested number of copies. Such payments shall not reduce any award to the owner of the horse or reduce the taxes payable under this Act. Upon completion of its racing meet, each organization licensee shall deliver to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board a listing of all the Illinois foaled and the Illinois conceived and foaled horses which won breeders' awards and the amount of such breeders' awards under this

subsection to verify accuracy of payments and assure proper distribution of breeders' awards in accordance with the provisions of this Act. Such payments shall be delivered by the organization licensee within 30 days of the end of each race meeting.

(j) A sum equal to 13% of the first prize money won in every race limited to Illinois foaled horses or Illinois conceived and foaled horses, or both, shall be paid in the following manner by the organization licensee conducting the horse race meeting, 50% from the organization licensee's share of the money wagered and 50% from the purse account as follows: 11 1/2% to the breeders of the horses in each such race which are the official first, second, third, and fourth finishers and 1 1/2% to the organization representing thoroughbred breeders and owners whose representatives serve on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, ensuring their proper distribution in accordance with this Act, and servicing and promoting the Illinois horse racing industry. Beginning in the calendar year in which an organization licensee that is eligible to receive payments under paragraph (13) of subsection (g) of Section 26 of this Act begins to receive funds from gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, a sum of 21 1/2% of every purse in a race limited to Illinois foaled horses or Illinois conceived and foaled horses, or both, shall be paid by the organization

licensee conducting the horse race meeting. Such sum shall be paid 30% from the organization licensee's account and 70% from the purse account as follows: 20% to the breeders of the horses in each such race who are official first, second, third and fourth finishers and 1 1/2% to the organization representing thoroughbred breeders and owners whose representatives serve on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, ensuring their proper distribution in accordance with this Act, and servicing and promoting the Illinois thoroughbred horse racing industry. The organization representing thoroughbred breeders and owners shall cause all expenditures of moneys received under this subsection (j) to be audited at least annually by a registered public accountant. The organization shall file copies of each annual audit with the Racing Board, the Clerk of the House of Representatives and the Secretary of the Senate, and shall make copies of each annual audit available to the public upon request and upon payment of the reasonable cost of photocopying the requested number of copies. The copies of the audit to the General Assembly shall be filed with the Clerk of the House of Representatives and the Secretary of the Senate in electronic form only, in the manner that the Clerk and the Secretary shall direct. A sum equal to 12 1/2% of the first prize money won in each race limited to Illinois foaled horses or Illinois conceived and foaled horses, or both, shall be paid in the following manner by the organization licensee conducting

~~the horse race meeting, from the organization licensee's share of the money wagered: 11 1/2% to the breeders of the horses in each such race which are the official first, second, third and fourth finishers and 1% to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, assuring their proper distribution in accordance with this Act, and servicing and promoting the Illinois thoroughbred horse racing industry. The organization representing thoroughbred breeders and owners shall cause all expenditures of monies received under this subsection (j) to be audited at least annually by a registered public accountant. The organization shall file copies of each annual audit with the Racing Board, the Clerk of the House of Representatives and the Secretary of the Senate, and shall make copies of each annual audit available to the public upon request and upon payment of the reasonable cost of photocopying the requested number of copies.~~

The amounts ~~11 1/2%~~ paid to the breeders in accordance with this subsection shall be distributed as follows:

- (1) 60% of such sum shall be paid to the breeder of the horse which finishes in the official first position;
- (2) 20% of such sum shall be paid to the breeder of the horse which finishes in the official second position;
- (3) 15% of such sum shall be paid to the breeder of the horse which finishes in the official third position; and

(4) 5% of such sum shall be paid to the breeder of the horse which finishes in the official fourth position.

Such payments shall not reduce any award to the owners of a horse or reduce the taxes payable under this Act. Upon completion of its racing meet, each organization licensee shall deliver to the organization representing thoroughbred breeders and owners whose representative serves on the Illinois Thoroughbred Breeders Fund Advisory Board a listing of all the Illinois foaled and the Illinois conceived and foaled horses which won breeders' awards and the amount of such breeders' awards in accordance with the provisions of this Act. Such payments shall be delivered by the organization licensee within 30 days of the end of each race meeting.

(k) The term "breeder", as used herein, means the owner of the mare at the time the foal is dropped. An "Illinois foaled horse" is a foal dropped by a mare which enters this State on or before December 1, in the year in which the horse is bred, provided the mare remains continuously in this State until its foal is born. An "Illinois foaled horse" also means a foal born of a mare in the same year as the mare enters this State on or before March 1, and remains in this State at least 30 days after foaling, is bred back during the season of the foaling to an Illinois Registered Stallion (unless a veterinarian certifies that the mare should not be bred for health reasons), and is not bred to a stallion standing in any other state during the season of foaling. An "Illinois foaled horse" also

means a foal born in Illinois of a mare purchased at public auction subsequent to the mare entering this State on or before March 1 ~~prior to February 1~~ of the foaling year providing the mare is owned solely by one or more Illinois residents or an Illinois entity that is entirely owned by one or more Illinois residents.

(1) The Department of Agriculture shall, by rule, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board:

(1) Qualify stallions for Illinois breeding; such stallions to stand for service within the State of Illinois at the time of a foal's conception. Such stallion must not stand for service at any place outside the State of Illinois during the calendar year in which the foal is conceived. The Department of Agriculture may assess and collect an application fee of up to \$500 ~~fees~~ for the registration of Illinois-eligible stallions. All fees collected are to be held in trust accounts for the purposes set forth in this Act and in accordance with Section 205-15 of the Department of Agriculture Law ~~paid into the Illinois Thoroughbred Breeders Fund.~~

(2) Provide for the registration of Illinois conceived and foaled horses and Illinois foaled horses. No such horse shall compete in the races limited to Illinois conceived and foaled horses or Illinois foaled horses or both unless registered with the Department of Agriculture. The

Department of Agriculture may prescribe such forms as are necessary to determine the eligibility of such horses. The Department of Agriculture may assess and collect application fees for the registration of Illinois-eligible foals. All fees collected are to be held in trust accounts for the purposes set forth in this Act and in accordance with Section 205-15 of the Department of Agriculture Law ~~paid into the Illinois Thoroughbred Breeders Fund~~. No person shall knowingly prepare or cause preparation of an application for registration of such foals containing false information.

(m) The Department of Agriculture, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board, shall provide that certain races limited to Illinois conceived and foaled and Illinois foaled horses be stakes races and determine the total amount of stakes and awards to be paid to the owners of the winning horses in such races.

In determining the stakes races and the amount of awards for such races, the Department of Agriculture shall consider factors, including but not limited to, the amount of money appropriated for the Illinois Thoroughbred Breeders Fund program, organization licensees' contributions, availability of stakes caliber horses as demonstrated by past performances, whether the race can be coordinated into the proposed racing dates within organization licensees' racing dates, opportunity for colts and fillies and various age groups to race, public

wagering on such races, and the previous racing schedule.

(n) The Board and the organization ~~organizational~~ licensee shall notify the Department of the conditions and minimum purses for races limited to Illinois conceived and foaled and Illinois foaled horses conducted for each organization ~~organizational~~ licensee conducting a thoroughbred racing meeting. The Department of Agriculture with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board may allocate monies for purse supplements for such races. In determining whether to allocate money and the amount, the Department of Agriculture shall consider factors, including but not limited to, the amount of money appropriated for the Illinois Thoroughbred Breeders Fund program, the number of races that may occur, and the organization ~~organizational~~ licensee's purse structure.

(o) (Blank).

(Source: P.A. 98-692, eff. 7-1-14.)

(230 ILCS 5/30.5)

Sec. 30.5. Illinois Racing Quarter Horse Breeders Fund.

(a) The General Assembly declares that it is the policy of this State to encourage the breeding of racing quarter horses in this State and the ownership of such horses by residents of this State in order to provide for sufficient numbers of high quality racing quarter horses in this State and to establish and preserve the agricultural and commercial benefits of such

breeding and racing industries to the State of Illinois. It is the intent of the General Assembly to further this policy by the provisions of this Act.

(b) There is hereby created a special fund in the State Treasury to be known as the Illinois Racing Quarter Horse Breeders Fund. Except as provided in subsection (g) of Section 27 of this Act, 8.5% of all the moneys received by the State as pari-mutuel taxes on quarter horse racing shall be paid into the Illinois Racing Quarter Horse Breeders Fund. The Illinois Racing Quarter Horse Breeders Fund shall not be subject to administrative charges or chargebacks, including, but not limited to, those authorized under Section 8h of the State Finance Act.

(c) The Illinois Racing Quarter Horse Breeders Fund shall be administered by the Department of Agriculture with the advice and assistance of the Advisory Board created in subsection (d) of this Section.

(d) The Illinois Racing Quarter Horse Breeders Fund Advisory Board shall consist of the Director of the Department of Agriculture, who shall serve as Chairman; a member of the Illinois Racing Board, designated by it; one representative of the organization licensees conducting pari-mutuel quarter horse racing meetings, recommended by them; 2 representatives of the Illinois Running Quarter Horse Association, recommended by it; and the Superintendent of Fairs and Promotions from the Department of Agriculture. Advisory Board members shall serve

for 2 years commencing January 1 of each odd numbered year. If representatives have not been recommended by January 1 of each odd numbered year, the Director of the Department of Agriculture may make an appointment for the organization failing to so recommend a member of the Advisory Board. Advisory Board members shall receive no compensation for their services as members but may be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of their official duties.

(e) Moneys in ~~No moneys shall be expended from the Illinois Racing Quarter Horse Breeders Fund except as appropriated by the General Assembly. Moneys appropriated from the Illinois Racing Quarter Horse Breeders Fund shall be expended by the Department of Agriculture, with the advice and assistance of the Illinois Racing Quarter Horse Breeders Fund Advisory Board, for the following purposes only:~~

(1) To provide stakes and awards to be paid to the owners of the winning horses in certain races. This provision is limited to Illinois conceived and foaled horses.

(2) To provide an award to the owner or owners of an Illinois conceived and foaled horse that wins a race when pari-mutuel wagering is conducted; providing the race is not restricted to Illinois conceived and foaled horses.

(3) To provide purse money for an Illinois stallion stakes program.

(4) To provide for purses to be distributed for the running of races during the Illinois State Fair and the DuQuoin State Fair exclusively for quarter horses conceived and foaled in Illinois.

(5) To provide for purses to be distributed for the running of races at Illinois county fairs exclusively for quarter horses conceived and foaled in Illinois.

(6) To provide for purses to be distributed for running races exclusively for quarter horses conceived and foaled in Illinois at locations in Illinois determined by the Department of Agriculture with advice and consent of the Illinois Racing Quarter Horse Breeders Fund Advisory Board.

(7) No less than 90% of all moneys appropriated from the Illinois Racing Quarter Horse Breeders Fund shall be expended for the purposes in items (1), (2), (3), (4), and (5) of this subsection (e).

(8) To provide for research programs concerning the health, development, and care of racing quarter horses.

(9) To provide for dissemination of public information designed to promote the breeding of racing quarter horses in Illinois.

(10) To provide for expenses incurred in the administration of the Illinois Racing Quarter Horse Breeders Fund.

(f) The Department of Agriculture shall, by rule, with the

advice and assistance of the Illinois Racing Quarter Horse Breeders Fund Advisory Board:

(1) Qualify stallions for Illinois breeding; such stallions to stand for service within the State of Illinois, at the time of a foal's conception. Such stallion must not stand for service at any place outside the State of Illinois during the calendar year in which the foal is conceived. The Department of Agriculture may assess and collect application fees for the registration of Illinois-eligible stallions. All fees collected are to be paid into the Illinois Racing Quarter Horse Breeders Fund.

(2) Provide for the registration of Illinois conceived and foaled horses. No such horse shall compete in the races limited to Illinois conceived and foaled horses unless it is registered with the Department of Agriculture. The Department of Agriculture may prescribe such forms as are necessary to determine the eligibility of such horses. The Department of Agriculture may assess and collect application fees for the registration of Illinois-eligible foals. All fees collected are to be paid into the Illinois Racing Quarter Horse Breeders Fund. No person shall knowingly prepare or cause preparation of an application for registration of such foals that contains false information.

(g) The Department of Agriculture, with the advice and assistance of the Illinois Racing Quarter Horse Breeders Fund

Advisory Board, shall provide that certain races limited to Illinois conceived and foaled be stakes races and determine the total amount of stakes and awards to be paid to the owners of the winning horses in such races.

(Source: P.A. 98-463, eff. 8-16-13.)

(230 ILCS 5/31) (from Ch. 8, par. 37-31)

Sec. 31. (a) The General Assembly declares that it is the policy of this State to encourage the breeding of standardbred horses in this State and the ownership of such horses by residents of this State in order to provide for: sufficient numbers of high quality standardbred horses to participate in harness racing meetings in this State, and to establish and preserve the agricultural and commercial benefits of such breeding and racing industries to the State of Illinois. It is the intent of the General Assembly to further this policy by the provisions of this Section of this Act.

(b) Each organization licensee conducting a harness racing meeting pursuant to this Act shall provide for at least two races each race program limited to Illinois conceived and foaled horses. A minimum of 6 races shall be conducted each week limited to Illinois conceived and foaled horses. No horses shall be permitted to start in such races unless duly registered under the rules of the Department of Agriculture.

(b-5) Organization licensees, not including the Illinois State Fair or the DuQuoin State Fair, shall provide stake races

and early closer races for Illinois conceived and foaled horses so that purses distributed for such races shall be no less than 17% of total purses distributed for harness racing in that calendar year in addition to any stakes payments and starting fees contributed by horse owners.

(b-10) Each organization licensee conducting a harness racing meeting pursuant to this Act shall provide an owner award to be paid from the purse account equal to 12% of the amount earned by Illinois conceived and foaled horses finishing in the first 3 positions in races that are not restricted to Illinois conceived and foaled horses. The owner awards shall not be paid on races below the \$10,000 claiming class.

(c) Conditions of races under subsection (b) shall be commensurate with past performance, quality and class of Illinois conceived and foaled horses available. If, however, sufficient competition cannot be had among horses of that class on any day, the races may, with consent of the Board, be eliminated for that day and substitute races provided.

(d) There is hereby created a special fund of the State Treasury to be known as the Illinois Standardbred Breeders Fund. Beginning on the effective date of this amendatory Act of the 101st General Assembly, the Illinois Standardbred Breeders Fund shall become a non-appropriated trust fund held separate and apart from State moneys. Expenditures from this Fund shall no longer be subject to appropriation.

During the calendar year 1981, and each year thereafter,

except as provided in subsection (g) of Section 27 of this Act, eight and one-half per cent of all the monies received by the State as privilege taxes on harness racing meetings shall be paid into the Illinois Standardbred Breeders Fund.

(e) Notwithstanding any provision of law to the contrary, amounts deposited into the Illinois Standardbred Breeders Fund from revenues generated by gaming pursuant to an organization gaming license issued under the Illinois Gambling Act after the effective date of this amendatory Act of the 101st General Assembly shall be in addition to tax and fee amounts paid under this Section for calendar year 2019 and thereafter. The Illinois Standardbred Breeders Fund shall be administered by the Department of Agriculture with the assistance and advice of the Advisory Board created in subsection (f) of this Section.

(f) The Illinois Standardbred Breeders Fund Advisory Board is hereby created. The Advisory Board shall consist of the Director of the Department of Agriculture, who shall serve as Chairman; the Superintendent of the Illinois State Fair; a member of the Illinois Racing Board, designated by it; a representative of the largest association of Illinois standardbred owners and breeders, recommended by it; a representative of a statewide association representing agricultural fairs in Illinois, recommended by it, such representative to be from a fair at which Illinois conceived and foaled racing is conducted; a representative of the organization licensees conducting harness racing meetings,

recommended by them; a representative of the Breeder's Committee of the association representing the largest number of standardbred owners, breeders, trainers, caretakers, and drivers, recommended by it; and a representative of the association representing the largest number of standardbred owners, breeders, trainers, caretakers, and drivers, recommended by it. Advisory Board members shall serve for 2 years commencing January 1 of each odd numbered year. If representatives of the largest association of Illinois standardbred owners and breeders, a statewide association of agricultural fairs in Illinois, the association representing the largest number of standardbred owners, breeders, trainers, caretakers, and drivers, a member of the Breeder's Committee of the association representing the largest number of standardbred owners, breeders, trainers, caretakers, and drivers, and the organization licensees conducting harness racing meetings have not been recommended by January 1 of each odd numbered year, the Director of the Department of Agriculture shall make an appointment for the organization failing to so recommend a member of the Advisory Board. Advisory Board members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of their official duties.

(g) ~~No monies shall be expended from the Illinois Standardbred Breeders Fund except as appropriated by the~~

~~General Assembly.~~ Monies expended ~~appropriated~~ from the Illinois Standardbred Breeders Fund shall be expended by the Department of Agriculture, with the assistance and advice of the Illinois Standardbred Breeders Fund Advisory Board for the following purposes only:

1. To provide purses for races limited to Illinois conceived and foaled horses at the State Fair and the DuQuoin State Fair.

2. To provide purses for races limited to Illinois conceived and foaled horses at county fairs.

3. To provide purse supplements for races limited to Illinois conceived and foaled horses conducted by associations conducting harness racing meetings.

4. No less than 75% of all monies in the Illinois Standardbred Breeders Fund shall be expended for purses in 1, 2 and 3 as shown above.

5. In the discretion of the Department of Agriculture to provide awards to harness breeders of Illinois conceived and foaled horses which win races conducted by organization licensees conducting harness racing meetings. A breeder is the owner of a mare at the time of conception. No more than 10% of all monies appropriated from the Illinois Standardbred Breeders Fund shall be expended for such harness breeders awards. No more than 25% of the amount expended for harness breeders awards shall be expended for expenses incurred in the administration of such harness

breeders awards.

6. To pay for the improvement of racing facilities located at the State Fair and County fairs.

7. To pay the expenses incurred in the administration of the Illinois Standardbred Breeders Fund.

8. To promote the sport of harness racing, including grants up to a maximum of \$7,500 per fair per year for conducting pari-mutuel wagering during the advertised dates of a county fair.

9. To pay up to \$50,000 annually for the Department of Agriculture to conduct drug testing at county fairs racing standardbred horses.

(h) The Illinois Standardbred Breeders Fund is not subject to administrative charges or chargebacks, including, but not limited to, those authorized under Section 8h of the State Finance Act. ~~Whenever the Governor finds that the amount in the Illinois Standardbred Breeders Fund is more than the total of the outstanding appropriations from such fund, the Governor shall notify the State Comptroller and the State Treasurer of such fact. The Comptroller and the State Treasurer, upon receipt of such notification, shall transfer such excess amount from the Illinois Standardbred Breeders Fund to the General Revenue Fund.~~

(i) A sum equal to 13% ~~12-1/2%~~ of the first prize money of the gross ~~every~~ purse won by an Illinois conceived and foaled horse shall be paid 50% by the organization licensee conducting

the horse race meeting to the breeder of such winning horse from the organization licensee's account and 50% from the purse account of the licensee ~~share of the money wagered~~. Such payment shall not reduce any award to the owner of the horse or reduce the taxes payable under this Act. Such payment shall be delivered by the organization licensee at the end of each quarter ~~race meeting~~.

(j) The Department of Agriculture shall, by rule, with the assistance and advice of the Illinois Standardbred Breeders Fund Advisory Board:

1. Qualify stallions for Illinois Standardbred Breeders Fund breeding; such stallion shall be owned by a resident of the State of Illinois or by an Illinois corporation all of whose shareholders, directors, officers and incorporators are residents of the State of Illinois. Such stallion shall stand for service at and within the State of Illinois at the time of a foal's conception, and such stallion must not stand for service at any place, nor may semen from such stallion be transported, outside the State of Illinois during that calendar year in which the foal is conceived and that the owner of the stallion was for the 12 months prior, a resident of Illinois. However, from January 1, 2018 until January 1, 2022, semen from an Illinois stallion may be transported outside the State of Illinois. The articles of agreement of any partnership, joint venture, limited partnership, syndicate, association

or corporation and any bylaws and stock certificates must contain a restriction that provides that the ownership or transfer of interest by any one of the persons a party to the agreement can only be made to a person who qualifies as an Illinois resident.

2. Provide for the registration of Illinois conceived and foaled horses and no such horse shall compete in the races limited to Illinois conceived and foaled horses unless registered with the Department of Agriculture. The Department of Agriculture may prescribe such forms as may be necessary to determine the eligibility of such horses. No person shall knowingly prepare or cause preparation of an application for registration of such foals containing false information. A mare (dam) must be in the State at least 30 days prior to foaling or remain in the State at least 30 days at the time of foaling. However, the requirement that a mare (dam) must be in the State at least 30 days before foaling or remain in the State at least 30 days at the time of foaling shall not be in effect from January 1, 2018 until January 1, 2022. Beginning with the 1996 breeding season and for foals of 1997 and thereafter, a foal conceived by transported semen may be eligible for Illinois conceived and foaled registration provided all breeding and foaling requirements are met. The stallion must be qualified for Illinois Standardbred Breeders Fund breeding at the time of conception and the mare must be

inseminated within the State of Illinois. The foal must be dropped in Illinois and properly registered with the Department of Agriculture in accordance with this Act. However, from January 1, 2018 until January 1, 2022, the requirement for a mare to be inseminated within the State of Illinois and the requirement for a foal to be dropped in Illinois are inapplicable.

3. Provide that at least a 5 day racing program shall be conducted at the State Fair each year, which program shall include at least the following races limited to Illinois conceived and foaled horses: (a) a two year old Trot and Pace, and Filly Division of each; (b) a three year old Trot and Pace, and Filly Division of each; (c) an aged Trot and Pace, and Mare Division of each.

4. Provide for the payment of nominating, sustaining and starting fees for races promoting the sport of harness racing and for the races to be conducted at the State Fair as provided in subsection (j) 3 of this Section provided that the nominating, sustaining and starting payment required from an entrant shall not exceed 2% of the purse of such race. All nominating, sustaining and starting payments shall be held for the benefit of entrants and shall be paid out as part of the respective purses for such races. Nominating, sustaining and starting fees shall be held in trust accounts for the purposes as set forth in this Act and in accordance with Section 205-15 of the

Department of Agriculture Law ~~(20 ILCS 205/205-15)~~.

5. Provide for the registration with the Department of Agriculture of Colt Associations or county fairs desiring to sponsor races at county fairs.

6. Provide for the promotion of producing standardbred racehorses by providing a bonus award program for owners of 2-year-old horses that win multiple major stakes races that are limited to Illinois conceived and foaled horses.

(k) The Department of Agriculture, with the advice and assistance of the Illinois Standardbred Breeders Fund Advisory Board, may allocate monies for purse supplements for such races. In determining whether to allocate money and the amount, the Department of Agriculture shall consider factors, including but not limited to, the amount of money appropriated for the Illinois Standardbred Breeders Fund program, the number of races that may occur, and an organization ~~organizational~~ licensee's purse structure. The organization ~~organizational~~ licensee shall notify the Department of Agriculture of the conditions and minimum purses for races limited to Illinois conceived and foaled horses to be conducted by each organization ~~organizational~~ licensee conducting a harness racing meeting for which purse supplements have been negotiated.

(l) All races held at county fairs and the State Fair which receive funds from the Illinois Standardbred Breeders Fund shall be conducted in accordance with the rules of the United

States Trotting Association unless otherwise modified by the Department of Agriculture.

(m) At all standardbred race meetings held or conducted under authority of a license granted by the Board, and at all standardbred races held at county fairs which are approved by the Department of Agriculture or at the Illinois or DuQuoin State Fairs, no one shall jog, train, warm up or drive a standardbred horse unless he or she is wearing a protective safety helmet, with the chin strap fastened and in place, which meets the standards and requirements as set forth in the 1984 Standard for Protective Headgear for Use in Harness Racing and Other Equestrian Sports published by the Snell Memorial Foundation, or any standards and requirements for headgear the Illinois Racing Board may approve. Any other standards and requirements so approved by the Board shall equal or exceed those published by the Snell Memorial Foundation. Any equestrian helmet bearing the Snell label shall be deemed to have met those standards and requirements.

(Source: P.A. 99-756, eff. 8-12-16; 100-777, eff. 8-10-18.)

(230 ILCS 5/31.1) (from Ch. 8, par. 37-31.1)

Sec. 31.1. (a) Unless subsection (a-5) applies,
organization ~~Organization~~ licensees collectively shall contribute annually to charity the sum of \$750,000 to non-profit organizations that provide medical and family, counseling, and similar services to persons who reside or work

on the backstretch of Illinois racetracks. Unless subsection (a-5) applies, these ~~These~~ contributions shall be collected as follows: (i) no later than July 1st of each year the Board shall assess each organization licensee, except those tracks located in Madison County, ~~which are not within 100 miles of each other~~ which tracks shall pay \$30,000 annually apiece into the Board charity fund, that amount which equals \$690,000 multiplied by the amount of pari-mutuel wagering handled by the organization licensee in the year preceding assessment and divided by the total pari-mutuel wagering handled by all Illinois organization licensees, except those tracks located in Madison and Rock Island counties ~~which are not within 100 miles of each other~~, in the year preceding assessment; (ii) notice of the assessed contribution shall be mailed to each organization licensee; (iii) within thirty days of its receipt of such notice, each organization licensee shall remit the assessed contribution to the Board. Unless subsection (a-5) applies, if an organization licensee commences operation of gaming at its facility pursuant to an organization gaming license under the Illinois Gambling Act, then the organization licensee shall contribute an additional \$83,000 per year beginning in the year subsequent to the first year in which the organization licensee begins receiving funds from gaming pursuant to an organization gaming license. If an organization licensee wilfully fails to so remit the contribution, the Board may revoke its license to conduct horse racing.

(a-5) If (1) an organization licensee that did not operate live racing in 2017 is awarded racing dates in 2018 or in any subsequent year and (2) all organization licensees are operating gaming pursuant to an organization gaming license under the Illinois Gambling Act, then subsection (a) does not apply and organization licensees collectively shall contribute annually to charity the sum of \$1,000,000 to non-profit organizations that provide medical and family, counseling, and similar services to persons who reside or work on the backstretch of Illinois racetracks. These contributions shall be collected as follows: (i) no later than July 1st of each year the Board shall assess each organization licensee an amount based on the proportionate amount of live racing days in the calendar year for which the Board has awarded to the organization licensee out of the total aggregate number of live racing days awarded; (ii) notice of the assessed contribution shall be mailed to each organization licensee; (iii) within 30 days after its receipt of such notice, each organization licensee shall remit the assessed contribution to the Board. If an organization licensee willfully fails to so remit the contribution, the Board may revoke its license to conduct horse racing.

(b) No later than October 1st of each year, any qualified charitable organization seeking an allotment of contributed funds shall submit to the Board an application for those funds, using the Board's approved form. No later than December 31st of

each year, the Board shall distribute all such amounts collected that year to such charitable organization applicants.

(Source: P.A. 87-110.)

(230 ILCS 5/32.1)

Sec. 32.1. Pari-mutuel tax credit; statewide racetrack real estate equalization.

(a) In order to encourage new investment in Illinois racetrack facilities and mitigate differing real estate tax burdens among all racetracks, the licensees affiliated or associated with each racetrack that has been awarded live racing dates in the current year shall receive an immediate pari-mutuel tax credit in an amount equal to the greater of (i) 50% of the amount of the real estate taxes paid in the prior year attributable to that racetrack, or (ii) the amount by which the real estate taxes paid in the prior year attributable to that racetrack exceeds 60% of the average real estate taxes paid in the prior year for all racetracks awarded live horse racing meets in the current year.

Each year, regardless of whether the organization licensee conducted live racing in the year of certification, the Board shall certify in writing, prior to December 31, the real estate taxes paid in that year for each racetrack and the amount of the pari-mutuel tax credit that each organization licensee, inter-track wagering licensee, and inter-track wagering

location licensee that derives its license from such racetrack is entitled in the succeeding calendar year. The real estate taxes considered under this Section for any racetrack shall be those taxes on the real estate parcels and related facilities used to conduct a horse race meeting and inter-track wagering at such racetrack under this Act. In no event shall the amount of the tax credit under this Section exceed the amount of pari-mutuel taxes otherwise calculated under this Act. The amount of the tax credit under this Section shall be retained by each licensee and shall not be subject to any reallocation or further distribution under this Act. The Board may promulgate emergency rules to implement this Section.

(b) If the organization licensee is operating gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, except the organization licensee described in Section 19.5, then, for the 5-year period beginning on the January 1 of the calendar year immediately following the calendar year during which an organization licensee begins conducting gaming operations pursuant to an organization gaming license issued under the Illinois Gambling Act, the organization licensee shall make capital expenditures, in an amount equal to no less than 50% of the tax credit under this Section, to the improvement and maintenance of the backstretch, including, but not limited to, backstretch barns, dormitories, and services for backstretch workers. Those capital expenditures must be in addition to, and not in

lieu of, the capital expenditures made for backstretch improvements in calendar year 2015, as reported to the Board in the organization licensee's application for racing dates and as certified by the Board. The organization licensee is required to annually submit the list and amounts of these capital expenditures to the Board by January 30th of the year following the expenditure.

(c) If the organization licensee is conducting gaming in accordance with paragraph (b), then, after the 5-year period beginning on January 1 of the calendar year immediately following the calendar year during which an organization licensee begins conducting gaming operations pursuant to an organization gaming license issued under the Illinois Gambling Act, the organization license is ineligible to receive a tax credit under this Section.

(Source: P.A. 100-201, eff. 8-18-17.)

(230 ILCS 5/34.3 new)

Sec. 34.3. Drug testing. The Illinois Racing Board and the Department of Agriculture shall jointly establish a program for the purpose of conducting drug testing of horses at county fairs and shall adopt any rules necessary for enforcement of the program. The rules shall include appropriate penalties for violations.

(230 ILCS 5/36) (from Ch. 8, par. 37-36)

Sec. 36. (a) Whoever administers or conspires to administer to any horse a hypnotic, narcotic, stimulant, depressant or any chemical substance which may affect the speed of a horse at any time in any race where the purse or any part of the purse is made of money authorized by any Section of this Act, except those chemical substances permitted by ruling of the Board, internally, externally or by hypodermic method in a race or prior thereto, or whoever knowingly enters a horse in any race within a period of 24 hours after any hypnotic, narcotic, stimulant, depressant or any other chemical substance which may affect the speed of a horse at any time, except those chemical substances permitted by ruling of the Board, has been administered to such horse either internally or externally or by hypodermic method for the purpose of increasing or retarding the speed of such horse shall be guilty of a Class 4 felony. The Board shall suspend or revoke such violator's license.

(b) The term "hypnotic" as used in this Section includes all barbituric acid preparations and derivatives.

(c) The term "narcotic" as used in this Section includes opium and all its alkaloids, salts, preparations and derivatives, cocaine and all its salts, preparations and derivatives and substitutes.

(d) The provisions of this Section and the treatment authorized in this Section apply to horses entered in and competing in race meetings as defined in Section 3.07 of this Act and to horses entered in and competing at any county fair.

(Source: P.A. 79-1185.)

(230 ILCS 5/40) (from Ch. 8, par. 37-40)

Sec. 40. (a) The imposition of any fine or penalty provided in this Act shall not preclude the Board in its rules and regulations from imposing a fine or penalty for any other action which, in the Board's discretion, is a detriment or impediment to horse racing.

(b) The Director of Agriculture or his or her authorized representative shall impose the following monetary penalties and hold administrative hearings as required for failure to submit the following applications, lists, or reports within the time period, date or manner required by statute or rule or for removing a foal from Illinois prior to inspection:

(1) late filing of a renewal application for offering or standing stallion for service:

(A) if an application is submitted no more than 30 days late, \$50;

(B) if an application is submitted no more than 45 days late, \$150; or

(C) if an application is submitted more than 45 days late, if filing of the application is allowed under an administrative hearing, \$250;

(2) late filing of list or report of mares bred:

(A) if a list or report is submitted no more than 30 days late, \$50;

(B) if a list or report is submitted no more than 60 days late, \$150; or

(C) if a list or report is submitted more than 60 days late, if filing of the list or report is allowed under an administrative hearing, \$250;

(3) filing an Illinois foaled thoroughbred mare status report after the statutory deadline as provided in subsection (k) of Section 30 of this Act ~~December 31:~~

(A) if a report is submitted no more than 30 days late, \$50;

(B) if a report is submitted no more than 90 days late, \$150;

(C) if a report is submitted no more than 150 days late, \$250; or

(D) if a report is submitted more than 150 days late, if filing of the report is allowed under an administrative hearing, \$500;

(4) late filing of application for foal eligibility certificate:

(A) if an application is submitted no more than 30 days late, \$50;

(B) if an application is submitted no more than 90 days late, \$150;

(C) if an application is submitted no more than 150 days late, \$250; or

(D) if an application is submitted more than 150

days late, if filing of the application is allowed under an administrative hearing, \$500;

(5) failure to report the intent to remove a foal from Illinois prior to inspection, identification and certification by a Department of Agriculture investigator, \$50; and

(6) if a list or report of mares bred is incomplete, \$50 per mare not included on the list or report.

Any person upon whom monetary penalties are imposed under this Section 3 times within a 5-year period shall have any further monetary penalties imposed at double the amounts set forth above. All monies assessed and collected for violations relating to thoroughbreds shall be paid into the Illinois Thoroughbred Breeders Fund. All monies assessed and collected for violations relating to standardbreds shall be paid into the Illinois Standardbred Breeders Fund.

(Source: P.A. 99-933, eff. 1-27-17; 100-201, eff. 8-18-17.)

(230 ILCS 5/54.75)

Sec. 54.75. Horse Racing Equity Trust Fund.

(a) There is created a Fund to be known as the Horse Racing Equity Trust Fund, which is a non-appropriated trust fund held separate and apart from State moneys. The Fund shall consist of moneys paid into it by owners licensees under the Illinois Riverboat ~~Riverboat~~ Gambling Act for the purposes described in this Section. The Fund shall be administered by the Board. Moneys in

the Fund shall be distributed as directed and certified by the Board in accordance with the provisions of subsection (b).

