



Rep. Chad Hays

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1 AMENDMENT TO HOUSE BILL 2498

2 AMENDMENT NO. _____. Amend House Bill 2498 by replacing
3 everything after the enacting clause with the following:

4 "ARTICLE 1.

5 Section 1-1. Short title. This Article may be cited as the
6 Chicago Casino Development Authority Act. References in this
7 Article to "this Act" mean this Article.

8 Section 1-2. Legislative intent.

9 (a) This Act is intended to benefit the people of the City
10 of Chicago and the State of Illinois by assisting economic
11 development and promoting tourism and by increasing the amount
12 of revenues available to the City and the State to assist and
13 support the City's pension obligation in accordance with Public
14 Act 99-506.

15 (b) While authorization of casino gambling in Chicago will

1 enhance investment, development, and tourism in Illinois, it is
2 recognized that it will do so successfully only if public
3 confidence and trust in the credibility and integrity of the
4 gambling operations and the regulatory process is maintained.
5 Therefore, the provisions of this Act are designed to allow the
6 Illinois Gaming Board to strictly regulate the facilities,
7 persons, associations, and practices related to gambling
8 operations pursuant to the police powers of the State,
9 including comprehensive law enforcement supervision.
10 Consistent with the Gaming Board's authority, the Gaming Board
11 alone shall regulate any Chicago casino, just as it now
12 regulates every other casino in Illinois.

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

14 "Authority" means the Chicago Casino Development Authority
15 created by this Act.

16 "Casino" means one temporary land-based or water-based
17 facility and one permanent land-based or water-based facility
18 at which lawful gambling is authorized and licensed as provided
19 in the Illinois Gambling Act.

20 "Casino Board" means the board appointed pursuant to this
21 Act to govern and control the Authority.

22 "Casino management contract" means a legally binding
23 agreement between the Authority and a casino operator licensee
24 to operate or manage a casino.

25 "Casino operator licensee" means any person or entity

1 selected by the Authority and approved and licensed by the
2 Gaming Board to manage and operate a casino within the City of
3 Chicago pursuant to a casino management contract.

4 "City" means the City of Chicago.

5 "Entity" means a corporation, joint venture, partnership,
6 limited liability company, trust, or unincorporated
7 association.

8 "Executive director" means the person appointed by the
9 Casino Board to oversee the daily operations of the Authority.

10 "Gaming Board" means the Illinois Gaming Board created by
11 the Illinois Gambling Act.

12 "Mayor" means the Mayor of the City.

13 Section 1-12. Creation of the Authority. There is hereby
14 created a political subdivision, unit of local government with
15 only the powers authorized by law, body politic, and municipal
16 corporation, by the name and style of the Chicago Casino
17 Development Authority.

18 Section 1-13. Duties of the Authority. It shall be the duty
19 of the Authority, as an owners licensee under the Illinois
20 Gambling Act, to promote and maintain a casino in the City. The
21 Authority shall own, acquire, construct, lease, equip, and
22 maintain grounds, buildings, and facilities for that purpose.
23 However, the Authority shall contract with a casino operator
24 licensee to manage and operate the casino and in no event shall

1 the Authority or City manage or operate the casino. The
2 Authority may contract pursuant to the procedures set forth in
3 Section 1-115 with other third parties in order to fulfill its
4 purpose. The Authority is responsible for the payment of any
5 fees required of a casino operator under subsection (a) of
6 Section 7.9 of the Illinois Gambling Act if the casino operator
7 licensee is late in paying any such fees. The Authority is
8 granted all rights and powers necessary to perform such duties.
9 Subject to the provisions of this Act, the Authority and casino
10 operator licensee are subject to the Illinois Gambling Act and
11 all of the rules of the Gaming Board, which shall be applied to
12 the Authority and the casino operator licensee in a manner
13 consistent with that of other owners licensees under the
14 Illinois Gambling Act. Nothing in this Act shall confer
15 regulatory authority on the Chicago Casino Development
16 Authority. The Illinois Gaming Board shall have exclusive
17 regulatory authority over all gambling operations governed by
18 this Act.

19 Section 1-15. Casino Board.

20 (a) The governing and administrative powers of the
21 Authority shall be vested in a body known as the Chicago Casino
22 Development Board. The Casino Board shall consist of 5 members
23 appointed by the Mayor. One of these members shall be
24 designated by the Mayor to serve as chairperson. All of the
25 members appointed by the Mayor shall be residents of the City.