(b) The moneys deposited into the Fund, plus any accrued interest on those moneys, shall be distributed within 10 days after those moneys are deposited into the Fund as follows:

(1) Sixty percent of all moneys distributed under this subsection shall be distributed to organization licensees to be distributed at their race meetings as purses. Fifty-seven percent of the amount distributed under this paragraph (1) shall be distributed for thoroughbred race meetings and 43% shall be distributed for standardbred race meetings. Within each breed, moneys shall be allocated to each organization licensee's purse fund in accordance with the ratio between the purses generated for that breed by that licensee during the prior calendar year and the total purses generated throughout the State for that breed during the prior calendar year by licensees in the current calendar year.

(2) The remaining 40% of the moneys distributed under this subsection (b) shall be distributed as follows:

(A) 11% shall be distributed to any person (or its successors or assigns) who had operating control of a racetrack that conducted live racing in 2002 at a racetrack in a county with at least 230,000 inhabitants that borders the Mississippi River and is a licensee in the current year; and

(B) the remaining 89% shall be distributed pro rata according to the aggregate proportion of total handle from wagering on live races conducted in Illinois (irrespective of where the wagers are placed) for calendar years 2004 and 2005 to any person (or its successors or assigns) who (i) had majority operating control of a racing facility at which live racing was conducted in calendar year 2002, (ii) is a licensee in the current year, and (iii) is not eligible to receive moneys under subparagraph (A) of this paragraph (2).

The moneys received by an organization licensee under this paragraph (2) shall be used by each organization licensee to improve, maintain, market, and otherwise operate its racing facilities to conduct live racing, which shall include backstretch services and capital improvements related to live racing and the backstretch. Any organization licensees sharing common ownership may pool the moneys received and spent at all racing facilities commonly owned in order to meet these requirements.

If any person identified in this paragraph (2) becomes ineligible to receive moneys from the Fund, such amount shall be redistributed among the remaining persons in proportion to their percentages otherwise calculated.

(c) The Board shall monitor organization licensees to ensure that moneys paid to organization licensees under this

Section are distributed by the organization licensees as provided in subsection (b).

(Source: P.A. 95-1008, eff. 12-15-08.)

(230 ILCS 5/56 new)

Sec. 56. Gaming pursuant to an organization gaming license.

(a) A person, firm, corporation, partnership, or limited liability company having operating control of a racetrack may apply to the Gaming Board for an organization gaming license. An organization gaming license shall authorize its holder to conduct gaming on the grounds of the racetrack of which the organization gaming licensee has operating control. Only one organization gaming license may be awarded for any racetrack. A holder of an organization gaming license shall be subject to the Illinois Gambling Act and rules of the Illinois Gaming Board concerning gaming pursuant to an organization gaming license issued under the Illinois Gambling Act. If the person, firm, corporation, or limited liability company having operating control of a racetrack is found by the Illinois Gaming Board to be unsuitable for an organization gaming license under the Illinois Gambling Act and rules of the Gaming Board, that person, firm, corporation, or limited liability company shall not be granted an organization gaming license. Each license shall specify the number of gaming positions that its holder may operate.

An organization gaming licensee may not permit patrons

under 21 years of age to be present in its organization gaming facility, but the licensee may accept wagers on live racing and inter-track wagers at its organization gaming facility.

(b) For purposes of this subsection, "adjusted gross receipts" means an organization gaming licensee's gross receipts less winnings paid to wagerers and shall also include any amounts that would otherwise be deducted pursuant to subsection (a-9) of Section 13 of the Illinois Gambling Act. The adjusted gross receipts by an organization gaming licensee from gaming pursuant to an organization gaming license issued under the Illinois Gambling Act remaining after the payment of taxes under Section 13 of the Illinois Gambling Act shall be distributed as follows:

(1) Amounts shall be paid to the purse account at the track at which the organization licensee is conducting racing equal to the following:

12.75% of annual adjusted gross receipts up to and including \$93,000,000;

20% of annual adjusted gross receipts in excess of \$93,000,000 but not exceeding \$100,000,000;

26.5% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$125,000,000; and

20.5% of annual adjusted gross receipts in excess of \$125,000,000.

If 2 different breeds race at the same racetrack in the same calendar year, the purse moneys allocated under this

subsection (b) shall be divided pro rata based on live racing days awarded by the Board to that race track for each breed. However, the ratio may not exceed 60% for either breed, except if one breed is awarded fewer than 20 live racing days, in which case the purse moneys allocated shall be divided pro rata based on live racing days.

(2) The remainder shall be retained by the organization gaming licensee.

(c) Annually, from the purse account of an organization licensee racing thoroughbred horses in this State, except for in Madison County, an amount equal to 12% of the gaming receipts from gaming pursuant to an organization gaming license placed into the purse accounts shall be paid to the Illinois Thoroughbred Breeders Fund and shall be used for owner awards; a stallion program pursuant to paragraph (3) of subsection (g) of Section 30 of this Act; and Illinois conceived and foaled stakes races pursuant to paragraph (2) of subsection (g) of Section 30 of this Act, as specifically designated by the horsemen association representing the largest number of owners and trainers who race at the organization licensee's race meetings.

Annually, from the purse account of an organization licensee racing thoroughbred horses in Madison County, an amount equal to 10% of the gaming receipts from gaming pursuant to an organization gaming license placed into the purse accounts shall be paid to the Illinois Thoroughbred Breeders

Fund and shall be used for owner awards; a stallion program pursuant to paragraph (3) of subsection (g) of Section 30 of this Act; and Illinois conceived and foaled stakes races pursuant to paragraph (2) of subsection (g) of Section 30 of this Act, as specifically designated by the horsemen association representing the largest number of owners and trainers who race at the organization licensee's race meetings.

Annually, from the amounts generated for purses from all sources, including, but not limited to, amounts generated from wagering conducted by organization licensees, organization gaming licensees, inter-track wagering licensees, inter-track wagering locations licensees, and advance deposit wagering licensees, or an organization licensee to the purse account of an organization licensee conducting thoroughbred races at a track in Madison County, an amount equal to 10% of adjusted gross receipts as defined in subsection (b) of this Section shall be paid to the horsemen association representing the largest number of owners and trainers who race at the organization licensee's race meets, to be used to for operational expenses and may be also used for after care programs for retired thoroughbred race horses, backstretch laundry and kitchen facilities, a health insurance or retirement program, the Future Farmers of America, and such other programs.

Annually, from the purse account of organization licensees conducting thoroughbred races at racetracks in Cook County,

\$100,000 shall be paid for division and equal distribution to the animal sciences department of each Illinois public university system engaged in equine research and education on or before the effective date of this amendatory Act of the 101st General Assembly for equine research and education.

(d) Annually, from the purse account of an organization licensee racing standardbred horses, an amount equal to 15% of the gaming receipts from gaming pursuant to an organization gaming license placed into that purse account shall be paid to the Illinois Standardbred Breeders Fund. Moneys deposited into the Illinois Standardbred Breeders Fund shall be used for standardbred racing as authorized in paragraphs 1, 2, 3, 8, and 9 of subsection (g) of Section 31 of this Act and for bonus awards as authorized under paragraph 6 of subsection (j) of Section 31 of this Act.

Section 35-55. The Riverboat Gambling Act is amended by changing Sections 1, 2, 3, 4, 5, 5.1, 6, 7, 7.3, 7.5, 8, 9, 11, 11.1, 12, 13, 14, 15, 17, 17.1, 18, 18.1, 19, 20, and 24 and by adding Sections 5.3, 7.7, 7.8, 7.10, 7.11, 7.12, 7.13, 7.14, and 7.15 as follows:

(230 ILCS 10/1) (from Ch. 120, par. 2401)

Sec. 1. Short title. This Act shall be known and may be cited as the Illinois ~~Riverboat~~ Gambling Act.

(Source: P.A. 86-1029.)

(230 ILCS 10/2) (from Ch. 120, par. 2402)

Sec. 2. Legislative Intent.

(a) This Act is intended to benefit the people of the State of Illinois by assisting economic development, ~~and~~ promoting Illinois tourism, ~~and~~ ~~by~~ increasing the amount of revenues available to the State to assist and support education, and to defray State expenses.

(b) While authorization of riverboat and casino gambling will enhance investment, beautification, development and tourism in Illinois, it is recognized that it will do so successfully only if public confidence and trust in the credibility and integrity of the gambling operations and the regulatory process is maintained. Therefore, regulatory provisions of this Act are designed to strictly regulate the facilities, persons, associations and practices related to gambling operations pursuant to the police powers of the State, including comprehensive law enforcement supervision.

(c) The Illinois Gaming Board established under this Act should, as soon as possible, inform each applicant for an owners license of the Board's intent to grant or deny a license.

(Source: P.A. 93-28, eff. 6-20-03.)

(230 ILCS 10/3) (from Ch. 120, par. 2403)

Sec. 3. ~~Riverboat~~ Gambling Authorized.

(a) Riverboat and casino gambling operations and gaming operations pursuant to an organization gaming license ~~and the system of wagering incorporated therein~~, as defined in this Act, are hereby authorized to the extent that they are carried out in accordance with the provisions of this Act.

(b) This Act does not apply to the pari-mutuel system of wagering used or intended to be used in connection with the horse-race meetings as authorized under the Illinois Horse Racing Act of 1975, lottery games authorized under the Illinois Lottery Law, bingo authorized under the Bingo License and Tax Act, charitable games authorized under the Charitable Games Act or pull tabs and jar games conducted under the Illinois Pull Tabs and Jar Games Act. This Act applies to gaming by an organization gaming licensee authorized under the Illinois Horse Racing Act of 1975 to the extent provided in that Act and in this Act.

(c) Riverboat gambling conducted pursuant to this Act may be authorized upon any water within the State of Illinois or any water other than Lake Michigan which constitutes a boundary of the State of Illinois. Notwithstanding any provision in this subsection (c) to the contrary, a licensee that receives its license pursuant to subsection (e-5) of Section 7 may conduct riverboat gambling on Lake Michigan from a home dock located on Lake Michigan subject to any limitations contained in Section 7. Notwithstanding any provision in this subsection (c) to the contrary, a licensee may conduct gambling at its home dock

facility as provided in Sections 7 and 11. A licensee may conduct riverboat gambling authorized under this Act regardless of whether it conducts excursion cruises. A licensee may permit the continuous ingress and egress of passengers for the purpose of gambling.

(d) Gambling that is conducted in accordance with this Act using slot machines and video games of chance and other electronic gambling games as defined in both this Act and the Illinois Horse Racing Act of 1975 is authorized.

(Source: P.A. 91-40, eff. 6-25-99.)

(230 ILCS 10/4) (from Ch. 120, par. 2404)

Sec. 4. Definitions. As used in this Act:

~~(a)~~ "Board" means the Illinois Gaming Board.

~~(b)~~ "Occupational license" means a license issued by the Board to a person or entity to perform an occupation which the Board has identified as requiring a license to engage in riverboat gambling, casino gambling, or gaming pursuant to an organization gaming license issued under this Act in Illinois.

~~(c)~~ "Gambling game" includes, but is not limited to, baccarat, twenty-one, poker, craps, slot machine, video game of chance, roulette wheel, klondike table, punchboard, faro layout, keno layout, numbers ticket, push card, jar ticket, or pull tab which is authorized by the Board as a wagering device under this Act.

~~(d)~~ "Riverboat" means a self-propelled excursion boat, a

permanently moored barge, or permanently moored barges that are permanently fixed together to operate as one vessel, on which lawful gambling is authorized and licensed as provided in this Act.

"Slot machine" means any mechanical, electrical, or other device, contrivance, or machine that is authorized by the Board as a wagering device under this Act which, upon insertion of a coin, currency, token, or similar object therein, or upon payment of any consideration whatsoever, is available to play or operate, the play or operation of which may deliver or entitle the person playing or operating the machine to receive cash, premiums, merchandise, tokens, or anything of value whatsoever, whether the payoff is made automatically from the machine or in any other manner whatsoever. A slot machine:

(1) may utilize spinning reels or video displays or both;

(2) may or may not dispense coins, tickets, or tokens to winning patrons;

(3) may use an electronic credit system for receiving wagers and making payouts; and

(4) may simulate a table game.

"Slot machine" does not include table games authorized by the Board as a wagering device under this Act.

~~(e)~~ "Managers license" means a license issued by the Board to a person or entity to manage gambling operations conducted by the State pursuant to Section 7.3.

~~(f)~~ "Dock" means the location where a riverboat moors for the purpose of embarking passengers for and disembarking passengers from the riverboat.

~~(g)~~ "Gross receipts" means the total amount of money exchanged for the purchase of chips, tokens, or electronic cards by riverboat patrons.

~~(h)~~ "Adjusted gross receipts" means the gross receipts less winnings paid to wagerers.

~~(i)~~ "Cheat" means to alter the selection of criteria which determine the result of a gambling game or the amount or frequency of payment in a gambling game.

~~(j)~~ ~~(Blank)~~.

~~(k)~~ "Gambling operation" means the conduct of ~~authorized~~ gambling games authorized under this Act upon a riverboat or in a casino or authorized under this Act and the Illinois Horse Racing Act of 1975 at an organization gaming facility.

~~(l)~~ "License bid" means the lump sum amount of money that an applicant bids and agrees to pay the State in return for an owners license that is issued or re-issued on or after July 1, 2003.

"Table game" means a live gaming apparatus upon which gaming is conducted or that determines an outcome that is the object of a wager, including, but not limited to, baccarat, twenty-one, blackjack, poker, craps, roulette wheel, klondike table, punchboard, faro layout, keno layout, numbers ticket, push card, jar ticket, pull tab, or other similar games that

are authorized by the Board as a wagering device under this Act. "Table game" does not include slot machines or video games of chance.

~~(m)~~ The terms "minority person", "woman", and "person with a disability" shall have the same meaning as defined in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

"Casino" means a facility at which lawful gambling is authorized as provided in this Act.

"Owners license" means a license to conduct riverboat or casino gambling operations, but does not include an organization gaming license.

"Licensed owner" means a person who holds an owners license.

"Organization gaming facility" means that portion of an organization licensee's racetrack facilities at which gaming authorized under Section 7.7 is conducted.

"Organization gaming license" means a license issued by the Illinois Gaming Board under Section 7.7 of this Act authorizing gaming pursuant to that Section at an organization gaming facility.

"Organization gaming licensee" means an entity that holds an organization gaming license.

"Organization licensee" means an entity authorized by the Illinois Racing Board to conduct pari-mutuel wagering in accordance with the Illinois Horse Racing Act of 1975. With

respect only to gaming pursuant to an organization gaming license, "organization licensee" includes the authorization for gaming created under subsection (a) of Section 56 of the Illinois Horse Racing Act of 1975.

(Source: P.A. 100-391, eff. 8-25-17.)

(230 ILCS 10/5) (from Ch. 120, par. 2405)

Sec. 5. Gaming Board.

(a) (1) There is hereby established the Illinois Gaming Board, which shall have the powers and duties specified in this Act, and all other powers necessary and proper to fully and effectively execute this Act for the purpose of administering, regulating, and enforcing the system of riverboat and casino gambling established by this Act and gaming pursuant to an organization gaming license issued under this Act. Its jurisdiction shall extend under this Act to every person, association, corporation, partnership and trust involved in riverboat and casino gambling operations and gaming pursuant to an organization gaming license issued under this Act in the State of Illinois.

(2) The Board shall consist of 5 members to be appointed by the Governor with the advice and consent of the Senate, one of whom shall be designated by the Governor to be chairperson ~~chairman~~. Each member shall have a reasonable knowledge of the practice, procedure and principles of gambling operations. Each member shall either be a resident of Illinois or shall

certify that he or she will become a resident of Illinois before taking office.

On and after the effective date of this amendatory Act of the 101st General Assembly, new appointees to the Board must include the following:

(A) One member who has received, at a minimum, a bachelor's degree from an accredited school and at least 10 years of verifiable experience in the fields of investigation and law enforcement.

(B) One member who is a certified public accountant with experience in auditing and with knowledge of complex corporate structures and transactions.

(C) One member who has 5 years' experience as a principal, senior officer, or director of a company or business with either material responsibility for the daily operations and management of the overall company or business or material responsibility for the policy making of the company or business.

(D) One member who is an attorney licensed to practice law in Illinois for at least 5 years.

Notwithstanding any provision of this subsection (a), the requirements of subparagraphs (A) through (D) of this paragraph (2) shall not apply to any person reappointed pursuant to paragraph (3).

No more than 3 members of the Board may be from the same political party. No Board member shall, within a period of one

year immediately preceding nomination, have been employed or received compensation or fees for services from a person or entity, or its parent or affiliate, that has engaged in business with the Board, a licensee, or a licensee under the Illinois Horse Racing Act of 1975. Board members must publicly disclose all prior affiliations with gaming interests, including any compensation, fees, bonuses, salaries, and other reimbursement received from a person or entity, or its parent or affiliate, that has engaged in business with the Board, a licensee, or a licensee under the Illinois Horse Racing Act of 1975. This disclosure must be made within 30 days after nomination but prior to confirmation by the Senate and must be made available to the members of the Senate. At least one member shall be experienced in law enforcement and criminal investigation, at least one member shall be a certified public accountant experienced in accounting and auditing, and at least one member shall be a lawyer licensed to practice law in Illinois.

(3) The terms of office of the Board members shall be 3 years, except that the terms of office of the initial Board members appointed pursuant to this Act will commence from the effective date of this Act and run as follows: one for a term ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for a term ending July 1, 1993. Upon the expiration of the foregoing terms, the successors of such members shall serve a term for 3 years and until their successors are appointed and

qualified for like terms. Vacancies in the Board shall be filled for the unexpired term in like manner as original appointments. Each member of the Board shall be eligible for reappointment at the discretion of the Governor with the advice and consent of the Senate.

(4) Each member of the Board shall receive \$300 for each day the Board meets and for each day the member conducts any hearing pursuant to this Act. Each member of the Board shall also be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of official duties.

(5) No person shall be appointed a member of the Board or continue to be a member of the Board who is, or whose spouse, child or parent is, a member of the board of directors of, or a person financially interested in, any gambling operation subject to the jurisdiction of this Board, or any race track, race meeting, racing association or the operations thereof subject to the jurisdiction of the Illinois Racing Board. No Board member shall hold any other public office. No person shall be a member of the Board who is not of good moral character or who has been convicted of, or is under indictment for, a felony under the laws of Illinois or any other state, or the United States.

(5.5) No member of the Board shall engage in any political activity. For the purposes of this Section, "political" means any activity in support of or in connection with any campaign for federal, State, or local elective office or any political

organization, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action (as those terms are defined in Section 2 of the Lobbyist Registration Act), (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the person's official State duties or governmental and public service functions.

(6) Any member of the Board may be removed by the Governor for neglect of duty, misfeasance, malfeasance, or nonfeasance in office or for engaging in any political activity.

(7) Before entering upon the discharge of the duties of his office, each member of the Board shall take an oath that he will faithfully execute the duties of his office according to the laws of the State and the rules and regulations adopted therewith and shall give bond to the State of Illinois, approved by the Governor, in the sum of \$25,000. Every such bond, when duly executed and approved, shall be recorded in the office of the Secretary of State. Whenever the Governor determines that the bond of any member of the Board has become or is likely to become invalid or insufficient, he shall require such member forthwith to renew his bond, which is to be approved by the Governor. Any member of the Board who fails to take oath and give bond within 30 days from the date of his appointment, or who fails to renew his bond within 30 days after it is demanded by the Governor, shall be guilty of neglect of duty and may be removed by the Governor. The cost of

any bond given by any member of the Board under this Section shall be taken to be a part of the necessary expenses of the Board.

(7.5) For the examination of all mechanical, electromechanical, or electronic table games, slot machines, slot accounting systems, sports wagering systems, and other electronic gaming equipment, and the field inspection of such systems, games, and machines, for compliance with this Act, the Board shall ~~may~~ utilize the services of ~~one or more~~ independent outside testing laboratories that have been accredited in accordance with ISO/IEC 17025 by an accreditation body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Agreement signifying they ~~by a national accreditation body and that, in the judgment of the Board,~~ are qualified to perform such examinations. Notwithstanding any law to the contrary, the Board shall consider the licensing of independent outside testing laboratory applicants in accordance with procedures established by the Board by rule. The Board shall not withhold its approval of an independent outside testing laboratory license applicant that has been accredited as required under this paragraph (7.5) and is licensed in gaming jurisdictions comparable to Illinois. Upon the finalization of required rules, the Board shall license independent testing laboratories and accept the test reports of any licensed testing laboratory of the system's, game's, or machine

manufacturer's choice, notwithstanding the existence of contracts between the Board and any independent testing laboratory.

(8) The Board shall employ such personnel as may be necessary to carry out its functions and shall determine the salaries of all personnel, except those personnel whose salaries are determined under the terms of a collective bargaining agreement. No person shall be employed to serve the Board who is, or whose spouse, parent or child is, an official of, or has a financial interest in or financial relation with, any operator engaged in gambling operations within this State or any organization engaged in conducting horse racing within this State. For the one year immediately preceding employment, an employee shall not have been employed or received compensation or fees for services from a person or entity, or its parent or affiliate, that has engaged in business with the Board, a licensee, or a licensee under the Illinois Horse Racing Act of 1975. Any employee violating these prohibitions shall be subject to termination of employment.

(9) An Administrator shall perform any and all duties that the Board shall assign him. The salary of the Administrator shall be determined by the Board and, in addition, he shall be reimbursed for all actual and necessary expenses incurred by him in discharge of his official duties. The Administrator shall keep records of all proceedings of the Board and shall preserve all records, books, documents and other papers

belonging to the Board or entrusted to its care. The Administrator shall devote his full time to the duties of the office and shall not hold any other office or employment.

(b) The Board shall have general responsibility for the implementation of this Act. Its duties include, without limitation, the following:

(1) To decide promptly and in reasonable order all license applications. Any party aggrieved by an action of the Board denying, suspending, revoking, restricting or refusing to renew a license may request a hearing before the Board. A request for a hearing must be made to the Board in writing within 5 days after service of notice of the action of the Board. Notice of the action of the Board shall be served either by personal delivery or by certified mail, postage prepaid, to the aggrieved party. Notice served by certified mail shall be deemed complete on the business day following the date of such mailing. The Board shall conduct any such ~~all requested~~ hearings promptly and in reasonable order;

(2) To conduct all hearings pertaining to civil violations of this Act or rules and regulations promulgated hereunder;

(3) To promulgate such rules and regulations as in its judgment may be necessary to protect or enhance the credibility and integrity of gambling operations authorized by this Act and the regulatory process

hereunder;

(4) To provide for the establishment and collection of all license and registration fees and taxes imposed by this Act and the rules and regulations issued pursuant hereto. All such fees and taxes shall be deposited into the State Gaming Fund;

(5) To provide for the levy and collection of penalties and fines for the violation of provisions of this Act and the rules and regulations promulgated hereunder. All such fines and penalties shall be deposited into the Education Assistance Fund, created by Public Act 86-0018, of the State of Illinois;

(6) To be present through its inspectors and agents any time gambling operations are conducted on any riverboat, in any casino, or at any organization gaming facility for the purpose of certifying the revenue thereof, receiving complaints from the public, and conducting such other investigations into the conduct of the gambling games and the maintenance of the equipment as from time to time the Board may deem necessary and proper;

(7) To review and rule upon any complaint by a licensee regarding any investigative procedures of the State which are unnecessarily disruptive of gambling operations. The need to inspect and investigate shall be presumed at all times. The disruption of a licensee's operations shall be proved by clear and convincing evidence, and establish

that: (A) the procedures had no reasonable law enforcement purposes, and (B) the procedures were so disruptive as to unreasonably inhibit gambling operations;

(8) To hold at least one meeting each quarter of the fiscal year. In addition, special meetings may be called by the Chairman or any 2 Board members upon 72 hours written notice to each member. All Board meetings shall be subject to the Open Meetings Act. Three members of the Board shall constitute a quorum, and 3 votes shall be required for any final determination by the Board. The Board shall keep a complete and accurate record of all its meetings. A majority of the members of the Board shall constitute a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power which this Act requires the Board members to transact, perform or exercise en banc, except that, upon order of the Board, one of the Board members or an administrative law judge designated by the Board may conduct any hearing provided for under this Act or by Board rule and may recommend findings and decisions to the Board. The Board member or administrative law judge conducting such hearing shall have all powers and rights granted to the Board in this Act. The record made at the time of the hearing shall be reviewed by the Board, or a majority thereof, and the findings and decision of the majority of the Board shall constitute the order of the Board in such case;

(9) To maintain records which are separate and distinct from the records of any other State board or commission. Such records shall be available for public inspection and shall accurately reflect all Board proceedings;

(10) To file a written annual report with the Governor on or before July 1 each year and such additional reports as the Governor may request. The annual report shall include a statement of receipts and disbursements by the Board, actions taken by the Board, and any additional information and recommendations which the Board may deem valuable or which the Governor may request;

(11) (Blank);

(12) (Blank);

(13) To assume responsibility for administration and enforcement of the Video Gaming Act; ~~and~~

(13.1) To assume responsibility for the administration and enforcement of operations at organization gaming facilities pursuant to this Act and the Illinois Horse Racing Act of 1975;

(13.2) To assume responsibility for the administration and enforcement of the Sports Wagering Act; and

(14) To adopt, by rule, a code of conduct governing Board members and employees that ensure, to the maximum extent possible, that persons subject to this Code avoid situations, relationships, or associations that may represent or lead to a conflict of interest.

Internal controls and changes submitted by licensees must be reviewed and either approved or denied with cause within 90 days after receipt of submission is deemed final by the Illinois Gaming Board. In the event an internal control submission or change does not meet the standards set by the Board, staff of the Board must provide technical assistance to the licensee to rectify such deficiencies within 90 days after the initial submission and the revised submission must be reviewed and approved or denied with cause within 90 days after the date the revised submission is deemed final by the Board. For the purposes of this paragraph, "with cause" means that the approval of the submission would jeopardize the integrity of gaming. In the event the Board staff has not acted within the timeframe, the submission shall be deemed approved.

(c) The Board shall have jurisdiction over and shall supervise all gambling operations governed by this Act. The Board shall have all powers necessary and proper to fully and effectively execute the provisions of this Act, including, but not limited to, the following:

(1) To investigate applicants and determine the eligibility of applicants for licenses and to select among competing applicants the applicants which best serve the interests of the citizens of Illinois.

(2) To have jurisdiction and supervision over all riverboat gambling operations authorized under this Act ~~in~~ ~~this State~~ and all persons in places ~~on riverboats~~ where

gambling operations are conducted.

(3) To promulgate rules and regulations for the purpose of administering the provisions of this Act and to prescribe rules, regulations and conditions under which all ~~riverboat~~ gambling operations subject to this Act in the State shall be conducted. Such rules and regulations are to provide for the prevention of practices detrimental to the public interest and for the best interests of riverboat gambling, including rules and regulations regarding the inspection of organization gaming facilities, casinos, and such riverboats, and the review of any permits or licenses necessary to operate a riverboat, casino, or organization gaming facility under any laws or regulations applicable to riverboats, casinos, or organization gaming facilities and to impose penalties for violations thereof.

(4) To enter the office, riverboats, casinos, organization gaming facilities, and other facilities, or other places of business of a licensee, where evidence of the compliance or noncompliance with the provisions of this Act is likely to be found.

(5) To investigate alleged violations of this Act or the rules of the Board and to take appropriate disciplinary action against a licensee or a holder of an occupational license for a violation, or institute appropriate legal action for enforcement, or both.

(6) To adopt standards for the licensing of all persons and entities under this Act, as well as for electronic or mechanical gambling games, and to establish fees for such licenses.

(7) To adopt appropriate standards for all organization gaming facilities, riverboats, casinos, and other facilities authorized under this Act.

(8) To require that the records, including financial or other statements of any licensee under this Act, shall be kept in such manner as prescribed by the Board and that any such licensee involved in the ownership or management of gambling operations submit to the Board an annual balance sheet and profit and loss statement, list of the stockholders or other persons having a 1% or greater beneficial interest in the gambling activities of each licensee, and any other information the Board deems necessary in order to effectively administer this Act and all rules, regulations, orders and final decisions promulgated under this Act.

(9) To conduct hearings, issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records and other pertinent documents in accordance with the Illinois Administrative Procedure Act, and to administer oaths and affirmations to the witnesses, when, in the judgment of the Board, it is necessary to administer or enforce this Act or the Board

rules.

(10) To prescribe a form to be used by any licensee involved in the ownership or management of gambling operations as an application for employment for their employees.

(11) To revoke or suspend licenses, as the Board may see fit and in compliance with applicable laws of the State regarding administrative procedures, and to review applications for the renewal of licenses. The Board may suspend an owners license or an organization gaming license, without notice or hearing upon a determination that the safety or health of patrons or employees is jeopardized by continuing a gambling operation conducted under that license ~~riverboat's operation~~. The suspension may remain in effect until the Board determines that the cause for suspension has been abated. The Board may revoke an the owners license or organization gaming license upon a determination that the licensee ~~owner~~ has not made satisfactory progress toward abating the hazard.

(12) To eject or exclude or authorize the ejection or exclusion of, any person from ~~riverboat~~ gambling facilities where that ~~such~~ person is in violation of this Act, rules and regulations thereunder, or final orders of the Board, or where such person's conduct or reputation is such that his or her presence within the ~~riverboat~~ gambling facilities may, in the opinion of the Board, call into

question the honesty and integrity of the gambling operations or interfere with the orderly conduct thereof; provided that the propriety of such ejection or exclusion is subject to subsequent hearing by the Board.

(13) To require all licensees of gambling operations to utilize a cashless wagering system whereby all players' money is converted to tokens, electronic cards, or chips which shall be used only for wagering in the gambling establishment.

(14) (Blank).

(15) To suspend, revoke or restrict licenses, to require the removal of a licensee or an employee of a licensee for a violation of this Act or a Board rule or for engaging in a fraudulent practice, and to impose civil penalties of up to \$5,000 against individuals and up to \$10,000 or an amount equal to the daily gross receipts, whichever is larger, against licensees for each violation of any provision of the Act, any rules adopted by the Board, any order of the Board or any other action which, in the Board's discretion, is a detriment or impediment to ~~riverboat~~ gambling operations.

(16) To hire employees to gather information, conduct investigations and carry out any other tasks contemplated under this Act.

(17) To establish minimum levels of insurance to be maintained by licensees.

(18) To authorize a licensee to sell or serve alcoholic liquors, wine or beer as defined in the Liquor Control Act of 1934 on board a riverboat or in a casino and to have exclusive authority to establish the hours for sale and consumption of alcoholic liquor on board a riverboat or in a casino, notwithstanding any provision of the Liquor Control Act of 1934 or any local ordinance, and regardless of whether the riverboat makes excursions. The establishment of the hours for sale and consumption of alcoholic liquor on board a riverboat or in a casino is an exclusive power and function of the State. A home rule unit may not establish the hours for sale and consumption of alcoholic liquor on board a riverboat or in a casino. This subdivision (18) amendatory Act of 1991 is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

(19) After consultation with the U.S. Army Corps of Engineers, to establish binding emergency orders upon the concurrence of a majority of the members of the Board regarding the navigability of water, relative to excursions, in the event of extreme weather conditions, acts of God or other extreme circumstances.

(20) To delegate the execution of any of its powers under this Act for the purpose of administering and enforcing this Act and the its rules adopted by the Board

~~and regulations hereunder.~~

(20.5) To approve any contract entered into on its behalf.

(20.6) To appoint investigators to conduct investigations, searches, seizures, arrests, and other duties imposed under this Act, as deemed necessary by the Board. These investigators have and may exercise all of the rights and powers of peace officers, provided that these powers shall be limited to offenses or violations occurring or committed in a casino, in an organization gaming facility, or on a riverboat or dock, as defined in subsections (d) and (f) of Section 4, or as otherwise provided by this Act or any other law.

(20.7) To contract with the Department of State Police for the use of trained and qualified State police officers and with the Department of Revenue for the use of trained and qualified Department of Revenue investigators to conduct investigations, searches, seizures, arrests, and other duties imposed under this Act and to exercise all of the rights and powers of peace officers, provided that the powers of Department of Revenue investigators under this subdivision (20.7) shall be limited to offenses or violations occurring or committed in a casino, in an organization gaming facility, or on a riverboat or dock, as defined in subsections (d) and (f) of Section 4, or as otherwise provided by this Act or any other law. In the

event the Department of State Police or the Department of Revenue is unable to fill contracted police or investigative positions, the Board may appoint investigators to fill those positions pursuant to subdivision (20.6).

(21) To adopt rules concerning the conduct of gaming pursuant to an organization gaming license issued under this Act.

(22) To have the same jurisdiction and supervision over casinos and organization gaming facilities as the Board has over riverboats, including, but not limited to, the power to (i) investigate, review, and approve contracts as that power is applied to riverboats, (ii) adopt rules for administering the provisions of this Act, (iii) adopt standards for the licensing of all persons involved with a casino or organization gaming facility, (iv) investigate alleged violations of this Act by any person involved with a casino or organization gaming facility, and (v) require that records, including financial or other statements of any casino or organization gaming facility, shall be kept in such manner as prescribed by the Board.

(23) ~~(21)~~ To take any other action as may be reasonable or appropriate to enforce this Act and the rules adopted by the Board and ~~regulations hereunder.~~

(d) The Board may seek and shall receive the cooperation of the Department of State Police in conducting background

investigations of applicants and in fulfilling its responsibilities under this Section. Costs incurred by the Department of State Police as a result of such cooperation shall be paid by the Board in conformance with the requirements of Section 2605-400 of the Department of State Police Law ~~(20 ILCS 2605/2605-400)~~.

(e) The Board must authorize to each investigator and to any other employee of the Board exercising the powers of a peace officer a distinct badge that, on its face, (i) clearly states that the badge is authorized by the Board and (ii) contains a unique identifying number. No other badge shall be authorized by the Board.

(Source: P.A. 100-1152, eff. 12-14-18.)

(230 ILCS 10/5.1) (from Ch. 120, par. 2405.1)

Sec. 5.1. Disclosure of records.

(a) Notwithstanding any applicable statutory provision to the contrary, the Board shall, on written request from any person, provide information furnished by an applicant or licensee concerning the applicant or licensee, his products, services or gambling enterprises and his business holdings, as follows:

(1) The name, business address and business telephone number of any applicant or licensee.

(2) An identification of any applicant or licensee including, if an applicant or licensee is not an

individual, the names and addresses of all stockholders and directors, if the entity is a corporation; the names and addresses of all members, if the entity is a limited liability company; the names and addresses of all partners, both general and limited, if the entity is a partnership; and the names and addresses of all beneficiaries, if the entity is a trust ~~the state of incorporation or registration, the corporate officers, and the identity of all shareholders or participants.~~ If an applicant or licensee has a pending registration statement filed with the Securities and Exchange Commission, only the names of those persons or entities holding interest of 5% or more must be provided.

(3) An identification of any business, including, if applicable, the state of incorporation or registration, in which an applicant or licensee or an applicant's or licensee's spouse or children has an equity interest of more than 1%. If an applicant or licensee is a corporation, partnership or other business entity, the applicant or licensee shall identify any other corporation, partnership or business entity in which it has an equity interest of 1% or more, including, if applicable, the state of incorporation or registration. This information need not be provided by a corporation, partnership or other business entity that has a pending registration statement filed with the Securities and Exchange Commission.

(4) Whether an applicant or licensee has been indicted, convicted, pleaded guilty or nolo contendere, or forfeited bail concerning any criminal offense under the laws of any jurisdiction, either felony or misdemeanor (except for traffic violations), including the date, the name and location of the court, arresting agency and prosecuting agency, the case number, the offense, the disposition and the location and length of incarceration.

(5) Whether an applicant or licensee has had any license or certificate issued by a licensing authority in Illinois or any other jurisdiction denied, restricted, suspended, revoked or not renewed and a statement describing the facts and circumstances concerning the denial, restriction, suspension, revocation or non-renewal, including the licensing authority, the date each such action was taken, and the reason for each such action.

(6) Whether an applicant or licensee has ever filed or had filed against it a proceeding in bankruptcy or has ever been involved in any formal process to adjust, defer, suspend or otherwise work out the payment of any debt including the date of filing, the name and location of the court, the case and number of the disposition.

(7) Whether an applicant or licensee has filed, or been served with a complaint or other notice filed with any public body, regarding the delinquency in the payment of,

or a dispute over the filings concerning the payment of, any tax required under federal, State or local law, including the amount, type of tax, the taxing agency and time periods involved.

(8) A statement listing the names and titles of all public officials or officers of any unit of government, and relatives of said public officials or officers who, directly or indirectly, own any financial interest in, have any beneficial interest in, are the creditors of or hold any debt instrument issued by, or hold or have any interest in any contractual or service relationship with, an applicant or licensee.

(9) Whether an applicant or licensee has made, directly or indirectly, any political contribution, or any loans, donations or other payments, to any candidate or office holder, within 5 years from the date of filing the application, including the amount and the method of payment.

(10) The name and business telephone number of the counsel representing an applicant or licensee in matters before the Board.

(11) A description of any proposed or approved gambling ~~riverboat gaming~~ operation, including the type of boat, home dock, or casino or gaming location, expected economic benefit to the community, anticipated or actual number of employees, any statement from an applicant or licensee

regarding compliance with federal and State affirmative action guidelines, projected or actual admissions and projected or actual adjusted gross gaming receipts.

(12) A description of the product or service to be supplied by an applicant for a supplier's license.

(b) Notwithstanding any applicable statutory provision to the contrary, the Board shall, on written request from any person, also provide the following information:

(1) The amount of the wagering tax and admission tax paid daily to the State of Illinois by the holder of an owner's license.

(2) Whenever the Board finds an applicant for an owner's license unsuitable for licensing, a copy of the written letter outlining the reasons for the denial.

(3) Whenever the Board has refused to grant leave for an applicant to withdraw his application, a copy of the letter outlining the reasons for the refusal.

(c) Subject to the above provisions, the Board shall not disclose any information which would be barred by:

(1) Section 7 of the Freedom of Information Act; or

(2) The statutes, rules, regulations or intergovernmental agreements of any jurisdiction.

(d) The Board may assess fees for the copying of information in accordance with Section 6 of the Freedom of Information Act.

(Source: P.A. 96-1392, eff. 1-1-11.)

(230 ILCS 10/5.3 new)

Sec. 5.3. Ethical conduct.

(a) Officials and employees of the corporate authority of a host community must carry out their duties and responsibilities in such a manner as to promote and preserve public trust and confidence in the integrity and conduct of gaming.

(b) Officials and employees of the corporate authority of a host community shall not use or attempt to use his or her official position to secure or attempt to secure any privilege, advantage, favor, or influence for himself or herself or others.

(c) Officials and employees of the corporate authority of a host community may not have a financial interest, directly or indirectly, in his or her own name or in the name of any other person, partnership, association, trust, corporation, or other entity in any contract or subcontract for the performance of any work for a riverboat or casino that is located in the host community. This prohibition shall extend to the holding or acquisition of an interest in any entity identified by Board action that, in the Board's judgment, could represent the potential for or the appearance of a financial interest. The holding or acquisition of an interest in such entities through an indirect means, such as through a mutual fund, shall not be prohibited, except that the Board may identify specific investments or funds that, in its judgment, are so influenced

by gaming holdings as to represent the potential for or the appearance of a conflict of interest.

(d) Officials and employees of the corporate authority of a host community may not accept any gift, gratuity, service, compensation, travel, lodging, or thing of value, with the exception of unsolicited items of an incidental nature, from any person, corporation, or entity doing business with the riverboat or casino that is located in the host community.

(e) Officials and employees of the corporate authority of a host community shall not, during the period that the person is an official or employee of the corporate authority or for a period of 2 years immediately after leaving such office, knowingly accept employment or receive compensation or fees for services from a person or entity, or its parent or affiliate, that has engaged in business with the riverboat or casino that is located in the host community that resulted in contracts with an aggregate value of at least \$25,000 or if that official or employee has made a decision that directly applied to the person or entity, or its parent or affiliate.

(f) A spouse, child, or parent of an official or employee of the corporate authority of a host community may not have a financial interest, directly or indirectly, in his or her own name or in the name of any other person, partnership, association, trust, corporation, or other entity in any contract or subcontract for the performance of any work for a riverboat or casino in the host community. This prohibition

shall extend to the holding or acquisition of an interest in any entity identified by Board action that, in the judgment of the Board, could represent the potential for or the appearance of a conflict of interest. The holding or acquisition of an interest in such entities through an indirect means, such as through a mutual fund, shall not be prohibited, except that the Board may identify specific investments or funds that, in its judgment, are so influenced by gaming holdings as to represent the potential for or the appearance of a conflict of interest.

(g) A spouse, child, or parent of an official or employee of the corporate authority of a host community may not accept any gift, gratuity, service, compensation, travel, lodging, or thing of value, with the exception of unsolicited items of an incidental nature, from any person, corporation, or entity doing business with the riverboat or casino that is located in the host community.

(h) A spouse, child, or parent of an official or employee of the corporate authority of a host community may not, during the period that the person is an official of the corporate authority or for a period of 2 years immediately after leaving such office or employment, knowingly accept employment or receive compensation or fees for services from a person or entity, or its parent or affiliate, that has engaged in business with the riverboat or casino that is located in the host community that resulted in contracts with an aggregate value of at least \$25,000 or if that official or employee has

made a decision that directly applied to the person or entity, or its parent or affiliate.

(i) Officials and employees of the corporate authority of a host community shall not attempt, in any way, to influence any person or entity doing business with the riverboat or casino that is located in the host community or any officer, agent, or employee thereof to hire or contract with any person or entity for any compensated work.

(j) Any communication between an official of the corporate authority of a host community and any applicant for an owners license in the host community, or an officer, director, or employee of a riverboat or casino in the host community, concerning any matter relating in any way to gaming shall be disclosed to the Board. Such disclosure shall be in writing by the official within 30 days after the communication and shall be filed with the Board. Disclosure must consist of the date of the communication, the identity and job title of the person with whom the communication was made, a brief summary of the communication, the action requested or recommended, all responses made, the identity and job title of the person making the response, and any other pertinent information. Public disclosure of the written summary provided to the Board and the Gaming Board shall be subject to the exemptions provided under the Freedom of Information Act.

This subsection (j) shall not apply to communications regarding traffic, law enforcement, security, environmental

issues, city services, transportation, or other routine matters concerning the ordinary operations of the riverboat or casino. For purposes of this subsection (j), "ordinary operations" means operations relating to the casino or riverboat facility other than the conduct of gambling activities, and "routine matters" includes the application for, issuance of, renewal of, and other processes associated with municipal permits and licenses.

(k) Any official or employee who violates any provision of this Section is guilty of a Class 4 felony.

(l) For purposes of this Section, "host community" or "host municipality" means a unit of local government that contains a riverboat or casino within its borders.

(230 ILCS 10/6) (from Ch. 120, par. 2406)

Sec. 6. Application for Owners License.

(a) A qualified person may apply to the Board for an owners license to conduct a ~~riverboat~~ gambling operation as provided in this Act. The application shall be made on forms provided by the Board and shall contain such information as the Board prescribes, including but not limited to the identity of the riverboat on which such gambling operation is to be conducted, if applicable, and the exact location where such riverboat or casino will be located ~~docked~~, a certification that the riverboat will be registered under this Act at all times during which gambling operations are conducted on board, detailed

information regarding the ownership and management of the applicant, and detailed personal information regarding the applicant. Any application for an owners license to be re-issued on or after June 1, 2003 shall also include the applicant's license bid in a form prescribed by the Board. Information provided on the application shall be used as a basis for a thorough background investigation which the Board shall conduct with respect to each applicant. An incomplete application shall be cause for denial of a license by the Board.

(a-5) In addition to any other information required under this Section, each application for an owners license must include the following information:

(1) The history and success of the applicant and each person and entity disclosed under subsection (c) of this Section in developing tourism facilities ancillary to gaming, if applicable.

(2) The likelihood that granting a license to the applicant will lead to the creation of quality, living wage jobs and permanent, full-time jobs for residents of the State and residents of the unit of local government that is designated as the home dock of the proposed facility where gambling is to be conducted by the applicant.

(3) The projected number of jobs that would be created if the license is granted and the projected number of new employees at the proposed facility where gambling is to be

conducted by the applicant.

(4) The record, if any, of the applicant and its developer in meeting commitments to local agencies, community-based organizations, and employees at other locations where the applicant or its developer has performed similar functions as they would perform if the applicant were granted a license.

(5) Identification of adverse effects that might be caused by the proposed facility where gambling is to be conducted by the applicant, including the costs of meeting increased demand for public health care, child care, public transportation, affordable housing, and social services, and a plan to mitigate those adverse effects.

(6) The record, if any, of the applicant and its developer regarding compliance with:

(A) federal, state, and local discrimination, wage and hour, disability, and occupational and environmental health and safety laws; and

(B) state and local labor relations and employment laws.

(7) The applicant's record, if any, in dealing with its employees and their representatives at other locations.

(8) A plan concerning the utilization of minority-owned and women-owned businesses and concerning the hiring of minorities and women.

(9) Evidence the applicant used its best efforts to

reach a goal of 25% ownership representation by minority persons and 5% ownership representation by women.

(b) Applicants shall submit with their application all documents, resolutions, and letters of support from the governing body that represents the municipality or county wherein the licensee will be located ~~dock~~.

(c) Each applicant shall disclose the identity of every person or entity ~~, association, trust or corporation~~ having a greater than 1% direct or indirect pecuniary interest in the ~~riverboat~~ gambling operation with respect to which the license is sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of all ~~the~~ beneficiaries; if a corporation, the names and addresses of all stockholders and directors; if a partnership, the names and addresses of all partners, both general and limited.

(d) An application shall be filed and considered in accordance with the rules of the Board. Each application shall be accompanied by a nonrefundable ~~An~~ application fee of \$250,000. In addition, a nonrefundable fee of \$50,000 shall be paid at the time of filing to defray the costs associated with the background investigation conducted by the Board. If the costs of the investigation exceed \$50,000, the applicant shall pay the additional amount to the Board within 7 days after requested by the Board. If the costs of the investigation are less than \$50,000, the applicant shall receive a refund of the remaining amount. All information, records, interviews,

reports, statements, memoranda or other data supplied to or used by the Board in the course of its review or investigation of an application for a license or a renewal under this Act shall be privileged, strictly confidential and shall be used only for the purpose of evaluating an applicant for a license or a renewal. Such information, records, interviews, reports, statements, memoranda or other data shall not be admissible as evidence, nor discoverable in any action of any kind in any court or before any tribunal, board, agency or person, except for any action deemed necessary by the Board. The application fee shall be deposited into the State Gaming Fund.

(e) The Board shall charge each applicant a fee set by the Department of State Police to defray the costs associated with the search and classification of fingerprints obtained by the Board with respect to the applicant's application. These fees shall be paid into the State Police Services Fund. In order to expedite the application process, the Board may establish rules allowing applicants to acquire criminal background checks and financial integrity reviews as part of the initial application process from a list of vendors approved by the Board.

(f) The licensed owner shall be the person primarily responsible for the boat or casino itself. Only one ~~riverboat~~ gambling operation may be authorized by the Board on any riverboat or in any casino. The applicant must identify the ~~each~~ riverboat or premises it intends to use and certify that the riverboat or premises: (1) has the authorized capacity

required in this Act; (2) is accessible to persons with disabilities; and (3) is fully registered and licensed in accordance with any applicable laws.

(g) A person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.

(Source: P.A. 99-143, eff. 7-27-15.)

(230 ILCS 10/7) (from Ch. 120, par. 2407)

Sec. 7. Owners licenses.

(a) The Board shall issue owners licenses to persons or entities that, ~~firms or corporations which~~ apply for such licenses upon payment to the Board of the non-refundable license fee as provided in subsection (e) or (e-5) ~~set by the Board, upon payment of a \$25,000 license fee for the first year of operation and a \$5,000 license fee for each succeeding year~~ and upon a determination by the Board that the applicant is eligible for an owners license pursuant to this Act and the rules of the Board. From the effective date of this amendatory Act of the 95th General Assembly until (i) 3 years after the effective date of this amendatory Act of the 95th General Assembly, (ii) the date any organization licensee begins to operate a slot machine or video game of chance under the Illinois Horse Racing Act of 1975 or this Act, (iii) the date that payments begin under subsection (c-5) of Section 13 of the Act, ~~or~~ (iv) the wagering tax imposed under Section 13 of this Act is increased by law to reflect a tax rate that is at least

as stringent or more stringent than the tax rate contained in subsection (a-3) of Section 13, or (v) when an owners licensee holding a license issued pursuant to Section 7.1 of this Act begins conducting gaming, whichever occurs first, as a condition of licensure and as an alternative source of payment for those funds payable under subsection (c-5) of Section 13 of ~~this the Riverboat Gambling Act,~~ any owners licensee that holds or receives its owners license on or after the effective date of this amendatory Act of the 94th General Assembly, other than an owners licensee operating a riverboat with adjusted gross receipts in calendar year 2004 of less than \$200,000,000, must pay into the Horse Racing Equity Trust Fund, in addition to any other payments required under this Act, an amount equal to 3% of the adjusted gross receipts received by the owners licensee. The payments required under this Section shall be made by the owners licensee to the State Treasurer no later than 3:00 o'clock p.m. of the day after the day when the adjusted gross receipts were received by the owners licensee. A person, ~~firm~~ or entity ~~corporation~~ is ineligible to receive an owners license if:

(1) the person has been convicted of a felony under the laws of this State, any other state, or the United States;

(2) the person has been convicted of any violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012, or substantially similar laws of any other jurisdiction;

(3) the person has submitted an application for a license under this Act which contains false information;

(4) the person is a member of the Board;

(5) a person defined in (1), (2), (3) or (4) is an officer, director or managerial employee of the entity ~~firm or corporation~~;

(6) the entity ~~firm or corporation~~ employs a person defined in (1), (2), (3) or (4) who participates in the management or operation of gambling operations authorized under this Act;

(7) (blank); or

(8) a license of the person or entity, ~~firm or corporation~~ issued under this Act, or a license to own or operate gambling facilities in any other jurisdiction, has been revoked.

The Board is expressly prohibited from making changes to the requirement that licensees make payment into the Horse Racing Equity Trust Fund without the express authority of the Illinois General Assembly and making any other rule to implement or interpret this amendatory Act of the 95th General Assembly. For the purposes of this paragraph, "rules" is given the meaning given to that term in Section 1-70 of the Illinois Administrative Procedure Act.

(b) In determining whether to grant an owners license to an applicant, the Board shall consider:

(1) the character, reputation, experience and

financial integrity of the applicants and of any other or separate person that either:

(A) controls, directly or indirectly, such applicant, or

(B) is controlled, directly or indirectly, by such applicant or by a person which controls, directly or indirectly, such applicant;

(2) the facilities or proposed facilities for the conduct of ~~riverboat~~ gambling;

(3) the highest prospective total revenue to be derived by the State from the conduct of ~~riverboat~~ gambling;

(4) the extent to which the ownership of the applicant reflects the diversity of the State by including minority persons, women, and persons with a disability and the good faith affirmative action plan of each applicant to recruit, train and upgrade minority persons, women, and persons with a disability in all employment classifications; the Board shall further consider granting an owners license and giving preference to an applicant under this Section to applicants in which minority persons and women hold ownership interest of at least 16% and 4%, respectively.

(4.5) the extent to which the ownership of the applicant includes veterans of service in the armed forces of the United States, and the good faith affirmative action plan of each applicant to recruit, train, and upgrade veterans of service in the armed forces of the United

States in all employment classifications;

(5) the financial ability of the applicant to purchase and maintain adequate liability and casualty insurance;

(6) whether the applicant has adequate capitalization to provide and maintain, for the duration of a license, a riverboat or casino;

(7) the extent to which the applicant exceeds or meets other standards for the issuance of an owners license which the Board may adopt by rule; ~~and~~

(8) the ~~The~~ amount of the applicant's license bid; ~~-~~

(9) the extent to which the applicant or the proposed host municipality plans to enter into revenue sharing agreements with communities other than the host municipality; and

(10) the extent to which the ownership of an applicant includes the most qualified number of minority persons, women, and persons with a disability.

(c) Each owners license shall specify the place where the casino ~~riverboats~~ shall operate or the riverboat shall operate and dock.

(d) Each applicant shall submit with his application, on forms provided by the Board, 2 sets of his fingerprints.

(e) In addition to any licenses authorized under subsection (e-5) of this Section, the ~~The~~ Board may issue up to 10 licenses authorizing the holders of such licenses to own riverboats. In the application for an owners license, the

applicant shall state the dock at which the riverboat is based and the water on which the riverboat will be located. The Board shall issue 5 licenses to become effective not earlier than January 1, 1991. Three of such licenses shall authorize riverboat gambling on the Mississippi River, or, with approval by the municipality in which the riverboat was docked on August 7, 2003 and with Board approval, be authorized to relocate to a new location, in a municipality that (1) borders on the Mississippi River or is within 5 miles of the city limits of a municipality that borders on the Mississippi River and (2), on August 7, 2003, had a riverboat conducting riverboat gambling operations pursuant to a license issued under this Act; one of which shall authorize riverboat gambling from a home dock in the city of East St. Louis; and one of which shall authorize riverboat gambling from a home dock in the City of Alton. One other license shall authorize riverboat gambling on the Illinois River in the City of East Peoria or, with Board approval, shall authorize land-based gambling operations anywhere within the corporate limits of the City of Peoria ~~south of Marshall County~~. The Board shall issue one additional license to become effective not earlier than March 1, 1992, which shall authorize riverboat gambling on the Des Plaines River in Will County. The Board may issue 4 additional licenses to become effective not earlier than March 1, 1992. In determining the water upon which riverboats will operate, the Board shall consider the economic benefit which riverboat

gambling confers on the State, and shall seek to assure that all regions of the State share in the economic benefits of riverboat gambling.

In granting all licenses, the Board may give favorable consideration to economically depressed areas of the State, to applicants presenting plans which provide for significant economic development over a large geographic area, and to applicants who currently operate non-gambling riverboats in Illinois. The Board shall review all applications for owners licenses, and shall inform each applicant of the Board's decision. The Board may grant an owners license to an applicant that has not submitted the highest license bid, but if it does not select the highest bidder, the Board shall issue a written decision explaining why another applicant was selected and identifying the factors set forth in this Section that favored the winning bidder. The fee for issuance or renewal of a license pursuant to this subsection (e) shall be \$250,000.

(e-5) In addition to licenses authorized under subsection (e) of this Section:

(1) the Board may issue one owners license authorizing the conduct of casino gambling in the City of Chicago;

(2) the Board may issue one owners license authorizing the conduct of riverboat gambling in the City of Danville;

(3) the Board may issue one owners license authorizing the conduct of riverboat gambling located in the City of Waukegan;

(4) the Board may issue one owners license authorizing the conduct of riverboat gambling in the City of Rockford;

(5) the Board may issue one owners license authorizing the conduct of riverboat gambling in a municipality that is wholly or partially located in one of the following townships of Cook County: Bloom, Bremen, Calumet, Rich, Thornton, or Worth Township; and

(6) the Board may issue one owners license authorizing the conduct of riverboat gambling in the unincorporated area of Williamson County adjacent to the Big Muddy River.

Except for the license authorized under paragraph (1), each application for a license pursuant to this subsection (e-5) shall be submitted to the Board no later than 120 days after the effective date of this amendatory Act of the 101st General Assembly. All applications for a license under this subsection (e-5) shall include the nonrefundable application fee and the nonrefundable background investigation fee as provided in subsection (d) of Section 6 of this Act. In the event that an applicant submits an application for a license pursuant to this subsection (e-5) prior to the effective date of this amendatory Act of the 101st General Assembly, such applicant shall submit the nonrefundable application fee and background investigation fee as provided in subsection (d) of Section 6 of this Act no later than 6 months after the effective date of this amendatory Act of the 101st General Assembly.

The Board shall consider issuing a license pursuant to

paragraphs (1) through (6) of this subsection only after the corporate authority of the municipality or the county board of the county in which the riverboat or casino shall be located has certified to the Board the following:

(i) that the applicant has negotiated with the corporate authority or county board in good faith;

(ii) that the applicant and the corporate authority or county board have mutually agreed on the permanent location of the riverboat or casino;

(iii) that the applicant and the corporate authority or county board have mutually agreed on the temporary location of the riverboat or casino;

(iv) that the applicant and the corporate authority or the county board have mutually agreed on the percentage of revenues that will be shared with the municipality or county, if any;

(v) that the applicant and the corporate authority or county board have mutually agreed on any zoning, licensing, public health, or other issues that are within the jurisdiction of the municipality or county; and

(vi) that the corporate authority or county board has passed a resolution or ordinance in support of the riverboat or casino in the municipality or county.

At least 7 days before the corporate authority of a municipality or county board of the county submits a certification to the Board concerning items (i) through (vi) of

this subsection, it shall hold a public hearing to discuss items (i) through (vi), as well as any other details concerning the proposed riverboat or casino in the municipality or county. The corporate authority or county board must subsequently memorialize the details concerning the proposed riverboat or casino in a resolution that must be adopted by a majority of the corporate authority or county board before any certification is sent to the Board. The Board shall not alter, amend, change, or otherwise interfere with any agreement between the applicant and the corporate authority of the municipality or county board of the county regarding the location of any temporary or permanent facility.

In addition, within 10 days after the effective date of this amendatory Act of the 101st General Assembly, the Board, with consent and at the expense of the City of Chicago, shall select and retain the services of a nationally recognized casino gaming feasibility consultant. Within 45 days after the effective date of this amendatory Act of the 101st General Assembly, the consultant shall prepare and deliver to the Board a study concerning the feasibility of, and the ability to finance, a casino in the City of Chicago. The feasibility study shall be delivered to the Mayor of the City of Chicago, the Governor, the President of the Senate, and the Speaker of the House of Representatives. Ninety days after receipt of the feasibility study, the Board shall make a determination, based on the results of the feasibility study, whether to recommend

to the General Assembly that the terms of the license under paragraph (1) of this subsection (e-5) should be modified. The Board may begin accepting applications for the owners license under paragraph (1) of this subsection (e-5) upon the determination to issue such an owners license.

In addition, prior to the Board issuing the owners license authorized under paragraph (4) of subsection (e-5), an impact study shall be completed to determine what location in the city will provide the greater impact to the region, including the creation of jobs and the generation of tax revenue.

(e-10) The licenses authorized under subsection (e-5) of this Section shall be issued within 12 months after the date the license application is submitted. If the Board does not issue the licenses within that time period, then the Board shall give a written explanation to the applicant as to why it has not reached a determination and when it reasonably expects to make a determination. The fee for the issuance or renewal of a license issued pursuant to this subsection (e-10) shall be \$250,000. Additionally, a licensee located outside of Cook County shall pay a minimum initial fee of \$17,500 per gaming position, and a licensee located in Cook County shall pay a minimum initial fee of \$30,000 per gaming position. The initial fees payable under this subsection (e-10) shall be deposited into the Rebuild Illinois Projects Fund.

(e-15) Each licensee of a license authorized under subsection (e-5) of this Section shall make a reconciliation

payment 3 years after the date the licensee begins operating in an amount equal to 75% of the adjusted gross receipts for the most lucrative 12-month period of operations, minus an amount equal to the initial payment per gaming position paid by the specific licensee. Each licensee shall pay a \$15,000,000 reconciliation fee upon issuance of an owners license. If this calculation results in a negative amount, then the licensee is not entitled to any reimbursement of fees previously paid. This reconciliation payment may be made in installments over a period of no more than 2 years, subject to Board approval. Any installment payments shall include an annual market interest rate as determined by the Board. All payments by licensees under this subsection (e-15) shall be deposited into the Rebuild Illinois Projects Fund.

(e-20) In addition to any other revocation powers granted to the Board under this Act, the Board may revoke the owners license of a licensee which fails to begin conducting gambling within 15 months of receipt of the Board's approval of the application if the Board determines that license revocation is in the best interests of the State.

(f) The first 10 owners licenses issued under this Act shall permit the holder to own up to 2 riverboats and equipment thereon for a period of 3 years after the effective date of the license. Holders of the first 10 owners licenses must pay the annual license fee for each of the 3 years during which they are authorized to own riverboats.

(g) Upon the termination, expiration, or revocation of each of the first 10 licenses, which shall be issued for a 3 year period, all licenses are renewable annually upon payment of the fee and a determination by the Board that the licensee continues to meet all of the requirements of this Act and the Board's rules. However, for licenses renewed on or after May 1, 1998, renewal shall be for a period of 4 years, unless the Board sets a shorter period.

(h) An owners license, except for an owners license issued under subsection (e-5) of this Section, shall entitle the licensee to own up to 2 riverboats.

An owners licensee of a casino or riverboat that is located in the City of Chicago pursuant to paragraph (1) of subsection (e-5) of this Section shall limit the number of gaming positions to 4,000 for such owner. An owners licensee authorized under subsection (e) or paragraph (2), (3), (4), or (5) of subsection (e-5) of this Section shall limit the number of gaming positions to 2,000 for any such owners license. An owners licensee authorized under paragraph (6) of subsection (e-5) of this Section ~~A licensee~~ shall limit the number of gaming positions ~~gambling participants~~ to 1,200 for ~~any~~ such owner. The initial fee for each gaming position obtained on or after the effective date of this amendatory Act of the 101st General Assembly shall be a minimum of \$17,500 for licensees not located in Cook County and a minimum of \$30,000 for licensees located in Cook County, in addition to the

reconciliation payment, as set forth in subsection (e-15) of this Section ~~owners license~~. The fees under this subsection (h) shall be deposited into the Rebuild Illinois Projects Fund. The fees under this subsection (h) that are paid by an owners licensee authorized under subsection (e) shall be paid by July 1, 2020.

Each owners licensee under subsection (e) of this Section shall reserve its gaming positions within 30 days after the effective date of this amendatory Act of the 101st General Assembly. The Board may grant an extension to this 30-day period, provided that the owners licensee submits a written request and explanation as to why it is unable to reserve its positions within the 30-day period.

Each owners licensee under subsection (e-5) of this Section shall reserve its gaming positions within 30 days after issuance of its owners license. The Board may grant an extension to this 30-day period, provided that the owners licensee submits a written request and explanation as to why it is unable to reserve its positions within the 30-day period.

A licensee may operate both of its riverboats concurrently, provided that the total number of gaming positions ~~gambling participants~~ on both riverboats does not exceed the limit established pursuant to this subsection ~~1,200~~. Riverboats licensed to operate on the Mississippi River and the Illinois River south of Marshall County shall have an authorized capacity of at least 500 persons. Any other riverboat licensed

under this Act shall have an authorized capacity of at least 400 persons.

(h-5) An owners licensee who conducted gambling operations prior to January 1, 2012 and obtains positions pursuant to this amendatory Act of the 101st General Assembly shall make a reconciliation payment 3 years after any additional gaming positions begin operating in an amount equal to 75% of the owners licensee's average gross receipts for the most lucrative 12-month period of operations minus an amount equal to the initial fee that the owners licensee paid per additional gaming position. For purposes of this subsection (h-5), "average gross receipts" means (i) the increase in adjusted gross receipts for the most lucrative 12-month period of operations over the adjusted gross receipts for 2019, multiplied by (ii) the percentage derived by dividing the number of additional gaming positions that an owners licensee had obtained by the total number of gaming positions operated by the owners licensee. If this calculation results in a negative amount, then the owners licensee is not entitled to any reimbursement of fees previously paid. This reconciliation payment may be made in installments over a period of no more than 2 years, subject to Board approval. Any installment payments shall include an annual market interest rate as determined by the Board. These reconciliation payments shall be deposited into the Rebuild Illinois Projects Fund.

(i) A licensed owner is authorized to apply to the Board

for and, if approved therefor, to receive all licenses from the Board necessary for the operation of a riverboat or casino, including a liquor license, a license to prepare and serve food for human consumption, and other necessary licenses. All use, occupation and excise taxes which apply to the sale of food and beverages in this State and all taxes imposed on the sale or use of tangible personal property apply to such sales aboard the riverboat or in the casino.

(j) The Board may issue or re-issue a license authorizing a riverboat to dock in a municipality or approve a relocation under Section 11.2 only if, prior to the issuance or re-issuance of the license or approval, the governing body of the municipality in which the riverboat will dock has by a majority vote approved the docking of riverboats in the municipality. The Board may issue or re-issue a license authorizing a riverboat to dock in areas of a county outside any municipality or approve a relocation under Section 11.2 only if, prior to the issuance or re-issuance of the license or approval, the governing body of the county has by a majority vote approved of the docking of riverboats within such areas.

(k) An owners licensee may conduct land-based gambling operations upon approval by the Board and payment of a fee of \$250,000, which shall be deposited into the State Gaming Fund.

(l) An owners licensee may conduct gaming at a temporary facility pending the construction of a permanent facility or the remodeling or relocation of an existing facility to

accommodate gaming participants for up to 24 months after the temporary facility begins to conduct gaming. Upon request by an owners licensee and upon a showing of good cause by the owners licensee, the Board shall extend the period during which the licensee may conduct gaming at a temporary facility by up to 12 months. The Board shall make rules concerning the conduct of gaming from temporary facilities.

(Source: P.A. 100-391, eff. 8-25-17; 100-1152, eff. 12-14-18.)

(230 ILCS 10/7.3)

Sec. 7.3. State conduct of gambling operations.

(a) If, after reviewing each application for a re-issued license, the Board determines that the highest prospective total revenue to the State would be derived from State conduct of the gambling operation in lieu of re-issuing the license, the Board shall inform each applicant of its decision. The Board shall thereafter have the authority, without obtaining an owners license, to conduct casino or riverboat gambling operations as previously authorized by the terminated, expired, revoked, or nonrenewed license through a licensed manager selected pursuant to an open and competitive bidding process as set forth in Section 7.5 and as provided in Section 7.4.

(b) The Board may locate any casino or riverboat on which a gambling operation is conducted by the State in any home dock or other location authorized by Section 3(c) upon receipt of

approval from a majority vote of the governing body of the municipality or county, as the case may be, in which the riverboat will dock.

(c) The Board shall have jurisdiction over and shall supervise all gambling operations conducted by the State provided for in this Act and shall have all powers necessary and proper to fully and effectively execute the provisions of this Act relating to gambling operations conducted by the State.

(d) The maximum number of owners licenses authorized under Section 7 ~~7(e)~~ shall be reduced by one for each instance in which the Board authorizes the State to conduct a casino or riverboat gambling operation under subsection (a) in lieu of re-issuing a license to an applicant under Section 7.1.

(Source: P.A. 93-28, eff. 6-20-03.)

(230 ILCS 10/7.5)

Sec. 7.5. Competitive Bidding. When the Board determines that (i) it will re-issue an owners license pursuant to an open and competitive bidding process, as set forth in Section 7.1, (ii) ~~or that~~ it will issue a managers license pursuant to an open and competitive bidding process, as set forth in Section 7.4, or (iii) it will issue an owners license pursuant to an open and competitive bidding process, as set forth in Section 7.12, the open and competitive bidding process shall adhere to the following procedures:

(1) The Board shall make applications for owners and managers licenses available to the public and allow a reasonable time for applicants to submit applications to the Board.

(2) During the filing period for owners or managers license applications, the Board may retain the services of an investment banking firm to assist the Board in conducting the open and competitive bidding process.

(3) After receiving all of the bid proposals, the Board shall open all of the proposals in a public forum and disclose the prospective owners or managers names, venture partners, if any, and, in the case of applicants for owners licenses, the locations of the proposed development sites.

(4) The Board shall summarize the terms of the proposals and may make this summary available to the public.

(5) The Board shall evaluate the proposals within a reasonable time and select no more than 3 final applicants to make presentations of their proposals to the Board.

(6) The final applicants shall make their presentations to the Board on the same day during an open session of the Board.

(7) As soon as practicable after the public presentations by the final applicants, the Board, in its discretion, may conduct further negotiations among the 3 final applicants. During such negotiations, each final applicant may increase its license bid or otherwise enhance its bid proposal. At the conclusion of such negotiations, the Board shall select the

winning proposal. In the case of negotiations for an owners license, the Board may, at the conclusion of such negotiations, make the determination allowed under Section 7.3(a).

(8) Upon selection of a winning bid, the Board shall evaluate the winning bid within a reasonable period of time for licensee suitability in accordance with all applicable statutory and regulatory criteria.