1 Each Casino Board appointee shall be subject to a
2 preliminary background investigation completed by the Gaming
3 Board within 30 days after the appointee's submission of his or
4 her application to the Gaming Board. If the Gaming Board
5 determines that there is a substantial likelihood that it will
6 not find the appointee to be suitable to serve on the Casino
7 Board (applying the same standards for suitability to the
8 appointee as the Gaming Board would apply to an owners licensee
9 key person under the Gaming Board's adopted rules), then the
10 Gaming Board shall provide a written notice of such
11 determination to the appointee and the Corporation Counsel of
12 the City. The Mayor may then appoint a new candidate. If no
13 such notice is delivered with respect to a particular
14 appointee, then commencing on the 31st day following the date
15 of the appointee's submission of his or her application to the
16 Gaming Board, the appointee shall be deemed an acting member of
17 the Casino Board and shall participate as a Casino Board
18 member.

19 Each appointee shall be subject to a full background
20 investigation and final approval by the Gaming Board prior to
21 the opening of the casino. The Gaming Board shall complete its
22 full background investigation of the Casino Board appointee
23 within 3 months after the date of the appointee's submission of
24 his or her application to the Gaming Board. If the Gaming Board
25 does not complete its background investigation within the
26 3-month period, then the Gaming Board shall give a written

1 explanation to the appointee, as well as the Mayor, the
2 Governor, the President of the Senate, and the Speaker of the
3 House of Representatives, as to why it has not reached a final
4 determination and set forth a reasonable time when such
5 determination shall be made.

6 (b) Casino Board members shall receive \$300 for each day
7 the Authority meets and shall be entitled to reimbursement of
8 reasonable expenses incurred in the performance of their
9 official duties. A Casino Board member who serves in the office
10 of secretary-treasurer may also receive compensation for
11 services provided as that officer.

12 Section 1-20. Terms of appointments; resignation and
13 removal.

14 (a) The Mayor shall appoint 2 members of the Casino Board
15 for an initial term expiring July 1 of the year following final
16 approval by the Gaming Board, 2 members for an initial term
17 expiring July 1 three years following final approval by the
18 Gaming Board, and one member for an initial term expiring July
19 1 five years following final approval by the Gaming Board.

20 (b) All successors shall be appointed by the Mayor to hold
21 office for a term of 5 years from the first day of July of the
22 year in which they are appointed, except in the case of an
23 appointment to fill a vacancy. Each member, including the
24 chairperson, shall hold office until the expiration of his or
25 her term and until his or her successor is appointed and

1 qualified. Nothing shall preclude a member from serving
2 consecutive terms. Any member may resign from office, to take
3 effect when a successor has been appointed and qualified. A
4 vacancy in office shall occur in the case of a member's death
5 or indictment, conviction, or plea of guilty to a felony. A
6 vacancy shall be filled for the unexpired term by the Mayor
7 subject to the approval of the Gaming Board as provided in this
8 Section.

9 (c) Members of the Casino Board shall serve at the pleasure
10 of the Mayor. The Mayor or the Gaming Board may remove any
11 member of the Casino Board upon a finding of incompetence,
12 neglect of duty, or misfeasance or malfeasance in office or for
13 a violation of this Act. The Gaming Board may remove any member
14 of the Casino Board for any violation of the Illinois Gambling
15 Act or the rules and regulations of the Gaming Board.

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

1 Section 1-25. Organization of Casino Board; meetings.
2 After appointment by the Mayor, the Casino Board shall organize
3 for the transaction of business, provided that the Casino Board
4 shall not take any formal action until after the Gaming Board
5 has completed its preliminary background investigation of at
6 least a quorum of the Casino Board as provided in subsection
7 (a) of Section 1-15. The Casino Board shall prescribe the time
8 and place for meetings, the manner in which special meetings
9 may be called, and the notice that must be given to members.
10 All actions and meetings of the Casino Board shall be subject
11 to the provisions of the Open Meetings Act. Three members of
12 the Casino Board shall constitute a quorum. All substantive
13 action of the Casino Board shall be by resolution with an
14 affirmative vote of a majority of the members.

15 Section 1-30. Executive director; officers.

16 (a) The Casino Board shall appoint an executive director,
17 who shall be the chief executive officer of the Authority.

18 The executive director shall be subject to a preliminary
19 background investigation to be completed by the Gaming Board
20 within 30 days after the executive director's submission of his
21 or her application to the Gaming Board. If the Gaming Board
22 determines that there is a substantial likelihood that it will
23 not find the executive director to be suitable to serve in that
24 position (applying the same standards for suitability as the

1 Gaming Board would apply to an owners licensee key person under
2 the Gaming Board's adopted rules), then the Gaming Board shall
3 provide a written notice of such determination to the appointee
4 and the Corporation Counsel of the City. The Casino Board may
5 then appoint a new executive director. If no such notice is
6 delivered, then commencing on the 31st day following the date
7 of the executive director's submission of his or her
8 application to the Gaming Board, the executive director shall
9 commence all duties as the acting executive director of the
10 Authority.