(9) If the winning bidder is unable or otherwise fails to consummate the transaction, (including if the Board determines that the winning bidder does not satisfy the suitability requirements), the Board may, on the same criteria, select from the remaining bidders or make the determination allowed under Section 7.3(a).

(Source: P.A. 93-28, eff. 6-20-03.)

(230 ILCS 10/7.7 new)

Sec. 7.7. Organization gaming licenses.

(a) The Illinois Gaming Board shall award one organization gaming license to each person or entity having operating control of a racetrack that applies under Section 56 of the Illinois Horse Racing Act of 1975, subject to the application and eligibility requirements of this Section. Within 60 days after the effective date of this amendatory Act of the 101st General Assembly, a person or entity having operating control of a racetrack may submit an application for an organization gaming license. The application shall be made on such forms as

provided by the Board and shall contain such information as the Board prescribes, including, but not limited to, the identity of any racetrack at which gaming will be conducted pursuant to an organization gaming license, detailed information regarding the ownership and management of the applicant, and detailed personal information regarding the applicant. The application shall specify the number of gaming positions the applicant intends to use and the place where the organization gaming facility will operate. A person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.

Each applicant shall disclose the identity of every person or entity having a direct or indirect pecuniary interest greater than 1% in any racetrack with respect to which the license is sought. If the disclosed entity is a corporation, the applicant shall disclose the names and addresses of all stockholders and directors. If the disclosed entity is a limited liability company, the applicant shall disclose the names and addresses of all members and managers. If the disclosed entity is a partnership, the applicant shall disclose the names and addresses of all partners, both general and limited. If the disclosed entity is a trust, the applicant shall disclose the names and addresses of all beneficiaries.

An application shall be filed and considered in accordance with the rules of the Board. Each application for an organization gaming license shall include a nonrefundable application fee of \$250,000. In addition, a nonrefundable fee

of \$50,000 shall be paid at the time of filing to defray the costs associated with background investigations conducted by the Board. If the costs of the background investigation exceed \$50,000, the applicant shall pay the additional amount to the Board within 7 days after a request by the Board. If the costs of the investigation are less than \$50,000, the applicant shall receive a refund of the remaining amount. All information, records, interviews, reports, statements, memoranda, or other data supplied to or used by the Board in the course of this review or investigation of an applicant for an organization gaming license under this Act shall be privileged and strictly confidential and shall be used only for the purpose of evaluating an applicant for an organization gaming license or a renewal. Such information, records, interviews, reports, statements, memoranda, or other data shall not be admissible as evidence nor discoverable in any action of any kind in any court or before any tribunal, board, agency or person, except for any action deemed necessary by the Board. The application fee shall be deposited into the State Gaming Fund.

Each applicant shall submit with his or her application, on forms provided by the Board, a set of his or her fingerprints. The Board shall charge each applicant a fee set by the Department of State Police to defray the costs associated with the search and classification of fingerprints obtained by the Board with respect to the applicant's application. This fee shall be paid into the State Police Services Fund.

(b) The Board shall determine within 120 days after receiving an application for an organization gaming license whether to grant an organization gaming license to the applicant. If the Board does not make a determination within that time period, then the Board shall give a written explanation to the applicant as to why it has not reached a determination and when it reasonably expects to make a determination.

The organization gaming licensee shall purchase up to the amount of gaming positions authorized under this Act within 120 days after receiving its organization gaming license. If an organization gaming licensee is prepared to purchase the gaming positions, but is temporarily prohibited from doing so by order of a court of competent jurisdiction or the Board, then the 120-day period is tolled until a resolution is reached.

An organization gaming license shall authorize its holder to conduct gaming under this Act at its racetracks on the same days of the year and hours of the day that owners licenses are allowed to operate under approval of the Board.

An organization gaming license and any renewal of an organization gaming license shall authorize gaming pursuant to this Section for a period of 4 years. The fee for the issuance or renewal of an organization gaming license shall be \$250,000.

All payments by licensees under this subsection (b) shall be deposited into the Rebuild Illinois Projects Fund.

(c) To be eligible to conduct gaming under this Section, a

person or entity having operating control of a racetrack must (i) obtain an organization gaming license, (ii) hold an organization license under the Illinois Horse Racing Act of 1975, (iii) hold an inter-track wagering license, (iv) pay an initial fee of \$30,000 per gaming position from organization gaming licensees where gaming is conducted in Cook County and, except as provided in subsection (c-5), \$17,500 for organization gaming licensees where gaming is conducted outside of Cook County before beginning to conduct gaming plus make the reconciliation payment required under subsection (k), (v) conduct live racing in accordance with subsections (e-1), (e-2), and (e-3) of Section 20 of the Illinois Horse Racing Act of 1975, (vi) meet the requirements of subsection (a) of Section 56 of the Illinois Horse Racing Act of 1975, (vii) for organization licensees conducting standardbred race meetings, keep backstretch barns and dormitories open and operational year-round unless a lesser schedule is mutually agreed to by the organization licensee and the horsemen association racing at that organization licensee's race meeting, (viii) for organization licensees conducting thoroughbred race meetings, the organization licensee must maintain accident medical expense liability insurance coverage of \$1,000,000 for jockeys, and (ix) meet all other requirements of this Act that apply to owners licensees.

An organization gaming licensee may enter into a joint venture with a licensed owner to own, manage, conduct, or

otherwise operate the organization gaming licensee's organization gaming facilities, unless the organization gaming licensee has a parent company or other affiliated company that is, directly or indirectly, wholly owned by a parent company that is also licensed to conduct organization gaming, casino gaming, or their equivalent in another state.

All payments by licensees under this subsection (c) shall be deposited into the Rebuild Illinois Projects Fund.

(c-5) A person or entity having operating control of a racetrack located in Madison County shall only pay the initial fees specified in subsection (c) for 540 of the gaming positions authorized under the license.

(d) A person or entity is ineligible to receive an organization gaming license if:

(1) the person or entity has been convicted of a felony under the laws of this State, any other state, or the United States, including a conviction under the Racketeer Influenced and Corrupt Organizations Act;

(2) the person or entity has been convicted of any violation of Article 28 of the Criminal Code of 2012, or substantially similar laws of any other jurisdiction;

(3) the person or entity has submitted an application for a license under this Act that contains false information;

(4) the person is a member of the Board;

(5) a person defined in (1), (2), (3), or (4) of this

subsection (d) is an officer, director, or managerial employee of the entity;

(6) the person or entity employs a person defined in (1), (2), (3), or (4) of this subsection (d) who participates in the management or operation of gambling operations authorized under this Act; or

(7) a license of the person or entity issued under this Act or a license to own or operate gambling facilities in any other jurisdiction has been revoked.

(e) The Board may approve gaming positions pursuant to an organization gaming license statewide as provided in this Section. The authority to operate gaming positions under this Section shall be allocated as follows: up to 1,200 gaming positions for any organization gaming licensee in Cook County and up to 900 gaming positions for any organization gaming licensee outside of Cook County.

(f) Each applicant for an organization gaming license shall specify in its application for licensure the number of gaming positions it will operate, up to the applicable limitation set forth in subsection (e) of this Section. Any unreserved gaming positions that are not specified shall be forfeited and retained by the Board. For the purposes of this subsection (f), an organization gaming licensee that did not conduct live racing in 2010 and is located within 3 miles of the Mississippi River may reserve up to 900 positions and shall not be penalized under this Section for not operating those positions

until it meets the requirements of subsection (e) of this Section, but such licensee shall not request unreserved gaming positions under this subsection (f) until its 900 positions are all operational.

Thereafter, the Board shall publish the number of unreserved gaming positions and shall accept requests for additional positions from any organization gaming licensee that initially reserved all of the positions that were offered. The Board shall allocate expeditiously the unreserved gaming positions to requesting organization gaming licensees in a manner that maximizes revenue to the State. The Board may allocate any such unused gaming positions pursuant to an open and competitive bidding process, as provided under Section 7.5 of this Act. This process shall continue until all unreserved gaming positions have been purchased. All positions obtained pursuant to this process and all positions the organization gaming licensee specified it would operate in its application must be in operation within 18 months after they were obtained or the organization gaming licensee forfeits the right to operate those positions, but is not entitled to a refund of any fees paid. The Board may, after holding a public hearing, grant extensions so long as the organization gaming licensee is working in good faith to make the positions operational. The extension may be for a period of 6 months. If, after the period of the extension, the organization gaming licensee has not made the positions operational, then another public hearing must be

held by the Board before it may grant another extension.

Unreserved gaming positions retained from and allocated to organization gaming licensees by the Board pursuant to this subsection (f) shall not be allocated to owners licensees under this Act.

For the purpose of this subsection (f), the unreserved gaming positions for each organization gaming licensee shall be the applicable limitation set forth in subsection (e) of this Section, less the number of reserved gaming positions by such organization gaming licensee, and the total unreserved gaming positions shall be the aggregate of the unreserved gaming positions for all organization gaming licensees.

(g) An organization gaming licensee is authorized to conduct the following at a racetrack:

(1) slot machine gambling;

(2) video game of chance gambling;

(3) gambling with electronic gambling games as defined in this Act or defined by the Illinois Gaming Board; and

(4) table games.

(h) Subject to the approval of the Illinois Gaming Board, an organization gaming licensee may make modification or additions to any existing buildings and structures to comply with the requirements of this Act. The Illinois Gaming Board shall make its decision after consulting with the Illinois Racing Board. In no case, however, shall the Illinois Gaming Board approve any modification or addition that alters the

grounds of the organization licensee such that the act of live racing is an ancillary activity to gaming authorized under this Section. Gaming authorized under this Section may take place in existing structures where inter-track wagering is conducted at the racetrack or a facility within 300 yards of the racetrack in accordance with the provisions of this Act and the Illinois Horse Racing Act of 1975.

(i) An organization gaming licensee may conduct gaming at a temporary facility pending the construction of a permanent facility or the remodeling or relocation of an existing facility to accommodate gaming participants for up to 24 months after the temporary facility begins to conduct gaming authorized under this Section. Upon request by an organization gaming licensee and upon a showing of good cause by the organization gaming licensee, the Board shall extend the period during which the licensee may conduct gaming authorized under this Section at a temporary facility by up to 12 months. The Board shall make rules concerning the conduct of gaming authorized under this Section from temporary facilities.

The gaming authorized under this Section may take place in existing structures where inter-track wagering is conducted at the racetrack or a facility within 300 yards of the racetrack in accordance with the provisions of this Act and the Illinois Horse Racing Act of 1975.

(i-5) Under no circumstances shall an organization gaming licensee conduct gaming at any State or county fair.

(j) The Illinois Gaming Board must adopt emergency rules in accordance with Section 5-45 of the Illinois Administrative Procedure Act as necessary to ensure compliance with the provisions of this amendatory Act of the 101st General Assembly concerning the conduct of gaming by an organization gaming licensee. The adoption of emergency rules authorized by this subsection (j) shall be deemed to be necessary for the public interest, safety, and welfare.

(k) Each organization gaming licensee who obtains gaming positions must make a reconciliation payment 3 years after the date the organization gaming licensee begins operating the positions in an amount equal to 75% of the difference between its adjusted gross receipts from gaming authorized under this Section and amounts paid to its purse accounts pursuant to item (1) of subsection (b) of Section 56 of the Illinois Horse Racing Act of 1975 for the 12-month period for which such difference was the largest, minus an amount equal to the initial per position fee paid by the organization gaming licensee. If this calculation results in a negative amount, then the organization gaming licensee is not entitled to any reimbursement of fees previously paid. This reconciliation payment may be made in installments over a period of no more than 2 years, subject to Board approval. Any installment payments shall include an annual market interest rate as determined by the Board.

All payments by licensees under this subsection (k) shall

be deposited into the Rebuild Illinois Projects Fund.

(1) As soon as practical after a request is made by the Illinois Gaming Board, to minimize duplicate submissions by the applicant, the Illinois Racing Board must provide information on an applicant for an organization gaming license to the Illinois Gaming Board.

(230 ILCS 10/7.8 new)

Sec. 7.8. Home rule. The regulation and licensing of organization gaming licensees and gaming conducted pursuant to an organization gaming license are exclusive powers and functions of the State. A home rule unit may not regulate or license such gaming or organization gaming licensees. This Section is a denial and limitation of home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution.

(230 ILCS 10/7.10 new)

Sec. 7.10. Diversity program.

(a) Each owners licensee, organization gaming licensee, and suppliers licensee shall establish and maintain a diversity program to ensure non-discrimination in the award and administration of contracts. The programs shall establish goals of awarding not less than 25% of the annual dollar value of all contracts, purchase orders, or other agreements to minority-owned businesses and 5% of the annual dollar value of

all contracts to women-owned businesses.

(b) Each owners licensee, organization gaming licensee, and suppliers licensee shall establish and maintain a diversity program designed to promote equal opportunity for employment. The program shall establish hiring goals as the Board and each licensee determines appropriate. The Board shall monitor the progress of the gaming licensee's progress with respect to the program's goals.

(c) No later than May 31 of each year, each licensee shall report to the Board (1) the number of respective employees and the number of its respective employees who have designated themselves as members of a minority group and gender and (2) the total goals achieved under subsection (a) of this Section as a percentage of the total contracts awarded by the license. In addition, all licensees shall submit a report with respect to the minority-owned and women-owned businesses program created in this Section to the Board.

(d) When considering whether to re-issue or renew a license to an owners licensee, organization gaming licensee, or suppliers licensee, the Board shall take into account the licensee's success in complying with the provisions of this Section. If an owners licensee, organization gaming licensee, or suppliers licensee has not satisfied the goals contained in this Section, the Board shall require a written explanation as to why the licensee is not in compliance and shall require the licensee to file multi-year metrics designed to achieve

compliance with the provisions by the next renewal period, consistent with State and federal law.

(230 ILCS 10/7.11 new)

Sec. 7.11. Annual report on diversity.

(a) Each licensee that receives a license under Sections 7, 7.1, and 7.7 shall execute and file a report with the Board no later than December 31 of each year that shall contain, but not be limited to, the following information:

(i) a good faith affirmative action plan to recruit, train, and upgrade minority persons, women, and persons with a disability in all employment classifications;

(ii) the total dollar amount of contracts that were awarded to businesses owned by minority persons, women, and persons with a disability;

(iii) the total number of businesses owned by minority persons, women, and persons with a disability that were utilized by the licensee;

(iv) the utilization of businesses owned by minority persons, women, and persons with disabilities during the preceding year; and

(v) the outreach efforts used by the licensee to attract investors and businesses consisting of minority persons, women, and persons with a disability.

(b) The Board shall forward a copy of each licensee's annual reports to the General Assembly no later than February 1

of each year. The reports to the General Assembly shall be filed with the Clerk of the House of Representatives and the Secretary of the Senate in electronic form only, in the manner that the Clerk and the Secretary shall direct.

(230 ILCS 10/7.12 new)

Sec. 7.12. Issuance of new owners licenses.

(a) Owners licenses newly authorized pursuant to this amendatory Act of the 101st General Assembly may be issued by the Board to a qualified applicant pursuant to an open and competitive bidding process, as set forth in Section 7.5, and subject to the maximum number of authorized licenses set forth in subsection (e-5) of Section 7 of this Act.

(b) To be a qualified applicant, a person or entity may not be ineligible to receive an owners license under subsection (a) of Section 7 of this Act and must submit an application for an owners license that complies with Section 6 of this Act.

(c) In determining whether to grant an owners license to an applicant, the Board shall consider all of the factors set forth in subsections (b) and (e-10) of Section 7 of this Act, as well as the amount of the applicant's license bid. The Board may grant the owners license to an applicant that has not submitted the highest license bid, but if it does not select the highest bidder, the Board shall issue a written decision explaining why another applicant was selected and identifying the factors set forth in subsections (b) and (e-10) of Section

7 of this Act that favored the winning bidder.

(230 ILCS 10/7.13 new)

Sec. 7.13. Environmental standards. All permanent casinos, riverboats, and organization gaming facilities shall consist of buildings that are certified as meeting the U.S. Green Building Council's Leadership in Energy and Environmental Design standards. The provisions of this Section apply to a holder of an owners license or organization gaming license that (i) begins operations on or after January 1, 2019 or (ii) relocates its facilities on or after the effective date of this amendatory Act of the 101st General Assembly.

(230 ILCS 10/7.14 new)

Sec. 7.14. Chicago Casino Advisory Committee. An Advisory Committee is established to monitor, review, and report on (1) the utilization of minority-owned business enterprises and women-owned business enterprises by the owners licensee, (2) employment of women, and (3) employment of minorities with regard to the development and construction of the casino as authorized under paragraph (1) of subsection (e-5) of Section 7 of the Illinois Gambling Act. The owners licensee under paragraph (1) of subsection (e-5) of Section 7 of the Illinois Gambling Act shall work with the Advisory Committee in accumulating necessary information for the Advisory Committee to submit reports, as necessary, to the General Assembly and to

the City of Chicago.

The Advisory Committee shall consist of 9 members as provided in this Section. Five members shall be selected by the Governor and 4 members shall be selected by the Mayor of the City of Chicago. The Governor and the Mayor of the City of Chicago shall each appoint at least one current member of the General Assembly. The Advisory Committee shall meet periodically and shall report the information to the Mayor of the City of Chicago and to the General Assembly by December 31st of every year.

The Advisory Committee shall be dissolved on the date that casino gambling operations are first conducted at a permanent facility under the license authorized under paragraph (1) of subsection (e-5) Section 7 of the Illinois Gambling Act. For the purposes of this Section, the terms "woman" and "minority person" have the meanings provided in Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

(230 ILCS 10/7.15 new)

Sec. 7.15. Limitations on gaming at Chicago airports. The Chicago casino may conduct gaming operations in an airport under the administration or control of the Chicago Department of Aviation. Gaming operations may be conducted pursuant to this Section so long as: (i) gaming operations are conducted in a secured area that is beyond the Transportation Security

Administration security checkpoints and only available to airline passengers at least 21 years of age who are members of a private club, and not to the general public, (ii) gaming operations are limited to slot machines, as defined in Section 4 of the Illinois Gambling Act, and (iii) the combined number of gaming positions operating in the City of Chicago at the airports and at the temporary and permanent casino facility does not exceed the maximum number of gaming positions authorized pursuant to subsection (h) of Section 7 of the Illinois Gambling Act. Gaming operations at an airport are subject to all applicable laws and rules that apply to any other gaming facility under the Illinois Gambling Act.

(230 ILCS 10/8) (from Ch. 120, par. 2408)

Sec. 8. Suppliers licenses.

(a) The Board may issue a suppliers license to such persons, firms or corporations which apply therefor upon the payment of a non-refundable application fee set by the Board, upon a determination by the Board that the applicant is eligible for a suppliers license and upon payment of a \$5,000 annual license fee.

(b) The holder of a suppliers license is authorized to sell or lease, and to contract to sell or lease, gambling equipment and supplies to any licensee involved in the ownership or management of gambling operations.

(c) Gambling supplies and equipment may not be distributed

unless supplies and equipment conform to standards adopted by rules of the Board.

(d) A person, firm or corporation is ineligible to receive a suppliers license if:

(1) the person has been convicted of a felony under the laws of this State, any other state, or the United States;

(2) the person has been convicted of any violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012, or substantially similar laws of any other jurisdiction;

(3) the person has submitted an application for a license under this Act which contains false information;

(4) the person is a member of the Board;

(5) the entity ~~firm or corporation~~ is one in which a person defined in (1), (2), (3) or (4), is an officer, director or managerial employee;

(6) the firm or corporation employs a person who participates in the management or operation of ~~riverboat~~ gambling authorized under this Act;

(7) the license of the person, firm or corporation issued under this Act, or a license to own or operate gambling facilities in any other jurisdiction, has been revoked.

(e) Any person that supplies any equipment, devices, or supplies to a licensed ~~riverboat~~ gambling operation must first obtain a suppliers license. A supplier shall furnish to the

Board a list of all equipment, devices and supplies offered for sale or lease in connection with gambling games authorized under this Act. A supplier shall keep books and records for the furnishing of equipment, devices and supplies to gambling operations separate and distinct from any other business that the supplier might operate. A supplier shall file a quarterly return with the Board listing all sales and leases. A supplier shall permanently affix its name or a distinctive logo or other mark or design element identifying the manufacturer or supplier to all its equipment, devices, and supplies, except gaming chips without a value impressed, engraved, or imprinted on it, for gambling operations. The Board may waive this requirement for any specific product or products if it determines that the requirement is not necessary to protect the integrity of the game. Items purchased from a licensed supplier may continue to be used even though the supplier subsequently changes its name, distinctive logo, or other mark or design element; undergoes a change in ownership; or ceases to be licensed as a supplier for any reason. Any supplier's equipment, devices or supplies which are used by any person in an unauthorized gambling operation shall be forfeited to the State. A holder of an owners license or an organization gaming license ~~A licensed owner~~ may own its own equipment, devices and supplies. Each holder of an owners license or an organization gaming license under the Act shall file an annual report listing its inventories of gambling equipment, devices and supplies.

(f) Any person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.

(g) Any gambling equipment, devices and supplies provided by any licensed supplier may either be repaired on the riverboat, in the casino, or at the organization gaming facility or removed from the riverboat, casino, or organization gaming facility to a an on-shore facility owned by the holder of an owners license, organization gaming license, or suppliers license for repair.

(Source: P.A. 97-1150, eff. 1-25-13; 98-12, eff. 5-10-13; 98-756, eff. 7-16-14.)

(230 ILCS 10/9) (from Ch. 120, par. 2409)

Sec. 9. Occupational licenses.

(a) The Board may issue an occupational license to an applicant upon the payment of a non-refundable fee set by the Board, upon a determination by the Board that the applicant is eligible for an occupational license and upon payment of an annual license fee in an amount to be established. To be eligible for an occupational license, an applicant must:

(1) be at least 21 years of age if the applicant will perform any function involved in gaming by patrons. Any applicant seeking an occupational license for a non-gaming function shall be at least 18 years of age;

(2) not have been convicted of a felony offense, a violation of Article 28 of the Criminal Code of 1961 or the

Criminal Code of 2012, or a similar statute of any other jurisdiction;

(2.5) not have been convicted of a crime, other than a crime described in item (2) of this subsection (a), involving dishonesty or moral turpitude, except that the Board may, in its discretion, issue an occupational license to a person who has been convicted of a crime described in this item (2.5) more than 10 years prior to his or her application and has not subsequently been convicted of any other crime;

(3) have demonstrated a level of skill or knowledge which the Board determines to be necessary in order to operate gambling aboard a riverboat, in a casino, or at an organization gaming facility; and

(4) have met standards for the holding of an occupational license as adopted by rules of the Board. Such rules shall provide that any person or entity seeking an occupational license to manage gambling operations under this Act ~~hereunder~~ shall be subject to background inquiries and further requirements similar to those required of applicants for an owners license. Furthermore, such rules shall provide that each such entity shall be permitted to manage gambling operations for only one licensed owner.

(b) Each application for an occupational license shall be on forms prescribed by the Board and shall contain all information required by the Board. The applicant shall set

forth in the application: whether he has been issued prior gambling related licenses; whether he has been licensed in any other state under any other name, and, if so, such name and his age; and whether or not a permit or license issued to him in any other state has been suspended, restricted or revoked, and, if so, for what period of time.

(c) Each applicant shall submit with his application, on forms provided by the Board, 2 sets of his fingerprints. The Board shall charge each applicant a fee set by the Department of State Police to defray the costs associated with the search and classification of fingerprints obtained by the Board with respect to the applicant's application. These fees shall be paid into the State Police Services Fund.

(d) The Board may in its discretion refuse an occupational license to any person: (1) who is unqualified to perform the duties required of such applicant; (2) who fails to disclose or states falsely any information called for in the application; (3) who has been found guilty of a violation of this Act or whose prior gambling related license or application therefor has been suspended, restricted, revoked or denied for just cause in any other state; or (4) for any other just cause.

(e) The Board may suspend, revoke or restrict any occupational licensee: (1) for violation of any provision of this Act; (2) for violation of any of the rules and regulations of the Board; (3) for any cause which, if known to the Board, would have disqualified the applicant from receiving such

license; or (4) for default in the payment of any obligation or debt due to the State of Illinois; or (5) for any other just cause.

(f) A person who knowingly makes a false statement on an application is guilty of a Class A misdemeanor.

(g) Any license issued pursuant to this Section shall be valid for a period of one year from the date of issuance.

(h) Nothing in this Act shall be interpreted to prohibit a licensed owner or organization gaming licensee from entering into an agreement with a public community college or a school approved under the Private Business and Vocational Schools Act of 2012 for the training of any occupational licensee. Any training offered by such a school shall be in accordance with a written agreement between the licensed owner or organization gaming licensee and the school.

(i) Any training provided for occupational licensees may be conducted either at the site of the gambling facility ~~on the riverboat~~ or at a school with which a licensed owner or organization gaming licensee has entered into an agreement pursuant to subsection (h).

(Source: P.A. 96-1392, eff. 1-1-11; 97-650, eff. 2-1-12; 97-1150, eff. 1-25-13.)

(230 ILCS 10/11) (from Ch. 120, par. 2411)

Sec. 11. Conduct of gambling. Gambling may be conducted by licensed owners or licensed managers on behalf of the State

aboard riverboats. Gambling may be conducted by organization gaming licensees at organization gaming facilities. Gambling authorized under this Section is, subject to the following standards:

(1) A licensee may conduct riverboat gambling authorized under this Act regardless of whether it conducts excursion cruises. A licensee may permit the continuous ingress and egress of patrons ~~passengers~~ on a riverboat not used for excursion cruises for the purpose of gambling. Excursion cruises shall not exceed 4 hours for a round trip. However, the Board may grant express approval for an extended cruise on a case-by-case basis.

(1.5) An owners licensee may conduct gambling operations authorized under this Act 24 hours a day.

(2) (Blank).

(3) Minimum and maximum wagers on games shall be set by the licensee.

(4) Agents of the Board and the Department of State Police may board and inspect any riverboat, enter and inspect any portion of a casino, or enter and inspect any portion of an organization gaming facility at any time for the purpose of determining whether this Act is being complied with. Every riverboat, if under way and being hailed by a law enforcement officer or agent of the Board, must stop immediately and lay to.

(5) Employees of the Board shall have the right to be

present on the riverboat or in the casino or on adjacent facilities under the control of the licensee and at the organization gaming facility under the control of the organization gaming licensee.

(6) Gambling equipment and supplies customarily used in conducting ~~riverboat~~ gambling must be purchased or leased only from suppliers licensed for such purpose under this Act. The Board may approve the transfer, sale, or lease of gambling equipment and supplies by a licensed owner from or to an affiliate of the licensed owner as long as the gambling equipment and supplies were initially acquired from a supplier licensed in Illinois.

(7) Persons licensed under this Act shall permit no form of wagering on gambling games except as permitted by this Act.

(8) Wagers may be received only from a person present on a licensed riverboat, in a casino, or at an organization gaming facility. No person present on a licensed riverboat, in a casino, or at an organization gaming facility shall place or attempt to place a wager on behalf of another person who is not present on the riverboat, in a casino, or at the organization gaming facility.

(9) Wagering, including gaming authorized under Section 7.7, shall not be conducted with money or other negotiable currency.

(10) A person under age 21 shall not be permitted on an

area of a riverboat or casino where gambling is being conducted or at an organization gaming facility where gambling is being conducted, except for a person at least 18 years of age who is an employee of the riverboat or casino gambling operation or gaming operation. No employee under age 21 shall perform any function involved in gambling by the patrons. No person under age 21 shall be permitted to make a wager under this Act, and any winnings that are a result of a wager by a person under age 21, whether or not paid by a licensee, shall be treated as winnings for the privilege tax purposes, confiscated, and forfeited to the State and deposited into the Education Assistance Fund.

(11) Gambling excursion cruises are permitted only when the waterway for which the riverboat is licensed is navigable, as determined by the Board in consultation with the U.S. Army Corps of Engineers. This paragraph (11) does not limit the ability of a licensee to conduct gambling authorized under this Act when gambling excursion cruises are not permitted.

(12) All tickets ~~tokens~~, chips, or electronic cards used to make wagers must be purchased (i) from a licensed owner or manager, in the case of a riverboat, either aboard a riverboat or at an onshore facility which has been approved by the Board and which is located where the riverboat docks, (ii) in the case of a casino, from a

licensed owner at the casino, or (iii) from an organization gaming licensee at the organization gaming facility. The tickets ~~tokens~~, chips, or electronic cards may be purchased by means of an agreement under which the owner or manager extends credit to the patron. Such tickets ~~tokens~~, chips, or electronic cards may be used while aboard the riverboat, in the casino, or at the organization gaming facility only for the purpose of making wagers on gambling games.

(13) Notwithstanding any other Section of this Act, in addition to the other licenses authorized under this Act, the Board may issue special event licenses allowing persons who are not otherwise licensed to conduct riverboat gambling to conduct such gambling on a specified date or series of dates. Riverboat gambling under such a license may take place on a riverboat not normally used for riverboat gambling. The Board shall establish standards, fees and fines for, and limitations upon, such licenses, which may differ from the standards, fees, fines and limitations otherwise applicable under this Act. All such fees shall be deposited into the State Gaming Fund. All such fines shall be deposited into the Education Assistance Fund, created by Public Act 86-0018, of the State of Illinois.

(14) In addition to the above, gambling must be conducted in accordance with all rules adopted by the Board.

(Source: P.A. 96-1392, eff. 1-1-11.)

(230 ILCS 10/11.1) (from Ch. 120, par. 2411.1)

Sec. 11.1. Collection of amounts owing under credit agreements. Notwithstanding any applicable statutory provision to the contrary, a licensed owner, licensed ~~or~~ manager, or organization gaming licensee who extends credit to a ~~riverboat~~ gambling patron pursuant to paragraph (12) of Section 11 ~~Section 11 (a) (12)~~ of this Act is expressly authorized to institute a cause of action to collect any amounts due and owing under the extension of credit, as well as the licensed owner's, licensed ~~or~~ manager's, or organization gaming licensee's costs, expenses and reasonable attorney's fees incurred in collection.

(Source: P.A. 93-28, eff. 6-20-03.)

(230 ILCS 10/12) (from Ch. 120, par. 2412)

Sec. 12. Admission tax; fees.

(a) A tax is hereby imposed upon admissions to riverboat and casino gambling facilities ~~riverboats~~ operated by licensed owners authorized pursuant to this Act. Until July 1, 2002, the rate is \$2 per person admitted. From July 1, 2002 until July 1, 2003, the rate is \$3 per person admitted. From July 1, 2003 until August 23, 2005 (the effective date of Public Act 94-673), for a licensee that admitted 1,000,000 persons or fewer in the previous calendar year, the rate is \$3 per person

admitted; for a licensee that admitted more than 1,000,000 but no more than 2,300,000 persons in the previous calendar year, the rate is \$4 per person admitted; and for a licensee that admitted more than 2,300,000 persons in the previous calendar year, the rate is \$5 per person admitted. Beginning on August 23, 2005 (the effective date of Public Act 94-673), for a licensee that admitted 1,000,000 persons or fewer in calendar year 2004, the rate is \$2 per person admitted, and for all other licensees, including licensees that were not conducting gambling operations in 2004, the rate is \$3 per person admitted. This admission tax is imposed upon the licensed owner conducting gambling.

(1) The admission tax shall be paid for each admission, except that a person who exits a riverboat gambling facility and reenters that riverboat gambling facility within the same gaming day shall be subject only to the initial admission tax.

(2) (Blank).

(3) The riverboat licensee may issue tax-free passes to actual and necessary officials and employees of the licensee or other persons actually working on the riverboat.

(4) The number and issuance of tax-free passes is subject to the rules of the Board, and a list of all persons to whom the tax-free passes are issued shall be filed with the Board.

(a-5) A fee is hereby imposed upon admissions operated by licensed managers on behalf of the State pursuant to Section 7.3 at the rates provided in this subsection (a-5). For a licensee that admitted 1,000,000 persons or fewer in the previous calendar year, the rate is \$3 per person admitted; for a licensee that admitted more than 1,000,000 but no more than 2,300,000 persons in the previous calendar year, the rate is \$4 per person admitted; and for a licensee that admitted more than 2,300,000 persons in the previous calendar year, the rate is \$5 per person admitted.

(1) The admission fee shall be paid for each admission.

(2) (Blank).

(3) The licensed manager may issue fee-free passes to actual and necessary officials and employees of the manager or other persons actually working on the riverboat.

(4) The number and issuance of fee-free passes is subject to the rules of the Board, and a list of all persons to whom the fee-free passes are issued shall be filed with the Board.

(b) Except as provided in subsection (b-5), from ~~From~~ the tax imposed under subsection (a) and the fee imposed under subsection (a-5), a municipality shall receive from the State \$1 for each person embarking on a riverboat docked within the municipality or entering a casino located within the municipality, and a county shall receive \$1 for each person entering a casino or embarking on a riverboat docked within the

county but outside the boundaries of any municipality. The municipality's or county's share shall be collected by the Board on behalf of the State and remitted quarterly by the State, subject to appropriation, to the treasurer of the unit of local government for deposit in the general fund.

(b-5) From the tax imposed under subsection (a) and the fee imposed under subsection (a-5), \$1 for each person embarking on a riverboat designated in paragraph (4) of subsection (e-5) of Section 7 shall be divided as follows: \$0.70 to the City of Rockford, \$0.05 to the City of Loves Park, \$0.05 to the Village of Machesney Park, and \$0.20 to Winnebago County.

The municipality's or county's share shall be collected by the Board on behalf of the State and remitted monthly by the State, subject to appropriation, to the treasurer of the unit of local government for deposit in the general fund.

(b-10) From the tax imposed under subsection (a) and the fee imposed under subsection (a-5), \$1 for each person embarking on a riverboat or entering a casino designated in paragraph (1) of subsection (e-5) of Section 7 shall be divided as follows: \$0.70 to the City of Chicago, \$0.15 to the Village of Maywood, and \$0.15 to the Village of Summit.

The municipality's or county's share shall be collected by the Board on behalf of the State and remitted monthly by the State, subject to appropriation, to the treasurer of the unit of local government for deposit in the general fund.

(b-15) From the tax imposed under subsection (a) and the

fee imposed under subsection (a-5), \$1 for each person embarking on a riverboat or entering a casino designated in paragraph (2) of subsection (e-5) of Section 7 shall be divided as follows: \$0.70 to the City of Danville and \$0.30 to Vermilion County.

The municipality's or county's share shall be collected by the Board on behalf of the State and remitted monthly by the State, subject to appropriation, to the treasurer of the unit of local government for deposit in the general fund.

(c) The licensed owner shall pay the entire admission tax to the Board and the licensed manager shall pay the entire admission fee to the Board. Such payments shall be made daily. Accompanying each payment shall be a return on forms provided by the Board which shall include other information regarding admissions as the Board may require. Failure to submit either the payment or the return within the specified time may result in suspension or revocation of the owners or managers license.

(c-5) A tax is imposed on admissions to organization gaming facilities at the rate of \$3 per person admitted by an organization gaming licensee. The tax is imposed upon the organization gaming licensee.

(1) The admission tax shall be paid for each admission, except that a person who exits an organization gaming facility and reenters that organization gaming facility within the same gaming day, as the term "gaming day" is defined by the Board by rule, shall be subject only to the

initial admission tax. The Board shall establish, by rule, a procedure to determine whether a person admitted to an organization gaming facility has paid the admission tax.

(2) An organization gaming licensee may issue tax-free passes to actual and necessary officials and employees of the licensee and other persons associated with its gaming operations.

(3) The number and issuance of tax-free passes is subject to the rules of the Board, and a list of all persons to whom the tax-free passes are issued shall be filed with the Board.

(4) The organization gaming licensee shall pay the entire admission tax to the Board.

Such payments shall be made daily. Accompanying each payment shall be a return on forms provided by the Board, which shall include other information regarding admission as the Board may require. Failure to submit either the payment or the return within the specified time may result in suspension or revocation of the organization gaming license.

From the tax imposed under this subsection (c-5), a municipality other than the Village of Stickney or the City of Collinsville in which an organization gaming facility is located, or if the organization gaming facility is not located within a municipality, then the county in which the organization gaming facility is located, except as otherwise provided in this Section, shall receive, subject to

appropriation, \$1 for each person who enters the organization gaming facility. For each admission to the organization gaming facility in excess of 1,500,000 in a year, from the tax imposed under this subsection (c-5), the county in which the organization gaming facility is located shall receive, subject to appropriation, \$0.30, which shall be in addition to any other moneys paid to the county under this Section.

From the tax imposed under this subsection (c-5) on an organization gaming facility located in the Village of Stickney, \$1 for each person who enters the organization gaming facility shall be distributed as follows, subject to appropriation: \$0.24 to the Village of Stickney, \$0.49 to the Town of Cicero, \$0.05 to the City of Berwyn, and \$0.17 to the Stickney Public Health District, and \$0.05 to the City of Bridgeview.

From the tax imposed under this subsection (c-5) on an organization gaming facility located in the City of Collinsville, the following shall each receive 10 cents for each person who enters the organization gaming facility, subject to appropriation: the Village of Alorton; the Village of Washington Park; State Park Place; the Village of Fairmont City; the City of Centreville; the Village of Brooklyn; the City of Venice; the City of Madison; the Village of Caseyville; and the Village of Pontoon Beach.

On the 25th day of each month, all amounts remaining after payments required under this subsection (c-5) have been made

shall be transferred into the Capital Projects Fund.

(d) The Board shall administer and collect the admission tax imposed by this Section, to the extent practicable, in a manner consistent with the provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9 and 10 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act.

(Source: P.A. 95-663, eff. 10-11-07; 96-1392, eff. 1-1-11.)

(230 ILCS 10/13) (from Ch. 120, par. 2413)

Sec. 13. Wagering tax; rate; distribution.

(a) Until January 1, 1998, a tax is imposed on the adjusted gross receipts received from gambling games authorized under this Act at the rate of 20%.

(a-1) From January 1, 1998 until July 1, 2002, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

20% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000;

25% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

30% of annual adjusted gross receipts in excess of

\$75,000,000 but not exceeding \$100,000,000;

35% of annual adjusted gross receipts in excess of \$100,000,000.

(a-2) From July 1, 2002 until July 1, 2003, a privilege tax is imposed on persons engaged in the business of conducting riverboat gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

22.5% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000;

27.5% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

32.5% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

37.5% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$150,000,000;

45% of annual adjusted gross receipts in excess of \$150,000,000 but not exceeding \$200,000,000;

50% of annual adjusted gross receipts in excess of \$200,000,000.

(a-3) Beginning July 1, 2003, a privilege tax is imposed on persons engaged in the business of conducting riverboat

gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

27.5% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$37,500,000;

32.5% of annual adjusted gross receipts in excess of \$37,500,000 but not exceeding \$50,000,000;

37.5% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

45% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

50% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$250,000,000;

70% of annual adjusted gross receipts in excess of \$250,000,000.

An amount equal to the amount of wagering taxes collected under this subsection (a-3) that are in addition to the amount of wagering taxes that would have been collected if the wagering tax rates under subsection (a-2) were in effect shall be paid into the Common School Fund.

The privilege tax imposed under this subsection (a-3) shall no longer be imposed beginning on the earlier of (i) July 1,

2005; (ii) the first date after June 20, 2003 that riverboat gambling operations are conducted pursuant to a dormant license; or (iii) the first day that riverboat gambling operations are conducted under the authority of an owners license that is in addition to the 10 owners licenses initially authorized under this Act. For the purposes of this subsection (a-3), the term "dormant license" means an owners license that is authorized by this Act under which no riverboat gambling operations are being conducted on June 20, 2003.

(a-4) Beginning on the first day on which the tax imposed under subsection (a-3) is no longer imposed and ending upon the imposition of the privilege tax under subsection (a-5) of this Section, a privilege tax is imposed on persons engaged in the business of conducting ~~riverboat~~ gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

22.5% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000;

27.5% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

32.5% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

37.5% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$150,000,000;

45% of annual adjusted gross receipts in excess of \$150,000,000 but not exceeding \$200,000,000;

50% of annual adjusted gross receipts in excess of \$200,000,000.

For the imposition of the privilege tax in this subsection (a-4), amounts paid pursuant to item (1) of subsection (b) of Section 56 of the Illinois Horse Racing Act of 1975 shall not be included in the determination of adjusted gross receipts.

(a-5) Beginning on the first day that an owners licensee under paragraph (1), (2), (3), (4), (5), or (6) of subsection (e-5) of Section 7 conducts gambling operations, either in a temporary facility or a permanent facility, a privilege tax is imposed on persons engaged in the business of conducting gambling operations, other than licensed managers conducting riverboat gambling operations on behalf of the State, based on the adjusted gross receipts received by such licensee from the gambling games authorized under this Act. The privilege tax for all gambling games other than table games, including, but not limited to, slot machines, video game of chance gambling, and electronic gambling games shall be at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

22.5% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000;

27.5% of annual adjusted gross receipts in excess of \$50,000,000 but not exceeding \$75,000,000;

32.5% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000;

37.5% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$150,000,000;

45% of annual adjusted gross receipts in excess of \$150,000,000 but not exceeding \$200,000,000;

50% of annual adjusted gross receipts in excess of \$200,000,000.

The privilege tax for table games shall be at the following rates:

15% of annual adjusted gross receipts up to and including \$25,000,000;

20% of annual adjusted gross receipts in excess of \$25,000,000.

For the imposition of the privilege tax in this subsection (a-5), amounts paid pursuant to item (1) of subsection (b) of Section 56 of the Illinois Horse Racing Act of 1975 shall not be included in the determination of adjusted gross receipts.

Notwithstanding the provisions of this subsection (a-5), for the first 10 years that the privilege tax is imposed under this subsection (a-5), the privilege tax shall be imposed on the modified annual adjusted gross receipts of a riverboat or casino conducting gambling operations in the City of East St. Louis, unless:

(1) the riverboat or casino fails to employ at least 450 people;

(2) the riverboat or casino fails to maintain operations in a manner consistent with this Act or is not a viable riverboat or casino subject to the approval of the Board; or

(3) the owners licensee is not an entity in which employees participate in an employee stock ownership plan.

As used in this subsection (a-5), "modified annual adjusted gross receipts" means:

(A) for calendar year 2020, the annual adjusted gross receipts for the current year minus the difference between an amount equal to the average annual adjusted gross receipts from a riverboat or casino conducting gambling operations in the City of East St. Louis for 2014, 2015, 2016, 2017, and 2018 and the annual adjusted gross receipts for 2018;

(B) for calendar year 2021, the annual adjusted gross receipts for the current year minus the difference between an amount equal to the average annual adjusted gross receipts from a riverboat or casino conducting gambling operations in the City of East St. Louis for 2014, 2015, 2016, 2017, and 2018 and the annual adjusted gross receipts for 2019; and

(C) for calendar years 2022 through 2029, the annual adjusted gross receipts for the current year minus the

difference between an amount equal to the average annual adjusted gross receipts from a riverboat or casino conducting gambling operations in the City of East St. Louis for 3 years preceding the current year and the annual adjusted gross receipts for the immediately preceding year.

(a-5.5) In addition to the privilege tax imposed under subsection (a-5), a privilege tax is imposed on the owners licensee under paragraph (1) of subsection (e-5) of Section 7 at the rate of one-third of the owners licensee's adjusted gross receipts.

For the imposition of the privilege tax in this subsection (a-5.5), amounts paid pursuant to item (1) of subsection (b) of Section 56 of the Illinois Horse Racing Act of 1975 shall not be included in the determination of adjusted gross receipts.

(a-6) From the effective date of this amendatory Act of the 101st General Assembly until June 30, 2023, an owners licensee that conducted gambling operations prior to January 1, 2011 shall receive a dollar-for-dollar credit against the tax imposed under this Section for any renovation or construction costs paid by the owners licensee, but in no event shall the credit exceed \$2,000,000.

Additionally, from the effective date of this amendatory Act of the 101st General Assembly until December 31, 2022, an owners licensee that (i) is located within 15 miles of the Missouri border, and (ii) has at least 3 riverboats, casinos,

or their equivalent within a 45-mile radius, may be authorized to relocate to a new location with the approval of both the unit of local government designated as the home dock and the Board, so long as the new location is within the same unit of local government and no more than 3 miles away from its original location. Such owners licensee shall receive a credit against the tax imposed under this Section equal to 8% of the total project costs, as approved by the Board, for any renovation or construction costs paid by the owners licensee for the construction of the new facility, provided that the new facility is operational by July 1, 2022. In determining whether or not to approve a relocation, the Board must consider the extent to which the relocation will diminish the gaming revenues received by other Illinois gaming facilities.

(a-7) Beginning in the initial adjustment year and through the final adjustment year, if the total obligation imposed pursuant to either subsection (a-5) or (a-6) will result in an owners licensee receiving less after-tax adjusted gross receipts than it received in calendar year 2018, then the total amount of privilege taxes that the owners licensee is required to pay for that calendar year shall be reduced to the extent necessary so that the after-tax adjusted gross receipts in that calendar year equals the after-tax adjusted gross receipts in calendar year 2018, but the privilege tax reduction shall not exceed the annual adjustment cap. If pursuant to this subsection (a-7), the total obligation imposed pursuant to

either subsection (a-5) or (a-6) shall be reduced, then the owners licensee shall not receive a refund from the State at the end of the subject calendar year but instead shall be able to apply that amount as a credit against any payments it owes to the State in the following calendar year to satisfy its total obligation under either subsection (a-5) or (a-6). The credit for the final adjustment year shall occur in the calendar year following the final adjustment year.

If an owners licensee that conducted gambling operations prior to January 1, 2019 expands its riverboat or casino, including, but not limited to, with respect to its gaming floor, additional non-gaming amenities such as restaurants, bars, and hotels and other additional facilities, and incurs construction and other costs related to such expansion from the effective date of this amendatory Act of the 101st General Assembly until the 5th anniversary of the effective date of this amendatory Act of the 101st General Assembly, then for each \$15,000,000 spent for any such construction or other costs related to expansion paid by the owners licensee, the final adjustment year shall be extended by one year and the annual adjustment cap shall increase by 0.2% of adjusted gross receipts during each calendar year until and including the final adjustment year. No further modifications to the final adjustment year or annual adjustment cap shall be made after \$75,000,000 is incurred in construction or other costs related to expansion so that the final adjustment year shall not extend

beyond the 9th calendar year after the initial adjustment year, not including the initial adjustment year, and the annual adjustment cap shall not exceed 4% of adjusted gross receipts in a particular calendar year. Construction and other costs related to expansion shall include all project related costs, including, but not limited to, all hard and soft costs, financing costs, on or off-site ground, road or utility work, cost of gaming equipment and all other personal property, initial fees assessed for each incremental gaming position, and the cost of incremental land acquired for such expansion. Soft costs shall include, but not be limited to, legal fees, architect, engineering and design costs, other consultant costs, insurance cost, permitting costs, and pre-opening costs related to the expansion, including, but not limited to, any of the following: marketing, real estate taxes, personnel, training, travel and out-of-pocket expenses, supply, inventory, and other costs, and any other project related soft costs.

To be eligible for the tax credits in subsection (a-6), all construction contracts shall include a requirement that the contractor enter into a project labor agreement with the building and construction trades council with geographic jurisdiction of the location of the proposed gaming facility.

Notwithstanding any other provision of this subsection (a-7), this subsection (a-7) does not apply to an owners licensee unless such owners licensee spends at least

\$15,000,000 on construction and other costs related to its expansion, excluding the initial fees assessed for each incremental gaming position.

This subsection (a-7) does not apply to owners licensees authorized pursuant to subsection (e-5) of Section 7 of this Act.

For purposes of this subsection (a-7):

"Building and construction trades council" means any organization representing multiple construction entities that are monitoring or attentive to compliance with public or workers' safety laws, wage and hour requirements, or other statutory requirements or that are making or maintaining collective bargaining agreements.

"Initial adjustment year" means the year commencing on January 1 of the calendar year immediately following the earlier of the following:

(1) the commencement of gambling operations, either in a temporary or permanent facility, with respect to the owners license authorized under paragraph (1) of subsection (e-5) of Section 7 of this Act; or

(2) 24 months after the effective date of this amendatory Act of the 101st General Assembly, provided the initial adjustment year shall not commence earlier than 12 months after the effective date of this amendatory Act of the 101st General Assembly.

"Final adjustment year" means the 2nd calendar year after

the initial adjustment year, not including the initial adjustment year, and as may be extended further as described in this subsection (a-7).

"Annual adjustment cap" means 3% of adjusted gross receipts in a particular calendar year, and as may be increased further as otherwise described in this subsection (a-7).

(a-8) Riverboat gambling operations conducted by a licensed manager on behalf of the State are not subject to the tax imposed under this Section.

(a-9) Beginning on January 1, 2020, the calculation of gross receipts or adjusted gross receipts, for the purposes of this Section, for a riverboat, a casino, or an organization gaming facility shall not include the dollar amount of non-cashable vouchers, coupons, and electronic promotions redeemed by wagerers upon the riverboat, in the casino, or in the organization gaming facility up to and including an amount not to exceed 20% of a riverboat's, a casino's, or an organization gaming facility's adjusted gross receipts.

The Illinois Gaming Board shall submit to the General Assembly a comprehensive report no later than March 31, 2023 detailing, at a minimum, the effect of removing non-cashable vouchers, coupons, and electronic promotions from this calculation on net gaming revenues to the State in calendar years 2020 through 2022, the increase or reduction in wagerers as a result of removing non-cashable vouchers, coupons, and electronic promotions from this calculation, the effect of the

tax rates in subsection (a-5) on net gaming revenues to this State, and proposed modifications to the calculation.

(a-10) The taxes imposed by this Section shall be paid by the licensed owner or the organization gaming licensee to the Board not later than 5:00 o'clock p.m. of the day after the day when the wagers were made.

(a-15) If the privilege tax imposed under subsection (a-3) is no longer imposed pursuant to item (i) of the last paragraph of subsection (a-3), then by June 15 of each year, each owners licensee, other than an owners licensee that admitted 1,000,000 persons or fewer in calendar year 2004, must, in addition to the payment of all amounts otherwise due under this Section, pay to the Board a reconciliation payment in the amount, if any, by which the licensed owner's base amount exceeds the amount of net privilege tax paid by the licensed owner to the Board in the then current State fiscal year. A licensed owner's net privilege tax obligation due for the balance of the State fiscal year shall be reduced up to the total of the amount paid by the licensed owner in its June 15 reconciliation payment. The obligation imposed by this subsection (a-15) is binding on any person, firm, corporation, or other entity that acquires an ownership interest in any such owners license. The obligation imposed under this subsection (a-15) terminates on the earliest of: (i) July 1, 2007, (ii) the first day after the effective date of this amendatory Act of the 94th General Assembly that riverboat gambling operations are conducted pursuant to a

dormant license, (iii) the first day that riverboat gambling operations are conducted under the authority of an owners license that is in addition to the 10 owners licenses initially authorized under this Act, or (iv) the first day that a licensee under the Illinois Horse Racing Act of 1975 conducts gaming operations with slot machines or other electronic gaming devices. The Board must reduce the obligation imposed under this subsection (a-15) by an amount the Board deems reasonable for any of the following reasons: (A) an act or acts of God, (B) an act of bioterrorism or terrorism or a bioterrorism or terrorism threat that was investigated by a law enforcement agency, or (C) a condition beyond the control of the owners licensee that does not result from any act or omission by the owners licensee or any of its agents and that poses a hazardous threat to the health and safety of patrons. If an owners licensee pays an amount in excess of its liability under this Section, the Board shall apply the overpayment to future payments required under this Section.

For purposes of this subsection (a-15):

"Act of God" means an incident caused by the operation of an extraordinary force that cannot be foreseen, that cannot be avoided by the exercise of due care, and for which no person can be held liable.

"Base amount" means the following:

For a riverboat in Alton, \$31,000,000.

For a riverboat in East Peoria, \$43,000,000.

For the Empress riverboat in Joliet, \$86,000,000.

For a riverboat in Metropolis, \$45,000,000.

For the Harrah's riverboat in Joliet, \$114,000,000.

For a riverboat in Aurora, \$86,000,000.

For a riverboat in East St. Louis, \$48,500,000.

For a riverboat in Elgin, \$198,000,000.

"Dormant license" has the meaning ascribed to it in subsection (a-3).

"Net privilege tax" means all privilege taxes paid by a licensed owner to the Board under this Section, less all payments made from the State Gaming Fund pursuant to subsection (b) of this Section.

The changes made to this subsection (a-15) by Public Act 94-839 are intended to restate and clarify the intent of Public Act 94-673 with respect to the amount of the payments required to be made under this subsection by an owners licensee to the Board.

(b) ~~From Until January 1, 1998, 25% of the tax revenue deposited in the State Gaming Fund under this Section shall be paid, subject to appropriation by the General Assembly, to the unit of local government which is designated as the home dock of the riverboat. Beginning January 1, 1998, from the tax revenue~~ from riverboat or casino gambling deposited in the State Gaming Fund under this Section, an amount equal to 5% of adjusted gross receipts generated by a riverboat or a casino, other than a riverboat or casino designated in paragraph (1),

(3), or (4) of subsection (e-5) of Section 7, shall be paid monthly, subject to appropriation by the General Assembly, to the unit of local government in which the casino is located or that is designated as the home dock of the riverboat. Notwithstanding anything to the contrary, beginning on the first day that an owners licensee under paragraph (1), (2), (3), (4), (5), or (6) of subsection (e-5) of Section 7 conducts gambling operations, either in a temporary facility or a permanent facility, and for 2 years thereafter, a unit of local government designated as the home dock of a riverboat whose license was issued before January 1, 2019, other than a riverboat conducting gambling operations in the City of East St. Louis, shall not receive less under this subsection (b) than the amount the unit of local government received under this subsection (b) in calendar year 2018. Notwithstanding anything to the contrary and because the City of East St. Louis is a financially distressed city, beginning on the first day that an owners licensee under paragraph (1), (2), (3), (4), (5), or (6) of subsection (e-5) of Section 7 conducts gambling operations, either in a temporary facility or a permanent facility, and for 10 years thereafter, a unit of local government designated as the home dock of a riverboat conducting gambling operations in the City of East St. Louis shall not receive less under this subsection (b) than the amount the unit of local government received under this subsection (b) in calendar year 2018.

From the tax revenue deposited in the State Gaming Fund pursuant to riverboat or casino gambling operations conducted by a licensed manager on behalf of the State, an amount equal to 5% of adjusted gross receipts generated pursuant to those riverboat or casino gambling operations shall be paid monthly, subject to appropriation by the General Assembly, to the unit of local government that is designated as the home dock of the riverboat upon which those riverboat gambling operations are conducted or in which the casino is located.

From the tax revenue from riverboat or casino gambling deposited in the State Gaming Fund under this Section, an amount equal to 5% of the adjusted gross receipts generated by a riverboat designated in paragraph (3) of subsection (e-5) of Section 7 shall be divided and remitted monthly, subject to appropriation, as follows: 70% to Waukegan, 10% to Park City, 15% to North Chicago, and 5% to Lake County.

From the tax revenue from riverboat or casino gambling deposited in the State Gaming Fund under this Section, an amount equal to 5% of the adjusted gross receipts generated by a riverboat designated in paragraph (4) of subsection (e-5) of Section 7 shall be remitted monthly, subject to appropriation, as follows: 70% to the City of Rockford, 5% to the City of Loves Park, 5% to the Village of Machesney, and 20% to Winnebago County.

From the tax revenue from riverboat or casino gambling deposited in the State Gaming Fund under this Section, an

amount equal to 5% of the adjusted gross receipts generated by a riverboat designated in paragraph (5) of subsection (e-5) of Section 7 shall be remitted monthly, subject to appropriation, as follows: 2% to the unit of local government in which the riverboat or casino is located, and 3% shall be distributed: (A) in accordance with a regional capital development plan entered into by the following communities: Village of Beecher, City of Blue Island, Village of Burnham, City of Calumet City, Village of Calumet Park, City of Chicago Heights, City of Country Club Hills, Village of Crestwood, Village of Crete, Village of Dixmoor, Village of Dolton, Village of East Hazel Crest, Village of Flossmoor, Village of Ford Heights, Village of Glenwood, City of Harvey, Village of Hazel Crest, Village of Homewood, Village of Lansing, Village of Lynwood, City of Markham, Village of Matteson, Village of Midlothian, Village of Monee, City of Oak Forest, Village of Olympia Fields, Village of Orland Hills, Village of Orland Park, City of Palos Heights, Village of Park Forest, Village of Phoenix, Village of Posen, Village of Richton Park, Village of Riverdale, Village of Robbins, Village of Sauk Village, Village of South Chicago Heights, Village of South Holland, Village of Steger, Village of Thornton, Village of Tinley Park, Village of University Park and Village of Worth; or (B) if no regional capital development plan exists, equally among the communities listed in item (A) to be used for capital expenditures or public pension payments, or both.

Units of local government may refund any portion of the payment that they receive pursuant to this subsection (b) to the riverboat or casino.

(b-4) Beginning on the first day the licensee under paragraph (5) of subsection (e-5) of Section 7 conducts gambling operations, either in a temporary facility or a permanent facility, and ending on July 31, 2042, from the tax revenue deposited in the State Gaming Fund under this Section, \$5,000,000 shall be paid annually, subject to appropriation, to the host municipality of that owners licensee of a license issued or re-issued pursuant to Section 7.1 of this Act before January 1, 2012. Payments received by the host municipality pursuant to this subsection (b-4) may not be shared with any other unit of local government.

(b-5) Beginning on the effective date of this amendatory Act of the 101st General Assembly, from the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 3% of adjusted gross receipts generated by each organization gaming facility located outside Madison County shall be paid monthly, subject to appropriation by the General Assembly, to a municipality other than the Village of Stickney in which each organization gaming facility is located or, if the organization gaming facility is not located within a municipality, to the county in which the organization gaming facility is located, except as otherwise provided in this Section. From the tax revenue deposited in the State Gaming

Fund under this Section, an amount equal to 3% of adjusted gross receipts generated by an organization gaming facility located in the Village of Stickney shall be paid monthly, subject to appropriation by the General Assembly, as follows: 25% to the Village of Stickney, 5% to the City of Berwyn, 50% to the Town of Cicero, and 20% to the Stickney Public Health District.

From the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 5% of adjusted gross receipts generated by an organization gaming facility located in the City of Collinsville shall be paid monthly, subject to appropriation by the General Assembly, as follows: 30% to the City of Alton, 30% to the City of East St. Louis, and 40% to the City of Collinsville.

Municipalities and counties may refund any portion of the payment that they receive pursuant to this subsection (b-5) to the organization gaming facility.

(b-6) Beginning on the effective date of this amendatory Act of the 101st General Assembly, from the tax revenue deposited in the State Gaming Fund under this Section, an amount equal to 2% of adjusted gross receipts generated by an organization gaming facility located outside Madison County shall be paid monthly, subject to appropriation by the General Assembly, to the county in which the organization gaming facility is located for the purposes of its criminal justice system or health care system.

Counties may refund any portion of the payment that they receive pursuant to this subsection (b-6) to the organization gaming facility.

(b-7) From the tax revenue from the organization gaming licensee located in one of the following townships of Cook County: Bloom, Bremen, Calumet, Orland, Rich, Thornton, or Worth, an amount equal to 5% of the adjusted gross receipts generated by that organization gaming licensee shall be remitted monthly, subject to appropriation, as follows: 2% to the unit of local government in which the organization gaming licensee is located, and 3% shall be distributed: (A) in accordance with a regional capital development plan entered into by the following communities: Village of Beecher, City of Blue Island, Village of Burnham, City of Calumet City, Village of Calumet Park, City of Chicago Heights, City of Country Club Hills, Village of Crestwood, Village of Crete, Village of Dixmoor, Village of Dolton, Village of East Hazel Crest, Village of Flossmoor, Village of Ford Heights, Village of Glenwood, City of Harvey, Village of Hazel Crest, Village of Homewood, Village of Lansing, Village of Lynwood, City of Markham, Village of Matteson, Village of Midlothian, Village of Monee, City of Oak Forest, Village of Olympia Fields, Village of Orland Hills, Village of Orland Park, City of Palos Heights, Village of Park Forest, Village of Phoenix, Village of Posen, Village of Richton Park, Village of Riverdale, Village of Robbins, Village of Sauk Village, Village of South Chicago

Heights, Village of South Holland, Village of Steger, Village of Thornton, Village of Tinley Park, Village of University Park, and Village of Worth; or (B) if no regional capital development plan exists, equally among the communities listed in item (A) to be used for capital expenditures or public pension payments, or both.

(b-8) In lieu of the payments under subsection (b) of this Section, the tax revenue from the privilege tax imposed by subsection (a-5.5) shall be paid monthly, subject to appropriation by the General Assembly, to the City of Chicago and shall be expended or obligated by the City of Chicago for pension payments in accordance with Public Act 99-506.

(c) Appropriations, as approved by the General Assembly, may be made from the State Gaming Fund to the Board (i) for the administration and enforcement of this Act and the Video Gaming Act, (ii) for distribution to the Department of State Police and to the Department of Revenue for the enforcement of this Act, and the Video Gaming Act, and (iii) to the Department of Human Services for the administration of programs to treat problem gambling. The Board's annual appropriations request must separately state its funding needs for the regulation of gaming authorized under Section 7.7, riverboat gaming, casino gaming, video gaming, and sports wagering.

(c-2) An amount equal to 2% of the adjusted gross receipts generated by an organization gaming facility located within a home rule county with a population of over 3,000,000

inhabitants shall be paid, subject to appropriation from the General Assembly, from the State Gaming Fund to the home rule county in which the organization gaming licensee is located for the purpose of enhancing the county's criminal justice system.

(c-3) Appropriations, as approved by the General Assembly, may be made from the tax revenue deposited into the State Gaming Fund from organization gaming licensees pursuant to this Section for the administration and enforcement of this Act.

(c-4) After payments required under subsections (b), (b-5), (b-6), (b-7), (c), (c-2), and (c-3) have been made from the tax revenue from organization gaming licensees deposited into the State Gaming Fund under this Section, all remaining amounts from organization gaming licensees shall be transferred into the Capital Projects Fund.

~~(c-5) (Blank). Before May 26, 2006 (the effective date of Public Act 94-804) and beginning on the effective date of this amendatory Act of the 95th General Assembly, unless any organization licensee under the Illinois Horse Racing Act of 1975 begins to operate a slot machine or video game of chance under the Illinois Horse Racing Act of 1975 or this Act, after the payments required under subsections (b) and (c) have been made, an amount equal to 15% of the adjusted gross receipts of (1) an owners licensee that relocates pursuant to Section 11.2, (2) an owners licensee conducting riverboat gambling operations pursuant to an owners license that is initially issued after June 25, 1999, or (3) the first riverboat gambling~~

~~operations conducted by a licensed manager on behalf of the State under Section 7.3, whichever comes first, shall be paid from the State Gaming Fund into the Horse Racing Equity Fund.~~

(c-10) Each year the General Assembly shall appropriate from the General Revenue Fund to the Education Assistance Fund an amount equal to the amount paid into the Horse Racing Equity Fund pursuant to subsection (c-5) in the prior calendar year.

(c-15) After the payments required under subsections (b), (c), and (c-5) have been made, an amount equal to 2% of the adjusted gross receipts of (1) an owners licensee that relocates pursuant to Section 11.2, (2) an owners licensee conducting riverboat gambling operations pursuant to an owners license that is initially issued after June 25, 1999, or (3) the first riverboat gambling operations conducted by a licensed manager on behalf of the State under Section 7.3, whichever comes first, shall be paid, subject to appropriation from the General Assembly, from the State Gaming Fund to each home rule county with a population of over 3,000,000 inhabitants for the purpose of enhancing the county's criminal justice system.

(c-20) Each year the General Assembly shall appropriate from the General Revenue Fund to the Education Assistance Fund an amount equal to the amount paid to each home rule county with a population of over 3,000,000 inhabitants pursuant to subsection (c-15) in the prior calendar year.

(c-21) After the payments required under subsections (b), (b-4), (b-5), (b-6), (b-7), (b-8), (c), (c-3), and (c-4) have

been made, an amount equal to 2% of the adjusted gross receipts generated by the owners licensee under paragraph (1) of subsection (e-5) of Section 7 shall be paid, subject to appropriation from the General Assembly, from the State Gaming Fund to the home rule county in which the owners licensee is located for the purpose of enhancing the county's criminal justice system.

(c-22) After the payments required under subsections (b), (b-4), (b-5), (b-6), (b-7), (b-8), (c), (c-3), (c-4), and (c-21) have been made, an amount equal to 2% of the adjusted gross receipts generated by the owners licensee under paragraph (5) of subsection (e-5) of Section 7 shall be paid, subject to appropriation from the General Assembly, from the State Gaming Fund to the home rule county in which the owners licensee is located for the purpose of enhancing the county's criminal justice system.

(c-25) From ~~On~~ July 1, 2013 and each July 1 thereafter through July 1, 2019, \$1,600,000 shall be transferred from the State Gaming Fund to the Chicago State University Education Improvement Fund.

On July 1, 2020 and each July 1 thereafter, \$3,000,000 shall be transferred from the State Gaming Fund to the Chicago State University Education Improvement Fund.

(c-30) On July 1, 2013 or as soon as possible thereafter, \$92,000,000 shall be transferred from the State Gaming Fund to the School Infrastructure Fund and \$23,000,000 shall be

transferred from the State Gaming Fund to the Horse Racing Equity Fund.

(c-35) Beginning on July 1, 2013, in addition to any amount transferred under subsection (c-30) of this Section, \$5,530,000 shall be transferred monthly from the State Gaming Fund to the School Infrastructure Fund.

(d) From time to time, the Board shall transfer the remainder of the funds generated by this Act into the Education Assistance Fund, created by Public Act 86-0018, of the State of Illinois.

(e) Nothing in this Act shall prohibit the unit of local government designated as the home dock of the riverboat from entering into agreements with other units of local government in this State or in other states to share its portion of the tax revenue.

(f) To the extent practicable, the Board shall administer and collect the wagering taxes imposed by this Section in a manner consistent with the provisions of Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act.

(Source: P.A. 98-18, eff. 6-7-13.)

(230 ILCS 10/14) (from Ch. 120, par. 2414)

Sec. 14. Licensees - Records - Reports - Supervision.

(a) Licensed owners and organization gaming licensees A

~~licensed owner~~ shall keep ~~his~~ books and records so as to clearly show the following:

- (1) The amount received daily from admission fees.
- (2) The total amount of gross receipts.
- (3) The total amount of the adjusted gross receipts.

(b) Licensed owners and organization gaming licensees ~~The licensed owner~~ shall furnish to the Board reports and information as the Board may require with respect to its activities on forms designed and supplied for such purpose by the Board.

(c) The books and records kept by a licensed owner as provided by this Section are public records and the examination, publication, and dissemination of the books and records are governed by the provisions of The Freedom of Information Act.

(Source: P.A. 86-1029.)

(230 ILCS 10/15) (from Ch. 120, par. 2415)

Sec. 15. Audit of Licensee Operations. Annually, the licensed owner, ~~or~~ manager, or organization gaming licensee shall transmit to the Board an audit of the financial transactions and condition of the licensee's or manager's total operations. Additionally, within 90 days after the end of each quarter of each fiscal year, the licensed owner, ~~or~~ manager, or organization gaming licensee shall transmit to the Board a compliance report on engagement procedures determined by the

Board. All audits and compliance engagements shall be conducted by certified public accountants selected by the Board. Each certified public accountant must be registered in the State of Illinois under the Illinois Public Accounting Act. The compensation for each certified public accountant shall be paid directly by the licensed owner, ~~or~~ manager, or organization gaming licensee to the certified public accountant.

(Source: P.A. 96-1392, eff. 1-1-11.)

(230 ILCS 10/17) (from Ch. 120, par. 2417)

Sec. 17. Administrative Procedures. The Illinois Administrative Procedure Act shall apply to all administrative rules and procedures of the Board under this Act and ~~or~~ the Video Gaming Act, except that: (1) subsection (b) of Section 5-10 of the Illinois Administrative Procedure Act does not apply to final orders, decisions and opinions of the Board; (2) subsection (a) of Section 5-10 of the Illinois Administrative Procedure Act does not apply to forms established by the Board for use under this Act and or the Video Gaming Act; (3) the provisions of Section 10-45 of the Illinois Administrative Procedure Act regarding proposals for decision are excluded under this Act and ~~or~~ the Video Gaming Act; and (4) the provisions of subsection (d) of Section 10-65 of the Illinois Administrative Procedure Act do not apply so as to prevent summary suspension of any license pending revocation or other action, which suspension shall remain in effect unless modified

by the Board or unless the Board's decision is reversed on the merits upon judicial review.

(Source: P.A. 96-34, eff. 7-13-09.)

(230 ILCS 10/17.1) (from Ch. 120, par. 2417.1)

Sec. 17.1. Judicial Review.

(a) Jurisdiction and venue for the judicial review of a final order of the Board relating to licensed owners, suppliers, organization gaming licensees, and ~~or~~ special event licenses is vested in the Appellate Court of the judicial district in which Sangamon County is located. A petition for judicial review of a final order of the Board must be filed in the Appellate Court, within 35 days from the date that a copy of the decision sought to be reviewed was served upon the party affected by the decision.

(b) Judicial review of all other final orders of the Board shall be conducted in accordance with the Administrative Review Law.

(Source: P.A. 88-1.)

(230 ILCS 10/18) (from Ch. 120, par. 2418)

Sec. 18. Prohibited Activities - Penalty.

(a) A person is guilty of a Class A misdemeanor for doing any of the following:

(1) Conducting gambling where wagering is used or to be used without a license issued by the Board.

(2) Conducting gambling where wagering is permitted other than in the manner specified by Section 11.

(b) A person is guilty of a Class B misdemeanor for doing any of the following:

(1) permitting a person under 21 years to make a wager;
or

(2) violating paragraph (12) of subsection (a) of Section 11 of this Act.

(c) A person wagering or accepting a wager at any location outside the riverboat, casino, or organization gaming facility ~~in violation of paragraph~~ ~~is subject to the penalties in paragraphs~~ (1) or (2) of subsection (a) of Section 28-1 of the Criminal Code of 2012 is subject to the penalties provided in that Section.

(d) A person commits a Class 4 felony and, in addition, shall be barred for life from gambling operations ~~riverboats~~ under the jurisdiction of the Board, if the person does any of the following:

(1) Offers, promises, or gives anything of value or benefit to a person who is connected with a riverboat or casino owner or organization gaming licensee, including, but not limited to, an officer or employee of a licensed owner, organization gaming licensee, or holder of an occupational license pursuant to an agreement or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person

to whom the offer, promise, or gift was made in order to affect or attempt to affect the outcome of a gambling game, or to influence official action of a member of the Board.

(2) Solicits or knowingly accepts or receives a promise of anything of value or benefit while the person is connected with a riverboat, casino, or organization gaming facility, including, but not limited to, an officer or employee of a licensed owner or organization gaming licensee, or the holder of an occupational license, pursuant to an understanding or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the person to affect or attempt to affect the outcome of a gambling game, or to influence official action of a member of the Board.

(3) Uses or possesses with the intent to use a device to assist:

(i) In projecting the outcome of the game.

(ii) In keeping track of the cards played.

(iii) In analyzing the probability of the occurrence of an event relating to the gambling game.

(iv) In analyzing the strategy for playing or betting to be used in the game except as permitted by the Board.

(4) Cheats at a gambling game.

(5) Manufactures, sells, or distributes any cards, chips, dice, game or device which is intended to be used to

violate any provision of this Act.

(6) Alters or misrepresents the outcome of a gambling game on which wagers have been made after the outcome is made sure but before it is revealed to the players.

(7) Places a bet after acquiring knowledge, not available to all players, of the outcome of the gambling game which is subject of the bet or to aid a person in acquiring the knowledge for the purpose of placing a bet contingent on that outcome.

(8) Claims, collects, or takes, or attempts to claim, collect, or take, money or anything of value in or from the gambling games, with intent to defraud, without having made a wager contingent on winning a gambling game, or claims, collects, or takes an amount of money or thing of value of greater value than the amount won.

(9) Uses counterfeit chips or tokens in a gambling game.

(10) Possesses any key or device designed for the purpose of opening, entering, or affecting the operation of a gambling game, drop box, or an electronic or mechanical device connected with the gambling game or for removing coins, tokens, chips or other contents of a gambling game. This paragraph (10) does not apply to a gambling licensee or employee of a gambling licensee acting in furtherance of the employee's employment.

(e) The possession of more than one of the devices

described in subsection (d), paragraphs (3), (5), or (10) permits a rebuttable presumption that the possessor intended to use the devices for cheating.

(f) A person under the age of 21 who, except as authorized under paragraph (10) of Section 11, enters upon a riverboat or in a casino or organization gaming facility commits a petty offense and is subject to a fine of not less than \$100 or more than \$250 for a first offense and of not less than \$200 or more than \$500 for a second or subsequent offense.

An action to prosecute any crime occurring on a riverboat shall be tried in the county of the dock at which the riverboat is based. An action to prosecute any crime occurring in a casino or organization gaming facility shall be tried in the county in which the casino or organization gaming facility is located.

(Source: P.A. 96-1392, eff. 1-1-11; 97-1150, eff. 1-25-13.)

(230 ILCS 10/18.1)

Sec. 18.1. Distribution of certain fines. If a fine is imposed on an owners ~~owner~~ licensee or an organization gaming licensee for knowingly sending marketing or promotional materials to any person placed on the self-exclusion list, then the Board shall distribute an amount equal to 15% of the fine imposed to the unit of local government in which the casino, riverboat, or organization gaming facility is located for the purpose of awarding grants to non-profit entities that assist

gambling addicts.

(Source: P.A. 96-224, eff. 8-11-09.)

(230 ILCS 10/19) (from Ch. 120, par. 2419)

Sec. 19. Forfeiture of property.

(a) Except as provided in subsection (b), any riverboat, casino, or organization gaming facility used for the conduct of gambling games in violation of this Act shall be considered a gambling place in violation of Section 28-3 of the Criminal Code of 2012. Every gambling device found on a riverboat, in a casino, or at an organization gaming facility operating gambling games in violation of this Act and every slot machine and video game of chance found at an organization gaming facility operating gambling games in violation of this Act shall be subject to seizure, confiscation and destruction as provided in Section 28-5 of the Criminal Code of 2012.

(b) It is not a violation of this Act for a riverboat or other watercraft which is licensed for gaming by a contiguous state to dock on the shores of this State if the municipality having jurisdiction of the shores, or the county in the case of unincorporated areas, has granted permission for docking and no gaming is conducted on the riverboat or other watercraft while it is docked on the shores of this State. No gambling device shall be subject to seizure, confiscation or destruction if the gambling device is located on a riverboat or other watercraft which is licensed for gaming by a contiguous state and which is

docked on the shores of this State if the municipality having jurisdiction of the shores, or the county in the case of unincorporated areas, has granted permission for docking and no gaming is conducted on the riverboat or other watercraft while it is docked on the shores of this State.

(Source: P.A. 97-1150, eff. 1-25-13.)

(230 ILCS 10/20) (from Ch. 120, par. 2420)

Sec. 20. Prohibited activities - civil penalties. Any person who conducts a gambling operation without first obtaining a license to do so, or who continues to conduct such games after revocation of his license, or any licensee who conducts or allows to be conducted any unauthorized gambling games on a riverboat, in a casino, or at an organization gaming facility where it is authorized to conduct its ~~riverboat~~ gambling operation, in addition to other penalties provided, shall be subject to a civil penalty equal to the amount of gross receipts derived from wagering on the gambling games, whether unauthorized or authorized, conducted on that day as well as confiscation and forfeiture of all gambling game equipment used in the conduct of unauthorized gambling games.

(Source: P.A. 86-1029.)

(230 ILCS 10/24)

Sec. 24. Applicability of this ~~Illinois Riverboat Gambling~~ Act. The provisions of this ~~the Illinois Riverboat Gambling~~

Act, and all rules promulgated thereunder, shall apply to the Video Gaming Act, except where there is a conflict between the ~~2~~ Acts. In the event of a conflict between this Act and the Video Gaming Act, the terms of this Act shall prevail.

(Source: P.A. 96-37, eff. 7-13-09.)

Section 35-60. The Video Gaming Act is amended by changing Sections 5, 15, 20, 25, 30, 35, 45, 55, 58, 60, 79, and 80 as follows:

(230 ILCS 40/5)

Sec. 5. Definitions. As used in this Act:

"Board" means the Illinois Gaming Board.

"Credit" means one, 5, 10, or 25 cents either won or purchased by a player.

"Distributor" means an individual, partnership, corporation, or limited liability company licensed under this Act to buy, sell, lease, or distribute video gaming terminals or major components or parts of video gaming terminals to or from terminal operators.

"Electronic card" means a card purchased from a licensed establishment, licensed fraternal establishment, licensed veterans establishment, ~~or~~ licensed truck stop establishment, or licensed large truck stop establishment for use in that establishment as a substitute for cash in the conduct of gaming on a video gaming terminal.

"Electronic voucher" means a voucher printed by an electronic video game machine that is redeemable in the licensed establishment for which it was issued.

"In-location bonus jackpot" means one or more video gaming terminals at a single licensed establishment that allows for wagers placed on such video gaming terminals to contribute to a cumulative maximum jackpot of up to \$10,000.

"Terminal operator" means an individual, partnership, corporation, or limited liability company that is licensed under this Act and that owns, services, and maintains video gaming terminals for placement in licensed establishments, licensed truck stop establishments, licensed large truck stop establishments, licensed fraternal establishments, or licensed veterans establishments.

"Licensed technician" means an individual who is licensed under this Act to repair, service, and maintain video gaming terminals.

"Licensed terminal handler" means a person, including but not limited to an employee or independent contractor working for a manufacturer, distributor, supplier, technician, or terminal operator, who is licensed under this Act to possess or control a video gaming terminal or to have access to the inner workings of a video gaming terminal. A licensed terminal handler does not include an individual, partnership, corporation, or limited liability company defined as a manufacturer, distributor, supplier, technician, or terminal

operator under this Act.

"Manufacturer" means an individual, partnership, corporation, or limited liability company that is licensed under this Act and that manufactures or assembles video gaming terminals.

"Supplier" means an individual, partnership, corporation, or limited liability company that is licensed under this Act to supply major components or parts to video gaming terminals to licensed terminal operators.

"Net terminal income" means money put into a video gaming terminal minus credits paid out to players.

"Video gaming terminal" means any electronic video game machine that, upon insertion of cash, electronic cards or vouchers, or any combination thereof, is available to play or simulate the play of a video game, including but not limited to video poker, line up, and blackjack, as authorized by the Board utilizing a video display and microprocessors in which the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, or tokens or is for amusement purposes only.

"Licensed establishment" means any licensed retail establishment where alcoholic liquor is drawn, poured, mixed, or otherwise served for consumption on the premises, whether the establishment operates on a nonprofit or for-profit basis.

"Licensed establishment" includes any such establishment that

has a contractual relationship with an inter-track wagering location licensee licensed under the Illinois Horse Racing Act of 1975, provided any contractual relationship shall not include any transfer or offer of revenue from the operation of video gaming under this Act to any licensee licensed under the Illinois Horse Racing Act of 1975. Provided, however, that the licensed establishment that has such a contractual relationship with an inter-track wagering location licensee may not, itself, be (i) an inter-track wagering location licensee, (ii) the corporate parent or subsidiary of any licensee licensed under the Illinois Horse Racing Act of 1975, or (iii) the corporate subsidiary of a corporation that is also the corporate parent or subsidiary of any licensee licensed under the Illinois Horse Racing Act of 1975. "Licensed establishment" does not include a facility operated by an organization licensee, an inter-track wagering licensee, or an inter-track wagering location licensee licensed under the Illinois Horse Racing Act of 1975 or a riverboat licensed under the Illinois Riverboat Gambling Act, except as provided in this paragraph. The changes made to this definition by Public Act 98-587 are declarative of existing law.

"Licensed fraternal establishment" means the location where a qualified fraternal organization that derives its charter from a national fraternal organization regularly meets.

"Licensed veterans establishment" means the location where

a qualified veterans organization that derives its charter from a national veterans organization regularly meets.

"Licensed truck stop establishment" means a facility (i) that is at least a 3-acre facility with a convenience store, (ii) with separate diesel islands for fueling commercial motor vehicles, (iii) that sells at retail more than 10,000 gallons of diesel or biodiesel fuel per month, and (iv) with parking spaces for commercial motor vehicles. "Commercial motor vehicles" has the same meaning as defined in Section 18b-101 of the Illinois Vehicle Code. The requirement of item (iii) of this paragraph may be met by showing that estimated future sales or past sales average at least 10,000 gallons per month.

"Licensed large truck stop establishment" means a facility located within 3 road miles from a freeway interchange, as measured in accordance with the Department of Transportation's rules regarding the criteria for the installation of business signs: (i) that is at least a 3-acre facility with a convenience store, (ii) with separate diesel islands for fueling commercial motor vehicles, (iii) that sells at retail more than 50,000 gallons of diesel or biodiesel fuel per month, and (iv) with parking spaces for commercial motor vehicles. "Commercial motor vehicles" has the same meaning as defined in Section 18b-101 of the Illinois Vehicle Code. The requirement of item (iii) of this paragraph may be met by showing that estimated future sales or past sales average at least 50,000 gallons per month.

(Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13; 98-582, eff. 8-27-13; 98-587, eff. 8-27-13; 98-756, eff. 7-16-14.)

(230 ILCS 40/15)

Sec. 15. Minimum requirements for licensing and registration. Every video gaming terminal offered for play shall first be tested and approved pursuant to the rules of the Board, and each video gaming terminal offered in this State for play shall conform to an approved model. For the examination of video gaming machines and associated equipment as required by this Section, the Board shall ~~may~~ utilize the services of ~~one or more~~ independent outside testing laboratories that have been accredited in accordance with ISO/IEC 17025 by an accreditation body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Agreement signifying they are qualified to ~~by a national accreditation body and that, in the judgment of the Board, are qualified to~~ perform such examinations. Notwithstanding any law to the contrary, the Board shall consider the licensing of independent outside testing laboratory applicants in accordance with procedures established by the Board by rule. The Board shall not withhold its approval of an independent outside testing laboratory license applicant that has been accredited as required by this Section and is licensed in gaming jurisdictions comparable to Illinois. Upon the finalization of

required rules, the Board shall license independent testing laboratories and accept the test reports of any licensed testing laboratory of the video gaming machine's or associated equipment manufacturer's choice, notwithstanding the existence of contracts between the Board and any independent testing laboratory. Every video gaming terminal offered in this State for play must meet minimum standards ~~set by an independent outside testing laboratory~~ approved by the Board. Each approved model shall, at a minimum, meet the following criteria:

(1) It must conform to all requirements of federal law and regulations, including FCC Class A Emissions Standards.

(2) It must theoretically pay out a mathematically demonstrable percentage during the expected lifetime of the machine of all amounts played, which must not be less than 80%. The Board shall establish a maximum payout percentage for approved models by rule. Video gaming terminals that may be affected by skill must meet this standard when using a method of play that will provide the greatest return to the player over a period of continuous play.

(3) It must use a random selection process to determine the outcome of each play of a game. The random selection process must meet 99% confidence limits using a standard chi-squared test for (randomness) goodness of fit.

(4) It must display an accurate representation of the

game outcome.

(5) It must not automatically alter pay tables or any function of the video gaming terminal based on internal computation of hold percentage or have any means of manipulation that affects the random selection process or probabilities of winning a game.

(6) It must not be adversely affected by static discharge or other electromagnetic interference.

(7) It must be capable of detecting and displaying the following conditions during idle states or on demand: power reset; door open; and door just closed.

(8) It must have the capacity to display complete play history (outcome, intermediate play steps, credits available, bets placed, credits paid, and credits cashed out) for the most recent game played and 10 games prior thereto.

(9) The theoretical payback percentage of a video gaming terminal must not be capable of being changed without making a hardware or software change in the video gaming terminal, either on site or via the central communications system.

(10) Video gaming terminals must be designed so that replacement of parts or modules required for normal maintenance does not necessitate replacement of the electromechanical meters.

(11) It must have nonresettable meters housed in a

locked area of the terminal that keep a permanent record of all cash inserted into the machine, all winnings made by the terminal printer, credits played in for video gaming terminals, and credits won by video gaming players. The video gaming terminal must provide the means for on-demand display of stored information as determined by the Board.

(12) Electronically stored meter information required by this Section must be preserved for a minimum of 180 days after a power loss to the service.

(13) It must have one or more mechanisms that accept cash in the form of bills. The mechanisms shall be designed to prevent obtaining credits without paying by stringing, slamming, drilling, or other means. If such attempts at physical tampering are made, the video gaming terminal shall suspend itself from operating until reset.

(14) It shall have accounting software that keeps an electronic record which includes, but is not limited to, the following: total cash inserted into the video gaming terminal; the value of winning tickets claimed by players; the total credits played; the total credits awarded by a video gaming terminal; and pay back percentage credited to players of each video game.

(15) It shall be linked by a central communications system to provide auditing program information as approved by the Board. The central communications system shall use a standard industry protocol, as defined by the Gaming

Standards Association, and shall have the functionality to enable the Board or its designee to activate or deactivate individual gaming devices from the central communications system. In no event may the communications system approved by the Board limit participation to only one manufacturer of video gaming terminals by either the cost in implementing the necessary program modifications to communicate or the inability to communicate with the central communications system.

(16) The Board, in its discretion, may require video gaming terminals to display Amber Alert messages if the Board makes a finding that it would be economically and technically feasible and pose no risk to the integrity and security of the central communications system and video gaming terminals.

Licensed terminal handlers shall have access to video gaming terminals, including, but not limited to, logic door access, without the physical presence or supervision of the Board or its agent to perform, in coordination with and with project approval from the central communication system provider:

(i) the clearing of the random access memory and reprogramming of the video gaming terminal;

(ii) the installation of new video gaming terminal software and software upgrades that have been approved by the Board;

(iii) the placement, connection to the central communication system, and go-live operation of video gaming terminals at a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment;

(iv) the repair and maintenance of a video gaming terminal located at a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, including, but not limited to, the replacement of the video gaming terminal with a new video gaming terminal;

(v) the temporary movement, disconnection, replacement, and reconnection of video gaming terminals to allow for physical improvements and repairs at a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, such as replacement of flooring, interior repairs, and other similar activities; and

(vi) such other functions as the Board may otherwise authorize.

The Board shall, at a licensed terminal operator's expense, cause all keys and other required devices to be provided to a terminal operator necessary to allow the licensed terminal

handler access to the logic door to the terminal operator's video gaming terminals.

The Board may adopt rules to establish additional criteria to preserve the integrity and security of video gaming in this State. The central communications system vendor may be licensed as a video gaming terminal manufacturer or a video gaming terminal distributor, or both, but in no event shall the central communications system vendor be licensed as a video gaming terminal operator.

The Board shall not permit the development of information or the use by any licensee of gaming device or individual game performance data. Nothing in this Act shall inhibit or prohibit the Board from the use of gaming device or individual game performance data in its regulatory duties. The Board shall adopt rules to ensure that all licensees are treated and all licensees act in a non-discriminatory manner and develop processes and penalties to enforce those rules.

(Source: P.A. 98-31, eff. 6-24-13; 98-377, eff. 1-1-14; 98-582, eff. 8-27-13; 98-756, eff. 7-16-14.)

(230 ILCS 40/20)

Sec. 20. Video gaming terminal payouts ~~Direct dispensing of receipt tickets only.~~

(a) A video gaming terminal may not directly dispense coins, cash, tokens, or any other article of exchange or value except for receipt tickets. Tickets shall be dispensed by

pressing the ticket dispensing button on the video gaming terminal at the end of one's turn or play. The ticket shall indicate the total amount of credits and the cash award, the time of day in a 24-hour format showing hours and minutes, the date, the terminal serial number, the sequential number of the ticket, and an encrypted validation number from which the validity of the prize may be determined. The player shall turn in this ticket to the appropriate person at the licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment to receive the cash award.

(b) The cost of the credit shall be one cent, 5 cents, 10 cents, ~~or~~ 25 cents, or \$1, and the maximum wager played per hand shall not exceed \$4 ~~\$2~~. No cash award for the maximum wager on any individual hand shall exceed \$1,199 ~~\$500~~. No cash award for the maximum wager on a jackpot, progressive or otherwise, shall exceed \$10,000.

(c) In-location bonus jackpot games are hereby authorized. The Board shall adopt emergency rules pursuant to Section 5-45 of the Illinois Administrative Procedure Act to implement this subsection (c) within 90 days after the effective date of this amendatory Act of the 101st General Assembly. Jackpot winnings from in-location progressive games shall be paid by the terminal operator to the player not later than 3 days after winning such a jackpot.

(Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

(230 ILCS 40/25)

Sec. 25. Restriction of licensees.

(a) Manufacturer. A person may not be licensed as a manufacturer of a video gaming terminal in Illinois unless the person has a valid manufacturer's license issued under this Act. A manufacturer may only sell video gaming terminals for use in Illinois to persons having a valid distributor's license.

(b) Distributor. A person may not sell, distribute, or lease or market a video gaming terminal in Illinois unless the person has a valid distributor's license issued under this Act. A distributor may only sell video gaming terminals for use in Illinois to persons having a valid distributor's or terminal operator's license.

(c) Terminal operator. A person may not own, maintain, or place a video gaming terminal unless he has a valid terminal operator's license issued under this Act. A terminal operator may only place video gaming terminals for use in Illinois in licensed establishments, licensed truck stop establishments, licensed large truck stop establishments, licensed fraternal establishments, and licensed veterans establishments. No terminal operator may give anything of value, including but not limited to a loan or financing arrangement, to a licensed establishment, licensed truck stop establishment, licensed

large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment as any incentive or inducement to locate video terminals in that establishment. Of the after-tax profits from a video gaming terminal, 50% shall be paid to the terminal operator and 50% shall be paid to the licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, notwithstanding any agreement to the contrary. A video terminal operator that violates one or more requirements of this subsection is guilty of a Class 4 felony and is subject to termination of his or her license by the Board.

(d) Licensed technician. A person may not service, maintain, or repair a video gaming terminal in this State unless he or she (1) has a valid technician's license issued under this Act, (2) is a terminal operator, or (3) is employed by a terminal operator, distributor, or manufacturer.

(d-5) Licensed terminal handler. No person, including, but not limited to, an employee or independent contractor working for a manufacturer, distributor, supplier, technician, or terminal operator licensed pursuant to this Act, shall have possession or control of a video gaming terminal, or access to the inner workings of a video gaming terminal, unless that person possesses a valid terminal handler's license issued under this Act.

(e) Licensed establishment. No video gaming terminal may be placed in any licensed establishment, licensed veterans establishment, licensed truck stop establishment, licensed large truck stop establishment, or licensed fraternal establishment unless the owner or agent of the owner of the licensed establishment, licensed veterans establishment, licensed truck stop establishment, licensed large truck stop establishment, or licensed fraternal establishment has entered into a written use agreement with the terminal operator for placement of the terminals. A copy of the use agreement shall be on file in the terminal operator's place of business and available for inspection by individuals authorized by the Board. A licensed establishment, licensed truck stop establishment, licensed veterans establishment, or licensed fraternal establishment may operate up to 6 ~~5~~ video gaming terminals on its premises at any time. A licensed large truck stop establishment may operate up to 10 video gaming terminals on its premises at any time.

(f) (Blank).

(g) Financial interest restrictions. As used in this Act, "substantial interest" in a partnership, a corporation, an organization, an association, a business, or a limited liability company means:

(A) When, with respect to a sole proprietorship, an individual or his or her spouse owns, operates, manages, or conducts, directly or indirectly, the organization,

association, or business, or any part thereof; or

(B) When, with respect to a partnership, the individual or his or her spouse shares in any of the profits, or potential profits, of the partnership activities; or

(C) When, with respect to a corporation, an individual or his or her spouse is an officer or director, or the individual or his or her spouse is a holder, directly or beneficially, of 5% or more of any class of stock of the corporation; or

(D) When, with respect to an organization not covered in (A), (B) or (C) above, an individual or his or her spouse is an officer or manages the business affairs, or the individual or his or her spouse is the owner of or otherwise controls 10% or more of the assets of the organization; or

(E) When an individual or his or her spouse furnishes 5% or more of the capital, whether in cash, goods, or services, for the operation of any business, association, or organization during any calendar year; or

(F) When, with respect to a limited liability company, an individual or his or her spouse is a member, or the individual or his or her spouse is a holder, directly or beneficially, of 5% or more of the membership interest of the limited liability company.

For purposes of this subsection (g), "individual" includes all individuals or their spouses whose combined interest would

qualify as a substantial interest under this subsection (g) and whose activities with respect to an organization, association, or business are so closely aligned or coordinated as to constitute the activities of a single entity.

(h) Location restriction. A licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment that is (i) located within 1,000 feet of a facility operated by an organization licensee licensed under the Illinois Horse Racing Act of 1975 or the home dock of a riverboat licensed under the Illinois Riverboat ~~Riverboat~~ Gambling Act or (ii) located within 100 feet of a school or a place of worship under the Religious Corporation Act, is ineligible to operate a video gaming terminal. The location restrictions in this subsection (h) do not apply if (A) a facility operated by an organization licensee, a school, or a place of worship moves to or is established within the restricted area after a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment becomes licensed under this Act or (B) a school or place of worship moves to or is established within the restricted area after a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment obtains its original liquor license. For the purpose of this subsection,

"school" means an elementary or secondary public school, or an elementary or secondary private school registered with or recognized by the State Board of Education.

Notwithstanding the provisions of this subsection (h), the Board may waive the requirement that a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment not be located within 1,000 feet from a facility operated by an organization licensee licensed under the Illinois Horse Racing Act of 1975 or the home dock of a riverboat licensed under the Illinois ~~Riverboat~~ Gambling Act. The Board shall not grant such waiver if there is any common ownership or control, shared business activity, or contractual arrangement of any type between the establishment and the organization licensee or owners licensee of a riverboat. The Board shall adopt rules to implement the provisions of this paragraph.

(h-5) Restrictions on licenses in malls. The Board shall not grant an application to become a licensed video gaming location if the Board determines that granting the application would more likely than not cause a terminal operator, individually or in combination with other terminal operators, licensed video gaming location, or other person or entity, to operate the video gaming terminals in 2 or more licensed video gaming locations as a single video gaming operation.

(1) In making determinations under this subsection

(h-5), factors to be considered by the Board shall include, but not be limited to, the following:

(A) the physical aspects of the location;

(B) the ownership, control, or management of the location;

(C) any arrangements, understandings, or agreements, written or otherwise, among or involving any persons or entities that involve the conducting of any video gaming business or the sharing of costs or revenues; and

(D) the manner in which any terminal operator or other related entity markets, advertises, or otherwise describes any location or locations to any other person or entity or to the public.

(2) The Board shall presume, subject to rebuttal, that the granting of an application to become a licensed video gaming location within a mall will cause a terminal operator, individually or in combination with other persons or entities, to operate the video gaming terminals in 2 or more licensed video gaming locations as a single video gaming operation if the Board determines that granting the license would create a local concentration of licensed video gaming locations.

For the purposes of this subsection (h-5):

"Mall" means a building, or adjoining or connected buildings, containing 4 or more separate locations.

"Video gaming operation" means the conducting of video gaming and all related activities.

"Location" means a space within a mall containing a separate business, a place for a separate business, or a place subject to a separate leasing arrangement by the mall owner.

"Licensed video gaming location" means a licensed establishment, licensed fraternal establishment, licensed veterans establishment, licensed truck stop establishment, or licensed large truck stop.

"Local concentration of licensed video gaming locations" means that the combined number of licensed video gaming locations within a mall exceed half of the separate locations within the mall.

(i) Undue economic concentration. In addition to considering all other requirements under this Act, in deciding whether to approve the operation of video gaming terminals by a terminal operator in a location, the Board shall consider the impact of any economic concentration of such operation of video gaming terminals. The Board shall not allow a terminal operator to operate video gaming terminals if the Board determines such operation will result in undue economic concentration. For purposes of this Section, "undue economic concentration" means that a terminal operator would have such actual or potential influence over video gaming terminals in Illinois as to:

- (1) substantially impede or suppress competition among terminal operators;

(2) adversely impact the economic stability of the video gaming industry in Illinois; or

(3) negatively impact the purposes of the Video Gaming Act.

The Board shall adopt rules concerning undue economic concentration with respect to the operation of video gaming terminals in Illinois. The rules shall include, but not be limited to, (i) limitations on the number of video gaming terminals operated by any terminal operator within a defined geographic radius and (ii) guidelines on the discontinuation of operation of any such video gaming terminals the Board determines will cause undue economic concentration.

(j) The provisions of the Illinois Antitrust Act are fully and equally applicable to the activities of any licensee under this Act.

(Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13; 98-77, eff. 7-15-13; 98-112, eff. 7-26-13; 98-756, eff. 7-16-14.)

(230 ILCS 40/30)

Sec. 30. Multiple types of licenses prohibited. A video gaming terminal manufacturer may not be licensed as a video gaming terminal operator or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall be licensed to sell only to persons having a valid

distributor's license or, if the manufacturer also holds a valid distributor's license, to sell, distribute, lease, or market to persons having a valid terminal operator's license. A video gaming terminal distributor may not be licensed as a video gaming terminal operator or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall only contract with a licensed terminal operator. A video gaming terminal operator may not be licensed as a video gaming terminal manufacturer or distributor or own, manage, or control a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment, and shall be licensed only to contract with licensed distributors and licensed establishments, licensed truck stop establishments, licensed large truck stop establishments, licensed fraternal establishments, and licensed veterans establishments. An owner or manager of a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment may not be licensed as a video gaming terminal manufacturer, distributor, or operator, and shall only contract with a licensed operator to place and service this equipment.

(Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

(230 ILCS 40/35)

Sec. 35. Display of license; confiscation; violation as felony.

(a) Each video gaming terminal shall be licensed by the Board before placement or operation on the premises of a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment. The license of each video gaming terminal shall be maintained at the location where the video gaming terminal is operated. Failure to do so is a petty offense with a fine not to exceed \$100. Any licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment used for the conduct of gambling games in violation of this Act shall be considered a gambling place in violation of Section 28-3 of the Criminal Code of 2012. Every gambling device found in a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment operating gambling games in violation of this Act shall be subject to seizure, confiscation, and destruction as provided in Section 28-5 of the Criminal Code of 2012. Any license issued under the Liquor Control Act of 1934 to any owner or operator of a licensed establishment, licensed truck stop establishment,

licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment that operates or permits the operation of a video gaming terminal within its establishment in violation of this Act shall be immediately revoked. No person may own, operate, have in his or her possession or custody or under his or her control, or permit to be kept in any place under his or her possession or control, any device that awards credits and contains a circuit, meter, or switch capable of removing and recording the removal of credits when the award of credits is dependent upon chance.

Nothing in this Section shall be deemed to prohibit the use of a game device only if the game device is used in an activity that is not gambling under subsection (b) of Section 28-1 of the Criminal Code of 2012.

A violation of this Section is a Class 4 felony. All devices that are owned, operated, or possessed in violation of this Section are hereby declared to be public nuisances and shall be subject to seizure, confiscation, and destruction as provided in Section 28-5 of the Criminal Code of 2012.

The provisions of this Section do not apply to devices or electronic video game terminals licensed pursuant to this Act. A video gaming terminal operated for amusement only and bearing a valid amusement tax sticker shall not be subject to this Section until 30 days after the Board establishes that the central communications system is functional.

(b) (1) The odds of winning each video game shall be posted

on or near each video gaming terminal. The manner in which the odds are calculated and how they are posted shall be determined by the Board by rule.

(2) No video gaming terminal licensed under this Act may be played except during the legal hours of operation allowed for the consumption of alcoholic beverages at the licensed establishment, licensed fraternal establishment, or licensed veterans establishment. A licensed establishment, licensed fraternal establishment, or licensed veterans establishment that violates this subsection is subject to termination of its license by the Board.

(Source: P.A. 97-1150, eff. 1-25-13; 98-111, eff. 1-1-14.)

(230 ILCS 40/45)

Sec. 45. Issuance of license.

(a) The burden is upon each applicant to demonstrate his suitability for licensure. Each video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, and licensed veterans establishment shall be licensed by the Board. The Board may issue or deny a license under this Act to any person pursuant to the same criteria set forth in Section 9 of the Illinois Riverboat ~~Riverboat~~ Gambling Act.

(a-5) The Board shall not grant a license to a person who has facilitated, enabled, or participated in the use of

coin-operated devices for gambling purposes or who is under the significant influence or control of such a person. For the purposes of this Act, "facilitated, enabled, or participated in the use of coin-operated amusement devices for gambling purposes" means that the person has been convicted of any violation of Article 28 of the Criminal Code of 1961 or the Criminal Code of 2012. If there is pending legal action against a person for any such violation, then the Board shall delay the licensure of that person until the legal action is resolved.

(b) Each person seeking and possessing a license as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment shall submit to a background investigation conducted by the Board with the assistance of the State Police or other law enforcement. To the extent that the corporate structure of the applicant allows, the background investigation shall include any or all of the following as the Board deems appropriate or as provided by rule for each category of licensure: (i) each beneficiary of a trust, (ii) each partner of a partnership, (iii) each member of a limited liability company, (iv) each director and officer of a publicly or non-publicly held corporation, (v) each stockholder of a non-publicly held corporation, (vi) each stockholder of 5% or more of a publicly held corporation, or (vii) each stockholder

of 5% or more in a parent or subsidiary corporation.

(c) Each person seeking and possessing a license as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment shall disclose the identity of every person, association, trust, corporation, or limited liability company having a greater than 1% direct or indirect pecuniary interest in the video gaming terminal operation for which the license is sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of the beneficiaries; if a corporation, the names and addresses of all stockholders and directors; if a limited liability company, the names and addresses of all members; or if a partnership, the names and addresses of all partners, both general and limited.

(d) No person may be licensed as a video gaming terminal manufacturer, distributor, supplier, operator, handler, licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment if that person has been found by the Board to:

(1) have a background, including a criminal record, reputation, habits, social or business associations, or prior activities that pose a threat to the public interests of the State or to the security and integrity of video

gaming;

(2) create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of video gaming; or

(3) present questionable business practices and financial arrangements incidental to the conduct of video gaming activities.

(e) Any applicant for any license under this Act has the burden of proving his or her qualifications to the satisfaction of the Board. The Board may adopt rules to establish additional qualifications and requirements to preserve the integrity and security of video gaming in this State.

(f) A non-refundable application fee shall be paid at the time an application for a license is filed with the Board in the following amounts:

- (1) Manufacturer \$5,000
- (2) Distributor..... \$5,000
- (3) Terminal operator..... \$5,000
- (4) Supplier \$2,500
- (5) Technician \$100
- (6) Terminal Handler \$100
- (7) Licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment \$100

(g) The Board shall establish an annual fee for each

license not to exceed the following:

- (1) Manufacturer \$10,000
- (2) Distributor..... \$10,000
- (3) Terminal operator..... \$5,000
- (4) Supplier \$2,000
- (5) Technician \$100
- (6) Licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment \$100
- (7) Video gaming terminal..... \$100
- (8) Terminal Handler \$100
- (h) A terminal operator and a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment shall equally split the fees specified in item (7) of subsection (g).

(Source: P.A. 100-1152, eff. 12-14-18.)

(230 ILCS 40/55)

Sec. 55. Precondition for licensed location. In all cases of application for a licensed location, to operate a video gaming terminal, each licensed establishment, licensed fraternal establishment, or licensed veterans establishment shall possess a valid liquor license issued by the Illinois Liquor Control Commission in effect at the time of application

and at all times thereafter during which a video gaming terminal is made available to the public for play at that location. Video gaming terminals in a licensed location shall be operated only during the same hours of operation generally permitted to holders of a license under the Liquor Control Act of 1934 within the unit of local government in which they are located. A licensed truck stop establishment or licensed large truck stop establishment that does not hold a liquor license may operate video gaming terminals on a continuous basis. A licensed fraternal establishment or licensed veterans establishment that does not hold a liquor license may operate video gaming terminals if (i) the establishment is located in a county with a population between 6,500 and 7,000, based on the 2000 U.S. Census, (ii) the county prohibits by ordinance the sale of alcohol, and (iii) the establishment is in a portion of the county where the sale of alcohol is prohibited. A licensed fraternal establishment or licensed veterans establishment that does not hold a liquor license may operate video gaming terminals if (i) the establishment is located in a municipality within a county with a population between 8,500 and 9,000 based on the 2000 U.S. Census and (ii) the municipality or county prohibits or limits the sale of alcohol by ordinance in a way that prohibits the establishment from selling alcohol.

(Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10; 97-594, eff. 8-26-11.)

(230 ILCS 40/58)

Sec. 58. Location of terminals. Video gaming terminals must be located in an area restricted to persons over 21 years of age the entrance to which is within the view of at least one employee, who is over 21 years of age, of the establishment in which they are located. The placement of video gaming terminals in licensed establishments, licensed truck stop establishments, licensed large truck stop establishments, licensed fraternal establishments, and licensed veterans establishments shall be subject to the rules promulgated by the Board pursuant to the Illinois Administrative Procedure Act.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

(230 ILCS 40/60)

Sec. 60. Imposition and distribution of tax.

(a) A tax of 30% is imposed on net terminal income and shall be collected by the Board.

~~(b)~~ Of the tax collected under this subsection (a) ~~Section~~, five-sixths shall be deposited into the Capital Projects Fund and one-sixth shall be deposited into the Local Government Video Gaming Distributive Fund.

(b) Beginning on July 1, 2019, an additional tax of 3% is imposed on net terminal income and shall be collected by the Board.

Beginning on July 1, 2020, an additional tax of 1% is imposed on net terminal income and shall be collected by the

Board.

The tax collected under this subsection (b) shall be deposited into the Capital Projects Fund.

(c) Revenues generated from the play of video gaming terminals shall be deposited by the terminal operator, who is responsible for tax payments, in a specially created, separate bank account maintained by the video gaming terminal operator to allow for electronic fund transfers of moneys for tax payment.

(d) Each licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, and licensed veterans establishment shall maintain an adequate video gaming fund, with the amount to be determined by the Board.

(e) The State's percentage of net terminal income shall be reported and remitted to the Board within 15 days after the 15th day of each month and within 15 days after the end of each month by the video terminal operator. A video terminal operator who falsely reports or fails to report the amount due required by this Section is guilty of a Class 4 felony and is subject to termination of his or her license by the Board. Each video terminal operator shall keep a record of net terminal income in such form as the Board may require. All payments not remitted when due shall be paid together with a penalty assessment on the unpaid balance at a rate of 1.5% per month.

(Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

(230 ILCS 40/79)

Sec. 79. Investigators. Investigators appointed by the Board pursuant to the powers conferred upon the Board by paragraph (20.6) of subsection (c) of Section 5 of the Illinois Riverboat Gambling Act and Section 80 of this Act shall have authority to conduct investigations, searches, seizures, arrests, and other duties imposed under this Act and the Illinois Riverboat Gambling Act, as deemed necessary by the Board. These investigators have and may exercise all of the rights and powers of peace officers, provided that these powers shall be (1) limited to offenses or violations occurring or committed in connection with conduct subject to this Act, including, but not limited to, the manufacture, distribution, supply, operation, placement, service, maintenance, or play of video gaming terminals and the distribution of profits and collection of revenues resulting from such play, and (2) exercised, to the fullest extent practicable, in cooperation with the local police department of the applicable municipality or, if these powers are exercised outside the boundaries of an incorporated municipality or within a municipality that does not have its own police department, in cooperation with the police department whose jurisdiction encompasses the applicable locality.

(Source: P.A. 97-809, eff. 7-13-12.)

(230 ILCS 40/80)

Sec. 80. Applicability of Illinois ~~Riverboat~~ Gambling Act. The provisions of the Illinois ~~Riverboat~~ Gambling Act, and all rules promulgated thereunder, shall apply to the Video Gaming Act, except where there is a conflict between the 2 Acts. In the event of a conflict between the 2 Acts, the provisions of the Illinois Gambling Act shall prevail. All current supplier licensees under the Illinois ~~Riverboat~~ Gambling Act shall be entitled to licensure under the Video Gaming Act as manufacturers, distributors, or suppliers without additional Board investigation or approval, except by vote of the Board; however, they are required to pay application and annual fees under this Act. All provisions of the Uniform Penalty and Interest Act shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included herein.

(Source: P.A. 100-1152, eff. 12-14-18.)

Section 35-65. The Liquor Control Act of 1934 is amended by changing Sections 5-1 and 6-30 as follows:

(235 ILCS 5/5-1) (from Ch. 43, par. 115)

Sec. 5-1. Licenses issued by the Illinois Liquor Control Commission shall be of the following classes:

(a) Manufacturer's license - Class 1. Distiller, Class 2. Rectifier, Class 3. Brewer, Class 4. First Class Wine

Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6. First Class Winemaker, Class 7. Second Class Winemaker, Class 8. Limited Wine Manufacturer, Class 9. Craft Distiller, Class 10. Class 1 Brewer, Class 11. Class 2 Brewer,

- (b) Distributor's license,
- (c) Importing Distributor's license,
- (d) Retailer's license,
- (e) Special Event Retailer's license (not-for-profit),
- (f) Railroad license,
- (g) Boat license,
- (h) Non-Beverage User's license,
- (i) Wine-maker's premises license,
- (j) Airplane license,
- (k) Foreign importer's license,
- (l) Broker's license,
- (m) Non-resident dealer's license,
- (n) Brew Pub license,
- (o) Auction liquor license,
- (p) Caterer retailer license,
- (q) Special use permit license,
- (r) Winery shipper's license,
- (s) Craft distiller tasting permit,
- (t) Brewer warehouse permit.

No person, firm, partnership, corporation, or other legal business entity that is engaged in the manufacturing of wine may concurrently obtain and hold a wine-maker's license and a

wine manufacturer's license.

(a) A manufacturer's license shall allow the manufacture, importation in bulk, storage, distribution and sale of alcoholic liquor to persons without the State, as may be permitted by law and to licensees in this State as follows:

Class 1. A Distiller may make sales and deliveries of alcoholic liquor to distillers, rectifiers, importing distributors, distributors and non-beverage users and to no other licensees.

Class 2. A Rectifier, who is not a distiller, as defined herein, may make sales and deliveries of alcoholic liquor to rectifiers, importing distributors, distributors, retailers and non-beverage users and to no other licensees.

Class 3. A Brewer may make sales and deliveries of beer to importing distributors and distributors and may make sales as authorized under subsection (e) of Section 6-4 of this Act.

Class 4. A first class wine-manufacturer may make sales and deliveries of up to 50,000 gallons of wine to manufacturers, importing distributors and distributors, and to no other licensees.

Class 5. A second class Wine manufacturer may make sales and deliveries of more than 50,000 gallons of wine to manufacturers, importing distributors and distributors and to no other licensees.

Class 6. A first-class wine-maker's license shall allow the manufacture of up to 50,000 gallons of wine per year, and the

storage and sale of such wine to distributors in the State and to persons without the State, as may be permitted by law. A person who, prior to June 1, 2008 (the effective date of Public Act 95-634), is a holder of a first-class wine-maker's license and annually produces more than 25,000 gallons of its own wine and who distributes its wine to licensed retailers shall cease this practice on or before July 1, 2008 in compliance with Public Act 95-634.

Class 7. A second-class wine-maker's license shall allow the manufacture of between 50,000 and 150,000 gallons of wine per year, and the storage and sale of such wine to distributors in this State and to persons without the State, as may be permitted by law. A person who, prior to June 1, 2008 (the effective date of Public Act 95-634), is a holder of a second-class wine-maker's license and annually produces more than 25,000 gallons of its own wine and who distributes its wine to licensed retailers shall cease this practice on or before July 1, 2008 in compliance with Public Act 95-634.

Class 8. A limited wine-manufacturer may make sales and deliveries not to exceed 40,000 gallons of wine per year to distributors, and to non-licensees in accordance with the provisions of this Act.

Class 9. A craft distiller license shall allow the manufacture of up to 100,000 gallons of spirits by distillation per year and the storage of such spirits. If a craft distiller licensee, including a craft distiller licensee who holds more

than one craft distiller license, is not affiliated with any other manufacturer of spirits, then the craft distiller licensee may sell such spirits to distributors in this State and up to 2,500 gallons of such spirits to non-licensees to the extent permitted by any exemption approved by the Commission pursuant to Section 6-4 of this Act. A craft distiller license holder may store such spirits at a non-contiguous licensed location, but at no time shall a craft distiller license holder directly or indirectly produce in the aggregate more than 100,000 gallons of spirits per year.

A craft distiller licensee may hold more than one craft distiller's license. However, a craft distiller that holds more than one craft distiller license shall not manufacture, in the aggregate, more than 100,000 gallons of spirits by distillation per year and shall not sell, in the aggregate, more than 2,500 gallons of such spirits to non-licensees in accordance with an exemption approved by the State Commission pursuant to Section 6-4 of this Act.

Any craft distiller licensed under this Act who on July 28, 2010 (the effective date of Public Act 96-1367) was licensed as a distiller and manufactured no more spirits than permitted by this Section shall not be required to pay the initial licensing fee.

Class 10. A class 1 brewer license, which may only be issued to a licensed brewer or licensed non-resident dealer, shall allow the manufacture of up to 930,000 gallons of beer

per year provided that the class 1 brewer licensee does not manufacture more than a combined 930,000 gallons of beer per year and is not a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 930,000 gallons of beer per year or any other alcoholic liquor. A class 1 brewer licensee may make sales and deliveries to importing distributors and distributors and to retail licensees in accordance with the conditions set forth in paragraph (18) of subsection (a) of Section 3-12 of this Act. If the State Commission provides prior approval, a class 1 brewer may annually transfer up to 930,000 gallons of beer manufactured by that class 1 brewer to the premises of a licensed class 1 brewer wholly owned and operated by the same licensee.

Class 11. A class 2 brewer license, which may only be issued to a licensed brewer or licensed non-resident dealer, shall allow the manufacture of up to 3,720,000 gallons of beer per year provided that the class 2 brewer licensee does not manufacture more than a combined 3,720,000 gallons of beer per year and is not a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 3,720,000 gallons of beer per year or any other alcoholic liquor. A class 2 brewer licensee may make sales and deliveries to importing distributors and distributors, but shall not make sales or deliveries to any other licensee. If the State Commission provides prior approval, a class 2 brewer licensee may annually transfer up to 3,720,000 gallons of beer manufactured by that

class 2 brewer licensee to the premises of a licensed class 2 brewer wholly owned and operated by the same licensee.

A class 2 brewer may transfer beer to a brew pub wholly owned and operated by the class 2 brewer subject to the following limitations and restrictions: (i) the transfer shall not annually exceed more than 31,000 gallons; (ii) the annual amount transferred shall reduce the brew pub's annual permitted production limit; (iii) all beer transferred shall be subject to Article VIII of this Act; (iv) a written record shall be maintained by the brewer and brew pub specifying the amount, date of delivery, and receipt of the product by the brew pub; and (v) the brew pub shall be located no farther than 80 miles from the class 2 brewer's licensed location.

A class 2 brewer shall, prior to transferring beer to a brew pub wholly owned by the class 2 brewer, furnish a written notice to the State Commission of intent to transfer beer setting forth the name and address of the brew pub and shall annually submit to the State Commission a verified report identifying the total gallons of beer transferred to the brew pub wholly owned by the class 2 brewer.

(a-1) A manufacturer which is licensed in this State to make sales or deliveries of alcoholic liquor to licensed distributors or importing distributors and which enlists agents, representatives, or individuals acting on its behalf who contact licensed retailers on a regular and continual basis in this State must register those agents, representatives, or

persons acting on its behalf with the State Commission.

Registration of agents, representatives, or persons acting on behalf of a manufacturer is fulfilled by submitting a form to the Commission. The form shall be developed by the Commission and shall include the name and address of the applicant, the name and address of the manufacturer he or she represents, the territory or areas assigned to sell to or discuss pricing terms of alcoholic liquor, and any other questions deemed appropriate and necessary. All statements in the forms required to be made by law or by rule shall be deemed material, and any person who knowingly misstates any material fact under oath in an application is guilty of a Class B misdemeanor. Fraud, misrepresentation, false statements, misleading statements, evasions, or suppression of material facts in the securing of a registration are grounds for suspension or revocation of the registration. The State Commission shall post a list of registered agents on the Commission's website.

(b) A distributor's license shall allow the wholesale purchase and storage of alcoholic liquors and sale of alcoholic liquors to licensees in this State and to persons without the State, as may be permitted by law, and the sale of beer, cider, or both beer and cider to brewers, class 1 brewers, and class 2 brewers that, pursuant to subsection (e) of Section 6-4 of this Act, sell beer, cider, or both beer and cider to non-licensees at their breweries. No person licensed as a distributor shall

be granted a non-resident dealer's license.

(c) An importing distributor's license may be issued to and held by those only who are duly licensed distributors, upon the filing of an application by a duly licensed distributor, with the Commission and the Commission shall, without the payment of any fee, immediately issue such importing distributor's license to the applicant, which shall allow the importation of alcoholic liquor by the licensee into this State from any point in the United States outside this State, and the purchase of alcoholic liquor in barrels, casks or other bulk containers and the bottling of such alcoholic liquors before resale thereof, but all bottles or containers so filled shall be sealed, labeled, stamped and otherwise made to comply with all provisions, rules and regulations governing manufacturers in the preparation and bottling of alcoholic liquors. The importing distributor's license shall permit such licensee to purchase alcoholic liquor from Illinois licensed non-resident dealers and foreign importers only. No person licensed as an importing distributor shall be granted a non-resident dealer's license.

(d) A retailer's license shall allow the licensee to sell and offer for sale at retail, only in the premises specified in the license, alcoholic liquor for use or consumption, but not for resale in any form. Nothing in Public Act 95-634 shall deny, limit, remove, or restrict the ability of a holder of a retailer's license to transfer, deliver, or ship alcoholic

liquor to the purchaser for use or consumption subject to any applicable local law or ordinance. Any retail license issued to a manufacturer shall only permit the manufacturer to sell beer at retail on the premises actually occupied by the manufacturer. For the purpose of further describing the type of business conducted at a retail licensed premises, a retailer's licensee may be designated by the State Commission as (i) an on premise consumption retailer, (ii) an off premise sale retailer, or (iii) a combined on premise consumption and off premise sale retailer.

Notwithstanding any other provision of this subsection (d), a retail licensee may sell alcoholic liquors to a special event retailer licensee for resale to the extent permitted under subsection (e).

(e) A special event retailer's license (not-for-profit) shall permit the licensee to purchase alcoholic liquors from an Illinois licensed distributor (unless the licensee purchases less than \$500 of alcoholic liquors for the special event, in which case the licensee may purchase the alcoholic liquors from a licensed retailer) and shall allow the licensee to sell and offer for sale, at retail, alcoholic liquors for use or consumption, but not for resale in any form and only at the location and on the specific dates designated for the special event in the license. An applicant for a special event retailer license must (i) furnish with the application: (A) a resale number issued under Section 2c of the Retailers' Occupation Tax

Act or evidence that the applicant is registered under Section 2a of the Retailers' Occupation Tax Act, (B) a current, valid exemption identification number issued under Section 1g of the Retailers' Occupation Tax Act, and a certification to the Commission that the purchase of alcoholic liquors will be a tax-exempt purchase, or (C) a statement that the applicant is not registered under Section 2a of the Retailers' Occupation Tax Act, does not hold a resale number under Section 2c of the Retailers' Occupation Tax Act, and does not hold an exemption number under Section 1g of the Retailers' Occupation Tax Act, in which event the Commission shall set forth on the special event retailer's license a statement to that effect; (ii) submit with the application proof satisfactory to the State Commission that the applicant will provide dram shop liability insurance in the maximum limits; and (iii) show proof satisfactory to the State Commission that the applicant has obtained local authority approval.

Nothing in this Act prohibits an Illinois licensed distributor from offering credit or a refund for unused, salable alcoholic liquors to a holder of a special event retailer's license or ~~from~~ the special event retailer's licensee from accepting the credit or refund of alcoholic liquors at the conclusion of the event specified in the license.

(f) A railroad license shall permit the licensee to import alcoholic liquors into this State from any point in the United

States outside this State and to store such alcoholic liquors in this State; to make wholesale purchases of alcoholic liquors directly from manufacturers, foreign importers, distributors and importing distributors from within or outside this State; and to store such alcoholic liquors in this State; provided that the above powers may be exercised only in connection with the importation, purchase or storage of alcoholic liquors to be sold or dispensed on a club, buffet, lounge or dining car operated on an electric, gas or steam railway in this State; and provided further, that railroad licensees exercising the above powers shall be subject to all provisions of Article VIII of this Act as applied to importing distributors. A railroad license shall also permit the licensee to sell or dispense alcoholic liquors on any club, buffet, lounge or dining car operated on an electric, gas or steam railway regularly operated by a common carrier in this State, but shall not permit the sale for resale of any alcoholic liquors to any licensee within this State. A license shall be obtained for each car in which such sales are made.

(g) A boat license shall allow the sale of alcoholic liquor in individual drinks, on any passenger boat regularly operated as a common carrier on navigable waters in this State or on any riverboat operated under the Illinois Riverboat ~~Riverboat~~ Gambling Act, which boat or riverboat maintains a public dining room or restaurant thereon.

(h) A non-beverage user's license shall allow the licensee

to purchase alcoholic liquor from a licensed manufacturer or importing distributor, without the imposition of any tax upon the business of such licensed manufacturer or importing distributor as to such alcoholic liquor to be used by such licensee solely for the non-beverage purposes set forth in subsection (a) of Section 8-1 of this Act, and such licenses shall be divided and classified and shall permit the purchase, possession and use of limited and stated quantities of alcoholic liquor as follows:

- Class 1, not to exceed 500 gallons
- Class 2, not to exceed 1,000 gallons
- Class 3, not to exceed 5,000 gallons
- Class 4, not to exceed 10,000 gallons
- Class 5, not to exceed 50,000 gallons

(i) A wine-maker's premises license shall allow a licensee that concurrently holds a first-class wine-maker's license to sell and offer for sale at retail in the premises specified in such license not more than 50,000 gallons of the first-class wine-maker's wine that is made at the first-class wine-maker's licensed premises per year for use or consumption, but not for resale in any form. A wine-maker's premises license shall allow a licensee who concurrently holds a second-class wine-maker's license to sell and offer for sale at retail in the premises specified in such license up to 100,000 gallons of the second-class wine-maker's wine that is made at the second-class wine-maker's licensed premises per year for use or consumption

but not for resale in any form. A wine-maker's premises license shall allow a licensee that concurrently holds a first-class wine-maker's license or a second-class wine-maker's license to sell and offer for sale at retail at the premises specified in the wine-maker's premises license, for use or consumption but not for resale in any form, any beer, wine, and spirits purchased from a licensed distributor. Upon approval from the State Commission, a wine-maker's premises license shall allow the licensee to sell and offer for sale at (i) the wine-maker's licensed premises and (ii) at up to 2 additional locations for use and consumption and not for resale. Each location shall require additional licensing per location as specified in Section 5-3 of this Act. A wine-maker's premises licensee shall secure liquor liability insurance coverage in an amount at least equal to the maximum liability amounts set forth in subsection (a) of Section 6-21 of this Act.

(j) An airplane license shall permit the licensee to import alcoholic liquors into this State from any point in the United States outside this State and to store such alcoholic liquors in this State; to make wholesale purchases of alcoholic liquors directly from manufacturers, foreign importers, distributors and importing distributors from within or outside this State; and to store such alcoholic liquors in this State; provided that the above powers may be exercised only in connection with the importation, purchase or storage of alcoholic liquors to be sold or dispensed on an airplane; and provided further, that

airplane licensees exercising the above powers shall be subject to all provisions of Article VIII of this Act as applied to importing distributors. An airplane licensee shall also permit the sale or dispensing of alcoholic liquors on any passenger airplane regularly operated by a common carrier in this State, but shall not permit the sale for resale of any alcoholic liquors to any licensee within this State. A single airplane license shall be required of an airline company if liquor service is provided on board aircraft in this State. The annual fee for such license shall be as determined in Section 5-3.

(k) A foreign importer's license shall permit such licensee to purchase alcoholic liquor from Illinois licensed non-resident dealers only, and to import alcoholic liquor other than in bulk from any point outside the United States and to sell such alcoholic liquor to Illinois licensed importing distributors and to no one else in Illinois; provided that (i) the foreign importer registers with the State Commission every brand of alcoholic liquor that it proposes to sell to Illinois licensees during the license period, (ii) the foreign importer complies with all of the provisions of Section 6-9 of this Act with respect to registration of such Illinois licensees as may be granted the right to sell such brands at wholesale, and (iii) the foreign importer complies with the provisions of Sections 6-5 and 6-6 of this Act to the same extent that these provisions apply to manufacturers.

(l) (i) A broker's license shall be required of all persons

who solicit orders for, offer to sell or offer to supply alcoholic liquor to retailers in the State of Illinois, or who offer to retailers to ship or cause to be shipped or to make contact with distillers, rectifiers, brewers or manufacturers or any other party within or without the State of Illinois in order that alcoholic liquors be shipped to a distributor, importing distributor or foreign importer, whether such solicitation or offer is consummated within or without the State of Illinois.

No holder of a retailer's license issued by the Illinois Liquor Control Commission shall purchase or receive any alcoholic liquor, the order for which was solicited or offered for sale to such retailer by a broker unless the broker is the holder of a valid broker's license.

The broker shall, upon the acceptance by a retailer of the broker's solicitation of an order or offer to sell or supply or deliver or have delivered alcoholic liquors, promptly forward to the Illinois Liquor Control Commission a notification of said transaction in such form as the Commission may by regulations prescribe.

(ii) A broker's license shall be required of a person within this State, other than a retail licensee, who, for a fee or commission, promotes, solicits, or accepts orders for alcoholic liquor, for use or consumption and not for resale, to be shipped from this State and delivered to residents outside of this State by an express company, common carrier, or

contract carrier. This Section does not apply to any person who promotes, solicits, or accepts orders for wine as specifically authorized in Section 6-29 of this Act.

A broker's license under this subsection (1) shall not entitle the holder to buy or sell any alcoholic liquors for his own account or to take or deliver title to such alcoholic liquors.

This subsection (1) shall not apply to distributors, employees of distributors, or employees of a manufacturer who has registered the trademark, brand or name of the alcoholic liquor pursuant to Section 6-9 of this Act, and who regularly sells such alcoholic liquor in the State of Illinois only to its registrants thereunder.

Any agent, representative, or person subject to registration pursuant to subsection (a-1) of this Section shall not be eligible to receive a broker's license.

(m) A non-resident dealer's license shall permit such licensee to ship into and warehouse alcoholic liquor into this State from any point outside of this State, and to sell such alcoholic liquor to Illinois licensed foreign importers and importing distributors and to no one else in this State; provided that (i) said non-resident dealer shall register with the Illinois Liquor Control Commission each and every brand of alcoholic liquor which it proposes to sell to Illinois licensees during the license period, (ii) it shall comply with all of the provisions of Section 6-9 hereof with respect to

registration of such Illinois licensees as may be granted the right to sell such brands at wholesale by duly filing such registration statement, thereby authorizing the non-resident dealer to proceed to sell such brands at wholesale, and (iii) the non-resident dealer shall comply with the provisions of Sections 6-5 and 6-6 of this Act to the same extent that these provisions apply to manufacturers. No person licensed as a non-resident dealer shall be granted a distributor's or importing distributor's license.

(n) A brew pub license shall allow the licensee to only (i) manufacture up to 155,000 gallons of beer per year only on the premises specified in the license, (ii) make sales of the beer manufactured on the premises or, with the approval of the Commission, beer manufactured on another brew pub licensed premises that is wholly owned and operated by the same licensee to importing distributors, distributors, and to non-licensees for use and consumption, (iii) store the beer upon the premises, (iv) sell and offer for sale at retail from the licensed premises for off-premises consumption no more than 155,000 gallons per year so long as such sales are only made in-person, (v) sell and offer for sale at retail for use and consumption on the premises specified in the license any form of alcoholic liquor purchased from a licensed distributor or importing distributor, and (vi) with the prior approval of the Commission, annually transfer no more than 155,000 gallons of beer manufactured on the premises to a licensed brew pub wholly

owned and operated by the same licensee.

A brew pub licensee shall not under any circumstance sell or offer for sale beer manufactured by the brew pub licensee to retail licensees.

A person who holds a class 2 brewer license may simultaneously hold a brew pub license if the class 2 brewer (i) does not, under any circumstance, sell or offer for sale beer manufactured by the class 2 brewer to retail licensees; (ii) does not hold more than 3 brew pub licenses in this State; (iii) does not manufacture more than a combined 3,720,000 gallons of beer per year, including the beer manufactured at the brew pub; and (iv) is not a member of or affiliated with, directly or indirectly, a manufacturer that produces more than 3,720,000 gallons of beer per year or any other alcoholic liquor.

Notwithstanding any other provision of this Act, a licensed brewer, class 2 brewer, or non-resident dealer who before July 1, 2015 manufactured less than 3,720,000 gallons of beer per year and held a brew pub license on or before July 1, 2015 may (i) continue to qualify for and hold that brew pub license for the licensed premises and (ii) manufacture more than 3,720,000 gallons of beer per year and continue to qualify for and hold that brew pub license if that brewer, class 2 brewer, or non-resident dealer does not simultaneously hold a class 1 brewer license and is not a member of or affiliated with, directly or indirectly, a manufacturer that produces more than

3,720,000 gallons of beer per year or that produces any other alcoholic liquor.

(o) A caterer retailer license shall allow the holder to serve alcoholic liquors as an incidental part of a food service that serves prepared meals which excludes the serving of snacks as the primary meal, either on or off-site whether licensed or unlicensed.

(p) An auction liquor license shall allow the licensee to sell and offer for sale at auction wine and spirits for use or consumption, or for resale by an Illinois liquor licensee in accordance with provisions of this Act. An auction liquor license will be issued to a person and it will permit the auction liquor licensee to hold the auction anywhere in the State. An auction liquor license must be obtained for each auction at least 14 days in advance of the auction date.

(q) A special use permit license shall allow an Illinois licensed retailer to transfer a portion of its alcoholic liquor inventory from its retail licensed premises to the premises specified in the license hereby created, and to sell or offer for sale at retail, only in the premises specified in the license hereby created, the transferred alcoholic liquor for use or consumption, but not for resale in any form. A special use permit license may be granted for the following time periods: one day or less; 2 or more days to a maximum of 15 days per location in any 12-month period. An applicant for the special use permit license must also submit with the

application proof satisfactory to the State Commission that the applicant will provide dram shop liability insurance to the maximum limits and have local authority approval.

(r) A winery shipper's license shall allow a person with a first-class or second-class wine manufacturer's license, a first-class or second-class wine-maker's license, or a limited wine manufacturer's license or who is licensed to make wine under the laws of another state to ship wine made by that licensee directly to a resident of this State who is 21 years of age or older for that resident's personal use and not for resale. Prior to receiving a winery shipper's license, an applicant for the license must provide the Commission with a true copy of its current license in any state in which it is licensed as a manufacturer of wine. An applicant for a winery shipper's license must also complete an application form that provides any other information the Commission deems necessary. The application form shall include all addresses from which the applicant for a winery shipper's license intends to ship wine, including the name and address of any third party, except for a common carrier, authorized to ship wine on behalf of the manufacturer. The application form shall include an acknowledgement consenting to the jurisdiction of the Commission, the Illinois Department of Revenue, and the courts of this State concerning the enforcement of this Act and any related laws, rules, and regulations, including authorizing the Department of Revenue and the Commission to conduct audits

for the purpose of ensuring compliance with Public Act 95-634, and an acknowledgement that the wine manufacturer is in compliance with Section 6-2 of this Act. Any third party, except for a common carrier, authorized to ship wine on behalf of a first-class or second-class wine manufacturer's licensee, a first-class or second-class wine-maker's licensee, a limited wine manufacturer's licensee, or a person who is licensed to make wine under the laws of another state shall also be disclosed by the winery shipper's licensee, and a copy of the written appointment of the third-party wine provider, except for a common carrier, to the wine manufacturer shall be filed with the State Commission as a supplement to the winery shipper's license application or any renewal thereof. The winery shipper's license holder shall affirm under penalty of perjury, as part of the winery shipper's license application or renewal, that he or she only ships wine, either directly or indirectly through a third-party provider, from the licensee's own production.

Except for a common carrier, a third-party provider shipping wine on behalf of a winery shipper's license holder is the agent of the winery shipper's license holder and, as such, a winery shipper's license holder is responsible for the acts and omissions of the third-party provider acting on behalf of the license holder. A third-party provider, except for a common carrier, that engages in shipping wine into Illinois on behalf of a winery shipper's license holder shall consent to the

jurisdiction of the State Commission and the State. Any third-party, except for a common carrier, holding such an appointment shall, by February 1 of each calendar year and upon request by the State Commission or the Department of Revenue, file with the State Commission a statement detailing each shipment made to an Illinois resident. The statement shall include the name and address of the third-party provider filing the statement, the time period covered by the statement, and the following information:

- (1) the name, address, and license number of the winery shipper on whose behalf the shipment was made;
- (2) the quantity of the products delivered; and
- (3) the date and address of the shipment.

If the Department of Revenue or the State Commission requests a statement under this paragraph, the third-party provider must provide that statement no later than 30 days after the request is made. Any books, records, supporting papers, and documents containing information and data relating to a statement under this paragraph shall be kept and preserved for a period of 3 years, unless their destruction sooner is authorized, in writing, by the Director of Revenue, and shall be open and available to inspection by the Director of Revenue or the State Commission or any duly authorized officer, agent, or employee of the State Commission or the Department of Revenue, at all times during business hours of the day. Any person who violates any provision of this paragraph or any rule of the State

Commission for the administration and enforcement of the provisions of this paragraph is guilty of a Class C misdemeanor. In case of a continuing violation, each day's continuance thereof shall be a separate and distinct offense.

The State Commission shall adopt rules as soon as practicable to implement the requirements of Public Act 99-904 and shall adopt rules prohibiting any such third-party appointment of a third-party provider, except for a common carrier, that has been deemed by the State Commission to have violated the provisions of this Act with regard to any winery shipper licensee.

A winery shipper licensee must pay to the Department of Revenue the State liquor gallonage tax under Section 8-1 for all wine that is sold by the licensee and shipped to a person in this State. For the purposes of Section 8-1, a winery shipper licensee shall be taxed in the same manner as a manufacturer of wine. A licensee who is not otherwise required to register under the Retailers' Occupation Tax Act must register under the Use Tax Act to collect and remit use tax to the Department of Revenue for all gallons of wine that are sold by the licensee and shipped to persons in this State. If a licensee fails to remit the tax imposed under this Act in accordance with the provisions of Article VIII of this Act, the winery shipper's license shall be revoked in accordance with the provisions of Article VII of this Act. If a licensee fails to properly register and remit tax under the Use Tax Act or the

Retailers' Occupation Tax Act for all wine that is sold by the winery shipper and shipped to persons in this State, the winery shipper's license shall be revoked in accordance with the provisions of Article VII of this Act.

A winery shipper licensee must collect, maintain, and submit to the Commission on a semi-annual basis the total number of cases per resident of wine shipped to residents of this State. A winery shipper licensed under this subsection (r) must comply with the requirements of Section 6-29 of this Act.

Pursuant to paragraph (5.1) or (5.3) of subsection (a) of Section 3-12, the State Commission may receive, respond to, and investigate any complaint and impose any of the remedies specified in paragraph (1) of subsection (a) of Section 3-12.

As used in this subsection, "third-party provider" means any entity that provides fulfillment house services, including warehousing, packaging, distribution, order processing, or shipment of wine, but not the sale of wine, on behalf of a licensed winery shipper.

(s) A craft distiller tasting permit license shall allow an Illinois licensed craft distiller to transfer a portion of its alcoholic liquor inventory from its craft distiller licensed premises to the premises specified in the license hereby created and to conduct a sampling, only in the premises specified in the license hereby created, of the transferred alcoholic liquor in accordance with subsection (c) of Section 6-31 of this Act. The transferred alcoholic liquor may not be

sold or resold in any form. An applicant for the craft distiller tasting permit license must also submit with the application proof satisfactory to the State Commission that the applicant will provide dram shop liability insurance to the maximum limits and have local authority approval.

A brewer warehouse permit may be issued to the holder of a class 1 brewer license or a class 2 brewer license. If the holder of the permit is a class 1 brewer licensee, the brewer warehouse permit shall allow the holder to store or warehouse up to 930,000 gallons of tax-determined beer manufactured by the holder of the permit at the premises specified on the permit. If the holder of the permit is a class 2 brewer licensee, the brewer warehouse permit shall allow the holder to store or warehouse up to 3,720,000 gallons of tax-determined beer manufactured by the holder of the permit at the premises specified on the permit. Sales to non-licensees are prohibited at the premises specified in the brewer warehouse permit.

(Source: P.A. 99-448, eff. 8-24-15; 99-642, eff. 7-28-16; 99-800, eff. 8-12-16; 99-902, eff. 8-26-16; 99-904, eff. 1-1-17; 100-17, eff. 6-30-17; 100-201, eff. 8-18-17; 100-816, eff. 8-13-18; 100-885, eff. 8-14-18; 100-1050, eff. 8-23-18; revised 10-2-18.)

(235 ILCS 5/6-30) (from Ch. 43, par. 144f)

Sec. 6-30. Notwithstanding any other provision of this Act, the Illinois Gaming Board shall have exclusive authority to

establish the hours for sale and consumption of alcoholic liquor on board a riverboat during riverboat gambling excursions and in a casino conducted in accordance with the Illinois Riverboat Gambling Act.

(Source: P.A. 87-826.)

Section 35-70. The Illinois Public Aid Code is amended by changing Section 10-17.15 as follows:

(305 ILCS 5/10-17.15)

Sec. 10-17.15. Certification of information to State gaming licensees.

(a) For purposes of this Section, "State gaming licensee" means, as applicable, an organization licensee or advance deposit wagering licensee licensed under the Illinois Horse Racing Act of 1975, an owners licensee licensed under the Illinois Riverboat Gambling Act, or a licensee that operates, under any law of this State, one or more facilities or gaming locations at which lawful gambling is authorized and licensed as provided in the Illinois Riverboat Gambling Act.

(b) The Department may provide, by rule, for certification to any State gaming licensee of past due child support owed by a responsible relative under a support order entered by a court or administrative body of this or any other State on behalf of a resident or non-resident receiving child support services under this Article in accordance with the requirements of Title

IV-D, Part D, of the Social Security Act. The State gaming licensee shall have the ability to withhold from winnings required to be reported to the Internal Revenue Service on Form W-2G, up to the full amount of winnings necessary to pay the winner's past due child support. The rule shall provide for notice to and an opportunity to be heard by each responsible relative affected and any final administrative decision rendered by the Department shall be reviewed only under and in accordance with the Administrative Review Law.

(c) For withholding of winnings, the State gaming licensee shall be entitled to an administrative fee not to exceed the lesser of 4% of the total amount of cash winnings paid to the gambling winner or \$150.

(d) In no event may the total amount withheld from the cash payout, including the administrative fee, exceed the total cash winnings claimed by the obligor. If the cash payout claimed is greater than the amount sufficient to satisfy the obligor's delinquent child support payments, the State gaming licensee shall pay the obligor the remaining balance of the payout, less the administrative fee authorized by subsection (c) of this Section, at the time it is claimed.

(e) A State gaming licensee who in good faith complies with the requirements of this Section shall not be liable to the gaming winner or any other individual or entity.

(Source: P.A. 98-318, eff. 8-12-13.)

Section 35-75. The Firearm Concealed Carry Act is amended by changing Section 65 as follows:

(430 ILCS 66/65)

Sec. 65. Prohibited areas.

(a) A licensee under this Act shall not knowingly carry a firearm on or into:

(1) Any building, real property, and parking area under the control of a public or private elementary or secondary school.

(2) Any building, real property, and parking area under the control of a pre-school or child care facility, including any room or portion of a building under the control of a pre-school or child care facility. Nothing in this paragraph shall prevent the operator of a child care facility in a family home from owning or possessing a firearm in the home or license under this Act, if no child under child care at the home is present in the home or the firearm in the home is stored in a locked container when a child under child care at the home is present in the home.

(3) Any building, parking area, or portion of a building under the control of an officer of the executive or legislative branch of government, provided that nothing in this paragraph shall prohibit a licensee from carrying a concealed firearm onto the real property, bikeway, or trail in a park regulated by the Department of Natural Resources

or any other designated public hunting area or building where firearm possession is permitted as established by the Department of Natural Resources under Section 1.8 of the Wildlife Code.

(4) Any building designated for matters before a circuit court, appellate court, or the Supreme Court, or any building or portion of a building under the control of the Supreme Court.

(5) Any building or portion of a building under the control of a unit of local government.

(6) Any building, real property, and parking area under the control of an adult or juvenile detention or correctional institution, prison, or jail.

(7) Any building, real property, and parking area under the control of a public or private hospital or hospital affiliate, mental health facility, or nursing home.

(8) Any bus, train, or form of transportation paid for in whole or in part with public funds, and any building, real property, and parking area under the control of a public transportation facility paid for in whole or in part with public funds.

(9) Any building, real property, and parking area under the control of an establishment that serves alcohol on its premises, if more than 50% of the establishment's gross receipts within the prior 3 months is from the sale of alcohol. The owner of an establishment who knowingly fails

to prohibit concealed firearms on its premises as provided in this paragraph or who knowingly makes a false statement or record to avoid the prohibition on concealed firearms under this paragraph is subject to the penalty under subsection (c-5) of Section 10-1 of the Liquor Control Act of 1934.

(10) Any public gathering or special event conducted on property open to the public that requires the issuance of a permit from the unit of local government, provided this prohibition shall not apply to a licensee who must walk through a public gathering in order to access his or her residence, place of business, or vehicle.

(11) Any building or real property that has been issued a Special Event Retailer's license as defined in Section 1-3.17.1 of the Liquor Control Act during the time designated for the sale of alcohol by the Special Event Retailer's license, or a Special use permit license as defined in subsection (q) of Section 5-1 of the Liquor Control Act during the time designated for the sale of alcohol by the Special use permit license.

(12) Any public playground.

(13) Any public park, athletic area, or athletic facility under the control of a municipality or park district, provided nothing in this Section shall prohibit a licensee from carrying a concealed firearm while on a trail or bikeway if only a portion of the trail or bikeway

includes a public park.

(14) Any real property under the control of the Cook County Forest Preserve District.

(15) Any building, classroom, laboratory, medical clinic, hospital, artistic venue, athletic venue, entertainment venue, officially recognized university-related organization property, whether owned or leased, and any real property, including parking areas, sidewalks, and common areas under the control of a public or private community college, college, or university.

(16) Any building, real property, or parking area under the control of a gaming facility licensed under the Illinois Riverboat ~~Riverboat~~ Gambling Act or the Illinois Horse Racing Act of 1975, including an inter-track wagering location licensee.

(17) Any stadium, arena, or the real property or parking area under the control of a stadium, arena, or any collegiate or professional sporting event.

(18) Any building, real property, or parking area under the control of a public library.

(19) Any building, real property, or parking area under the control of an airport.

(20) Any building, real property, or parking area under the control of an amusement park.

(21) Any building, real property, or parking area under the control of a zoo or museum.

(22) Any street, driveway, parking area, property, building, or facility, owned, leased, controlled, or used by a nuclear energy, storage, weapons, or development site or facility regulated by the federal Nuclear Regulatory Commission. The licensee shall not under any circumstance store a firearm or ammunition in his or her vehicle or in a compartment or container within a vehicle located anywhere in or on the street, driveway, parking area, property, building, or facility described in this paragraph.

(23) Any area where firearms are prohibited under federal law.

(a-5) Nothing in this Act shall prohibit a public or private community college, college, or university from:

(1) prohibiting persons from carrying a firearm within a vehicle owned, leased, or controlled by the college or university;

(2) developing resolutions, regulations, or policies regarding student, employee, or visitor misconduct and discipline, including suspension and expulsion;

(3) developing resolutions, regulations, or policies regarding the storage or maintenance of firearms, which must include designated areas where persons can park vehicles that carry firearms; and

(4) permitting the carrying or use of firearms for the purpose of instruction and curriculum of officially recognized programs, including but not limited to military

science and law enforcement training programs, or in any designated area used for hunting purposes or target shooting.

(a-10) The owner of private real property of any type may prohibit the carrying of concealed firearms on the property under his or her control. The owner must post a sign in accordance with subsection (d) of this Section indicating that firearms are prohibited on the property, unless the property is a private residence.

(b) Notwithstanding subsections (a), (a-5), and (a-10) of this Section except under paragraph (22) or (23) of subsection (a), any licensee prohibited from carrying a concealed firearm into the parking area of a prohibited location specified in subsection (a), (a-5), or (a-10) of this Section shall be permitted to carry a concealed firearm on or about his or her person within a vehicle into the parking area and may store a firearm or ammunition concealed in a case within a locked vehicle or locked container out of plain view within the vehicle in the parking area. A licensee may carry a concealed firearm in the immediate area surrounding his or her vehicle within a prohibited parking lot area only for the limited purpose of storing or retrieving a firearm within the vehicle's trunk. For purposes of this subsection, "case" includes a glove compartment or console that completely encloses the concealed firearm or ammunition, the trunk of the vehicle, or a firearm carrying box, shipping box, or other container.

(c) A licensee shall not be in violation of this Section while he or she is traveling along a public right of way that touches or crosses any of the premises under subsection (a), (a-5), or (a-10) of this Section if the concealed firearm is carried on his or her person in accordance with the provisions of this Act or is being transported in a vehicle by the licensee in accordance with all other applicable provisions of law.

(d) Signs stating that the carrying of firearms is prohibited shall be clearly and conspicuously posted at the entrance of a building, premises, or real property specified in this Section as a prohibited area, unless the building or premises is a private residence. Signs shall be of a uniform design as established by the Department and shall be 4 inches by 6 inches in size. The Department shall adopt rules for standardized signs to be used under this subsection.

(Source: P.A. 98-63, eff. 7-9-13; 99-29, eff. 7-10-15.)

Section 35-80. The Criminal Code of 2012 is amended by changing Sections 28-1, 28-1.1, 28-2, 28-3, 28-5, and 28-7 as follows:

(720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

Sec. 28-1. Gambling.

(a) A person commits gambling when he or she:

(1) knowingly plays a game of chance or skill for money

or other thing of value, unless excepted in subsection (b) of this Section;

(2) knowingly makes a wager upon the result of any game, contest, or any political nomination, appointment or election;

(3) knowingly operates, keeps, owns, uses, purchases, exhibits, rents, sells, bargains for the sale or lease of, manufactures or distributes any gambling device;

(4) contracts to have or give himself or herself or another the option to buy or sell, or contracts to buy or sell, at a future time, any grain or other commodity whatsoever, or any stock or security of any company, where it is at the time of making such contract intended by both parties thereto that the contract to buy or sell, or the option, whenever exercised, or the contract resulting therefrom, shall be settled, not by the receipt or delivery of such property, but by the payment only of differences in prices thereof; however, the issuance, purchase, sale, exercise, endorsement or guarantee, by or through a person registered with the Secretary of State pursuant to Section 8 of the Illinois Securities Law of 1953, or by or through a person exempt from such registration under said Section 8, of a put, call, or other option to buy or sell securities which have been registered with the Secretary of State or which are exempt from such registration under Section 3 of the Illinois Securities Law of 1953 is not

gambling within the meaning of this paragraph (4);

(5) knowingly owns or possesses any book, instrument or apparatus by means of which bets or wagers have been, or are, recorded or registered, or knowingly possesses any money which he has received in the course of a bet or wager;

(6) knowingly sells pools upon the result of any game or contest of skill or chance, political nomination, appointment or election;

(7) knowingly sets up or promotes any lottery or sells, offers to sell or transfers any ticket or share for any lottery;

(8) knowingly sets up or promotes any policy game or sells, offers to sell or knowingly possesses or transfers any policy ticket, slip, record, document or other similar device;

(9) knowingly drafts, prints or publishes any lottery ticket or share, or any policy ticket, slip, record, document or similar device, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state or foreign government;

(10) knowingly advertises any lottery or policy game, except for such activity related to lotteries, bingo games and raffles authorized by and conducted in accordance with the laws of Illinois or any other state;

(11) knowingly transmits information as to wagers, betting odds, or changes in betting odds by telephone, telegraph, radio, semaphore or similar means; or knowingly installs or maintains equipment for the transmission or receipt of such information; except that nothing in this subdivision (11) prohibits transmission or receipt of such information for use in news reporting of sporting events or contests; or

(12) knowingly establishes, maintains, or operates an Internet site that permits a person to play a game of chance or skill for money or other thing of value by means of the Internet or to make a wager upon the result of any game, contest, political nomination, appointment, or election by means of the Internet. This item (12) does not apply to activities referenced in items (6) and (6.1) of subsection (b) of this Section.

(b) Participants in any of the following activities shall not be convicted of gambling:

(1) Agreements to compensate for loss caused by the happening of chance including without limitation contracts of indemnity or guaranty and life or health or accident insurance.

(2) Offers of prizes, award or compensation to the actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the owners of animals or vehicles entered in such contest.

(3) Pari-mutuel betting as authorized by the law of this State.

(4) Manufacture of gambling devices, including the acquisition of essential parts therefor and the assembly thereof, for transportation in interstate or foreign commerce to any place outside this State when such transportation is not prohibited by any applicable Federal law; or the manufacture, distribution, or possession of video gaming terminals, as defined in the Video Gaming Act, by manufacturers, distributors, and terminal operators licensed to do so under the Video Gaming Act.

(5) The game commonly known as "bingo", when conducted in accordance with the Bingo License and Tax Act.

(6) Lotteries when conducted by the State of Illinois in accordance with the Illinois Lottery Law. This exemption includes any activity conducted by the Department of Revenue to sell lottery tickets pursuant to the provisions of the Illinois Lottery Law and its rules.

(6.1) The purchase of lottery tickets through the Internet for a lottery conducted by the State of Illinois under the program established in Section 7.12 of the Illinois Lottery Law.

(7) Possession of an antique slot machine that is neither used nor intended to be used in the operation or promotion of any unlawful gambling activity or enterprise. For the purpose of this subparagraph (b)(7), an antique

slot machine is one manufactured 25 years ago or earlier.

(8) Raffles and poker runs when conducted in accordance with the Raffles and Poker Runs Act.

(9) Charitable games when conducted in accordance with the Charitable Games Act.

(10) Pull tabs and jar games when conducted under the Illinois Pull Tabs and Jar Games Act.

(11) Gambling games ~~conducted on riverboats~~ when authorized by the Illinois Riverboat Gambling Act.

(12) Video gaming terminal games at a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment when conducted in accordance with the Video Gaming Act.

(13) Games of skill or chance where money or other things of value can be won but no payment or purchase is required to participate.

(14) Savings promotion raffles authorized under Section 5g of the Illinois Banking Act, Section 7008 of the Savings Bank Act, Section 42.7 of the Illinois Credit Union Act, Section 5136B of the National Bank Act (12 U.S.C. 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463).

(c) Sentence.

Gambling is a Class A misdemeanor. A second or subsequent conviction under subsections (a) (3) through (a) (12), is a Class

4 felony.

(d) Circumstantial evidence.

In prosecutions under this Section circumstantial evidence shall have the same validity and weight as in any criminal prosecution.

(Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

(720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

Sec. 28-1.1. Syndicated gambling.

(a) Declaration of Purpose. Recognizing the close relationship between professional gambling and other organized crime, it is declared to be the policy of the legislature to restrain persons from engaging in the business of gambling for profit in this State. This Section shall be liberally construed and administered with a view to carrying out this policy.

(b) A person commits syndicated gambling when he or she operates a "policy game" or engages in the business of bookmaking.

(c) A person "operates a policy game" when he or she knowingly uses any premises or property for the purpose of receiving or knowingly does receive from what is commonly called "policy":

(1) money from a person other than the bettor or player whose bets or plays are represented by the money; or

(2) written "policy game" records, made or used over any period of time, from a person other than the bettor or

player whose bets or plays are represented by the written record.

(d) A person engages in bookmaking when he or she knowingly receives or accepts more than five bets or wagers upon the result of any trials or contests of skill, speed or power of endurance or upon any lot, chance, casualty, unknown or contingent event whatsoever, which bets or wagers shall be of such size that the total of the amounts of money paid or promised to be paid to the bookmaker on account thereof shall exceed \$2,000. Bookmaking is the receiving or accepting of bets or wagers regardless of the form or manner in which the bookmaker records them.

(e) Participants in any of the following activities shall not be convicted of syndicated gambling:

(1) Agreements to compensate for loss caused by the happening of chance including without limitation contracts of indemnity or guaranty and life or health or accident insurance;

(2) Offers of prizes, award or compensation to the actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the owners of animals or vehicles entered in the contest;

(3) Pari-mutuel betting as authorized by law of this State;

(4) Manufacture of gambling devices, including the acquisition of essential parts therefor and the assembly

thereof, for transportation in interstate or foreign commerce to any place outside this State when the transportation is not prohibited by any applicable Federal law;

(5) Raffles and poker runs when conducted in accordance with the Raffles and Poker Runs Act;

(6) Gambling games conducted on riverboats, in casinos, or at organization gaming facilities when authorized by the Illinois Riverboat Gambling Act;

(7) Video gaming terminal games at a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal establishment, or licensed veterans establishment when conducted in accordance with the Video Gaming Act; and

(8) Savings promotion raffles authorized under Section 5g of the Illinois Banking Act, Section 7008 of the Savings Bank Act, Section 42.7 of the Illinois Credit Union Act, Section 5136B of the National Bank Act (12 U.S.C. 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463).

(f) Sentence. Syndicated gambling is a Class 3 felony.

(Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

(720 ILCS 5/28-2) (from Ch. 38, par. 28-2)

Sec. 28-2. Definitions.

(a) A "gambling device" is any clock, tape machine, slot machine or other machines or device for the reception of money

or other thing of value on chance or skill or upon the action of which money or other thing of value is staked, hazarded, bet, won or lost; or any mechanism, furniture, fixture, equipment or other device designed primarily for use in a gambling place. A "gambling device" does not include:

(1) A coin-in-the-slot operated mechanical device played for amusement which rewards the player with the right to replay such mechanical device, which device is so constructed or devised as to make such result of the operation thereof depend in part upon the skill of the player and which returns to the player thereof no money, property or right to receive money or property.

(2) Vending machines by which full and adequate return is made for the money invested and in which there is no element of chance or hazard.

(3) A crane game. For the purposes of this paragraph (3), a "crane game" is an amusement device involving skill, if it rewards the player exclusively with merchandise contained within the amusement device proper and limited to toys, novelties and prizes other than currency, each having a wholesale value which is not more than \$25.

(4) A redemption machine. For the purposes of this paragraph (4), a "redemption machine" is a single-player or multi-player amusement device involving a game, the object of which is throwing, rolling, bowling, shooting, placing, or propelling a ball or other object that is either

physical or computer generated on a display or with lights into, upon, or against a hole or other target that is either physical or computer generated on a display or with lights, or stopping, by physical, mechanical, or electronic means, a moving object that is either physical or computer generated on a display or with lights into, upon, or against a hole or other target that is either physical or computer generated on a display or with lights, provided that all of the following conditions are met:

(A) The outcome of the game is predominantly determined by the skill of the player.

(B) The award of the prize is based solely upon the player's achieving the object of the game or otherwise upon the player's score.

(C) Only merchandise prizes are awarded.

(D) The wholesale value of prizes awarded in lieu of tickets or tokens for single play of the device does not exceed \$25.

(E) The redemption value of tickets, tokens, and other representations of value, which may be accumulated by players to redeem prizes of greater value, for a single play of the device does not exceed \$25.

(5) Video gaming terminals at a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed fraternal

establishment, or licensed veterans establishment licensed in accordance with the Video Gaming Act.

(a-5) "Internet" means an interactive computer service or system or an information service, system, or access software provider that provides or enables computer access by multiple users to a computer server, and includes, but is not limited to, an information service, system, or access software provider that provides access to a network system commonly known as the Internet, or any comparable system or service and also includes, but is not limited to, a World Wide Web page, newsgroup, message board, mailing list, or chat area on any interactive computer service or system or other online service.

(a-6) "Access" and "computer" have the meanings ascribed to them in Section 16D-2 of this Code.

(b) A "lottery" is any scheme or procedure whereby one or more prizes are distributed by chance among persons who have paid or promised consideration for a chance to win such prizes, whether such scheme or procedure is called a lottery, raffle, gift, sale or some other name, excluding savings promotion raffles authorized under Section 5g of the Illinois Banking Act, Section 7008 of the Savings Bank Act, Section 42.7 of the Illinois Credit Union Act, Section 5136B of the National Bank Act (12 U.S.C. 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463).

(c) A "policy game" is any scheme or procedure whereby a person promises or guarantees by any instrument, bill,

certificate, writing, token or other device that any particular number, character, ticket or certificate shall in the event of any contingency in the nature of a lottery entitle the purchaser or holder to receive money, property or evidence of debt.

(Source: P.A. 98-31, eff. 6-24-13; 99-149, eff. 1-1-16.)

(720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

Sec. 28-3. Keeping a Gambling Place. A "gambling place" is any real estate, vehicle, boat or any other property whatsoever used for the purposes of gambling other than gambling conducted in the manner authorized by the Illinois Riverboat ~~Riverboat~~ Gambling Act or the Video Gaming Act. Any person who knowingly permits any premises or property owned or occupied by him or under his control to be used as a gambling place commits a Class A misdemeanor. Each subsequent offense is a Class 4 felony. When any premises is determined by the circuit court to be a gambling place:

(a) Such premises is a public nuisance and may be proceeded against as such, and

(b) All licenses, permits or certificates issued by the State of Illinois or any subdivision or public agency thereof authorizing the serving of food or liquor on such premises shall be void; and no license, permit or certificate so cancelled shall be reissued for such premises for a period of 60 days thereafter; nor shall any person convicted of keeping a

gambling place be reissued such license for one year from his conviction and, after a second conviction of keeping a gambling place, any such person shall not be reissued such license, and

(c) Such premises of any person who knowingly permits thereon a violation of any Section of this Article shall be held liable for, and may be sold to pay any unsatisfied judgment that may be recovered and any unsatisfied fine that may be levied under any Section of this Article.

(Source: P.A. 96-34, eff. 7-13-09.)

(720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

Sec. 28-5. Seizure of gambling devices and gambling funds.

(a) Every device designed for gambling which is incapable of lawful use or every device used unlawfully for gambling shall be considered a "gambling device", and shall be subject to seizure, confiscation and destruction by the Department of State Police or by any municipal, or other local authority, within whose jurisdiction the same may be found. As used in this Section, a "gambling device" includes any slot machine, and includes any machine or device constructed for the reception of money or other thing of value and so constructed as to return, or to cause someone to return, on chance to the player thereof money, property or a right to receive money or property. With the exception of any device designed for gambling which is incapable of lawful use, no gambling device shall be forfeited or destroyed unless an individual with a

property interest in said device knows of the unlawful use of the device.

(b) Every gambling device shall be seized and forfeited to the county wherein such seizure occurs. Any money or other thing of value integrally related to acts of gambling shall be seized and forfeited to the county wherein such seizure occurs.

(c) If, within 60 days after any seizure pursuant to subparagraph (b) of this Section, a person having any property interest in the seized property is charged with an offense, the court which renders judgment upon such charge shall, within 30 days after such judgment, conduct a forfeiture hearing to determine whether such property was a gambling device at the time of seizure. Such hearing shall be commenced by a written petition by the State, including material allegations of fact, the name and address of every person determined by the State to have any property interest in the seized property, a representation that written notice of the date, time and place of such hearing has been mailed to every such person by certified mail at least 10 days before such date, and a request for forfeiture. Every such person may appear as a party and present evidence at such hearing. The quantum of proof required shall be a preponderance of the evidence, and the burden of proof shall be on the State. If the court determines that the seized property was a gambling device at the time of seizure, an order of forfeiture and disposition of the seized property shall be entered: a gambling device shall be received by the

State's Attorney, who shall effect its destruction, except that valuable parts thereof may be liquidated and the resultant money shall be deposited in the general fund of the county wherein such seizure occurred; money and other things of value shall be received by the State's Attorney and, upon liquidation, shall be deposited in the general fund of the county wherein such seizure occurred. However, in the event that a defendant raises the defense that the seized slot machine is an antique slot machine described in subparagraph (b) (7) of Section 28-1 of this Code and therefore he is exempt from the charge of a gambling activity participant, the seized antique slot machine shall not be destroyed or otherwise altered until a final determination is made by the Court as to whether it is such an antique slot machine. Upon a final determination by the Court of this question in favor of the defendant, such slot machine shall be immediately returned to the defendant. Such order of forfeiture and disposition shall, for the purposes of appeal, be a final order and judgment in a civil proceeding.

(d) If a seizure pursuant to subparagraph (b) of this Section is not followed by a charge pursuant to subparagraph (c) of this Section, or if the prosecution of such charge is permanently terminated or indefinitely discontinued without any judgment of conviction or acquittal (1) the State's Attorney shall commence an in rem proceeding for the forfeiture and destruction of a gambling device, or for the forfeiture and

deposit in the general fund of the county of any seized money or other things of value, or both, in the circuit court and (2) any person having any property interest in such seized gambling device, money or other thing of value may commence separate civil proceedings in the manner provided by law.

(e) Any gambling device displayed for sale to a riverboat gambling operation, casino gambling operation, or organization gaming facility or used to train occupational licensees of a riverboat gambling operation, casino gambling operation, or organization gaming facility as authorized under the Illinois Riverboat Gambling Act is exempt from seizure under this Section.

(f) Any gambling equipment, devices, and supplies provided by a licensed supplier in accordance with the Illinois Riverboat Gambling Act which are removed from a the riverboat, casino, or organization gaming facility for repair are exempt from seizure under this Section.

(g) The following video gaming terminals are exempt from seizure under this Section:

(1) Video gaming terminals for sale to a licensed distributor or operator under the Video Gaming Act.

(2) Video gaming terminals used to train licensed technicians or licensed terminal handlers.

(3) Video gaming terminals that are removed from a licensed establishment, licensed truck stop establishment, licensed large truck stop establishment, licensed

fraternal establishment, or licensed veterans establishment for repair.

(h) Property seized or forfeited under this Section is subject to reporting under the Seizure and Forfeiture Reporting Act.

(Source: P.A. 100-512, eff. 7-1-18.)

(720 ILCS 5/28-7) (from Ch. 38, par. 28-7)

Sec. 28-7. Gambling contracts void.

(a) All promises, notes, bills, bonds, covenants, contracts, agreements, judgments, mortgages, or other securities or conveyances made, given, granted, drawn, or entered into, or executed by any person whatsoever, where the whole or any part of the consideration thereof is for any money or thing of value, won or obtained in violation of any Section of this Article are null and void.

(b) Any obligation void under this Section may be set aside and vacated by any court of competent jurisdiction, upon a complaint filed for that purpose, by the person so granting, giving, entering into, or executing the same, or by his executors or administrators, or by any creditor, heir, legatee, purchaser or other person interested therein; or if a judgment, the same may be set aside on motion of any person stated above, on due notice thereof given.

(c) No assignment of any obligation void under this Section may in any manner affect the defense of the person giving,

granting, drawing, entering into or executing such obligation, or the remedies of any person interested therein.

(d) This Section shall not prevent a licensed owner of a riverboat gambling operation, a casino gambling operation, or an organization gaming licensee under the Illinois Gambling Act and the Illinois Horse Racing Act of 1975 from instituting a cause of action to collect any amount due and owing under an extension of credit to a ~~riverboat~~ gambling patron as authorized under Section 11.1 of the Illinois Riverboat Gambling Act.

(Source: P.A. 87-826.)

Section 35-85. The Payday Loan Reform Act is amended by changing Section 3-5 as follows:

(815 ILCS 122/3-5)

Sec. 3-5. Licensure.

(a) A license to make a payday loan shall state the address, including city and state, at which the business is to be conducted and shall state fully the name of the licensee. The license shall be conspicuously posted in the place of business of the licensee and shall not be transferable or assignable.

(b) An application for a license shall be in writing and in a form prescribed by the Secretary. The Secretary may not issue a payday loan license unless and until the following findings

are made:

(1) that the financial responsibility, experience, character, and general fitness of the applicant are such as to command the confidence of the public and to warrant the belief that the business will be operated lawfully and fairly and within the provisions and purposes of this Act; and

(2) that the applicant has submitted such other information as the Secretary may deem necessary.

(c) A license shall be issued for no longer than one year, and no renewal of a license may be provided if a licensee has substantially violated this Act and has not cured the violation to the satisfaction of the Department.

(d) A licensee shall appoint, in writing, the Secretary as attorney-in-fact upon whom all lawful process against the licensee may be served with the same legal force and validity as if served on the licensee. A copy of the written appointment, duly certified, shall be filed in the office of the Secretary, and a copy thereof certified by the Secretary shall be sufficient evidence to subject a licensee to jurisdiction in a court of law. This appointment shall remain in effect while any liability remains outstanding in this State against the licensee. When summons is served upon the Secretary as attorney-in-fact for a licensee, the Secretary shall immediately notify the licensee by registered mail, enclosing the summons and specifying the hour and day of service.

(e) A licensee must pay an annual fee of \$1,000. In addition to the license fee, the reasonable expense of any examination or hearing by the Secretary under any provisions of this Act shall be borne by the licensee. If a licensee fails to renew its license by December 1, its license shall automatically expire; however, the Secretary, in his or her discretion, may reinstate an expired license upon:

(1) payment of the annual fee within 30 days of the date of expiration; and

(2) proof of good cause for failure to renew.

(f) Not more than one place of business shall be maintained under the same license, but the Secretary may issue more than one license to the same licensee upon compliance with all the provisions of this Act governing issuance of a single license. The location, except those locations already in existence as of June 1, 2005, may not be within one mile of a horse race track subject to the Illinois Horse Racing Act of 1975, within one mile of a facility at which gambling is conducted under the Illinois Riverboat Gambling Act, within one mile of the location at which a riverboat subject to the Illinois Riverboat Gambling Act docks, or within one mile of any State of Illinois or United States military base or naval installation.

(g) No licensee shall conduct the business of making loans under this Act within any office, suite, room, or place of business in which (1) any loans are offered or made under the Consumer Installment Loan Act other than title secured loans as

defined in subsection (a) of Section 15 of the Consumer Installment Loan Act and governed by Title 38, Section 110.330 of the Illinois Administrative Code or (2) any other business is solicited or engaged in unless the other business is licensed by the Department or, in the opinion of the Secretary, the other business would not be contrary to the best interests of consumers and is authorized by the Secretary in writing.

(g-5) Notwithstanding subsection (g) of this Section, a licensee may obtain a license under the Consumer Installment Loan Act (CILA) for the exclusive purpose and use of making title secured loans, as defined in subsection (a) of Section 15 of CILA and governed by Title 38, Section 110.300 of the Illinois Administrative Code. A licensee may continue to service Consumer Installment Loan Act loans that were outstanding as of the effective date of this amendatory Act of the 96th General Assembly.

(h) The Secretary shall maintain a list of licensees that shall be available to interested consumers and lenders and the public. The Secretary shall maintain a toll-free number whereby consumers may obtain information about licensees. The Secretary shall also establish a complaint process under which an aggrieved consumer may file a complaint against a licensee or non-licensee who violates any provision of this Act.

(Source: P.A. 100-958, eff. 8-19-18.)

Section 35-90. The Travel Promotion Consumer Protection

Act is amended by changing Section 2 as follows:

(815 ILCS 420/2) (from Ch. 121 1/2, par. 1852)

Sec. 2. Definitions.

(a) "Travel promoter" means a person, including a tour operator, who sells, provides, furnishes, contracts for, arranges or advertises that he or she will arrange wholesale or retail transportation by air, land, sea or navigable stream, either separately or in conjunction with other services. "Travel promoter" does not include (1) an air carrier; (2) a sea carrier; (3) an officially appointed agent of an air carrier who is a member in good standing of the Airline Reporting Corporation; (4) a travel promoter who has in force \$1,000,000 or more of liability insurance coverage for professional errors and omissions and a surety bond or equivalent surety in the amount of \$100,000 or more for the benefit of consumers in the event of a bankruptcy on the part of the travel promoter; or (5) a riverboat subject to regulation under the Illinois ~~Riverboat~~ Gambling Act.

(b) "Advertise" means to make any representation in the solicitation of passengers and includes communication with other members of the same partnership, corporation, joint venture, association, organization, group or other entity.

(c) "Passenger" means a person on whose behalf money or other consideration has been given or is to be given to another, including another member of the same partnership,

corporation, joint venture, association, organization, group or other entity, for travel.

(d) "Ticket or voucher" means a writing or combination of writings which is itself good and sufficient to obtain transportation and other services for which the passenger has contracted.

(Source: P.A. 91-357, eff. 7-29-99.)

(30 ILCS 105/5.490 rep.)

Section 35-95. The State Finance Act is amended by repealing Section 5.490.

(230 ILCS 5/2.1 rep.)

(230 ILCS 5/54 rep.)

Section 35-100. The Illinois Horse Racing Act of 1975 is amended by repealing Sections 2.1 and 54.

Article 99. Severability; Effective Date

Section 99-95. No acceleration or delay. Where this Act makes changes in a statute that is represented in this Act by text that is not yet or no longer in effect (for example, a Section represented by multiple versions), the use of that text does not accelerate or delay the taking effect of (i) the changes made by this Act or (ii) provisions derived from any other Public Act.

Public Act 101-0031

SB0690 Enrolled

LRB101 04451 HLH 49459 b

Section 99-97. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Section 99-99. Effective date. This Act takes effect upon becoming law, except that the changes made to Section 2 of the Use Tax Act take effect on January 1, 2020.