11 The executive director shall be subject to a full
12 background investigation and final approval by the Gaming Board
13 prior to the opening of the casino. The Gaming Board shall
14 complete its full background investigation of the executive
15 director within 3 months after the date of the executive
16 director's submission of his or her application to the Gaming
17 Board. If the Gaming Board does not complete its background
18 investigation within the 3-month period, then the Gaming Board
19 shall give a written explanation to the appointee, as well as
20 the Mayor, the Governor, the President of the Senate, and the
21 Speaker of the House of Representatives, as to why it has not
22 reached a final determination and set forth a reasonable time
23 when such determination shall be made.

24 (b) The Casino Board shall fix the compensation of the
25 executive director. Subject to the general control of the
26 Casino Board, the executive director shall be responsible for

1 the management of the business, properties, and employees of
2 the Authority. The executive director shall direct the
3 enforcement of all resolutions, rules, and regulations of the
4 Casino Board, and shall perform such other duties as may be
5 prescribed from time to time by the Casino Board. All employees
6 and independent contractors, consultants, engineers,
7 architects, accountants, attorneys, financial experts,
8 construction experts and personnel, superintendents, managers,
9 and other personnel appointed or employed pursuant to this Act
10 shall report to the executive director. In addition to any
11 other duties set forth in this Act, the executive director
12 shall do or shall delegate to an employee or agent of the
13 Authority to do all of the following:

14 (1) Direct and supervise the administrative affairs
15 and activities of the Authority in accordance with its
16 rules, regulations, and policies.

17 (2) Attend meetings of the Casino Board.

18 (3) Keep minutes of all proceedings of the Casino
19 Board.

20 (4) Approve all accounts for salaries, per diem
21 payments, and allowable expenses of the Casino Board and
22 its employees and consultants.

23 (5) Report and make recommendations to the Casino Board
24 concerning the terms and conditions of any casino
25 management contract.

26 (6) Perform any other duty that the Casino Board

1 requires for carrying out the provisions of this Act.

2 (7) Devote his or her full time to the duties of the
3 office and not hold any other office or employment.

4 (c) The Casino Board may select a secretary-treasurer and
5 other officers to hold office at the pleasure of the Casino
6 Board. The Casino Board shall fix the duties of such officers.

7 Section 1-31. General rights and powers of the Authority.

8 (a) In addition to the duties and powers set forth in this
9 Act, the Authority shall have the following rights and powers:

10 (1) Adopt and alter an official seal.

11 (2) Establish and change its fiscal year.

12 (3) Sue and be sued, plead and be impleaded, all in its
13 own name, and agree to binding arbitration of any dispute
14 to which it is a party.

15 (4) Adopt, amend, and repeal bylaws, rules, and
16 regulations consistent with the furtherance of the powers
17 and duties provided for.

18 (5) Maintain its principal office within the City and
19 such other offices as the Casino Board may designate.

20 (6) Select locations in the City for a temporary and a
21 permanent casino.

22 (7) Subject to the bidding procedures of Section 1-115
23 of this Act, retain or employ, either as regular employees
24 or independent contractors, consultants, engineers,
25 architects, accountants, attorneys, financial experts,

1 construction experts and personnel, superintendents,
2 managers and other professional personnel, and such other
3 personnel as may be necessary in the judgment of the Casino
4 Board, and fix their compensation; however, employees of
5 the Authority shall be hired pursuant to and in accordance
6 with the rules and policies the Authority may adopt.

7 (8) Pursuant to Section 1-115 of this Act, own,
8 acquire, construct, equip, lease, operate, manage, and
9 maintain grounds, buildings, and facilities to carry out
10 its corporate purposes and duties.

11 (9) Pursuant to Section 1-115, and subject to the
12 oversight, review, and approval of the Gaming Board, enter
13 into, revoke, and modify contracts in accordance with the
14 rules of the Gaming Board as consistently applied to all
15 owners licensees under the Illinois Gambling Act, provided
16 that the Authority may enter into contracts for the design,
17 construction, and outfitting of a temporary casino prior to
18 the Gaming Board's final approval of the Authority's
19 executive director and the members of the Casino Board and
20 prior to the Gaming Board's issuance of the Authority's
21 owners license. Provided further that the entities
22 selected by the Authority for the design, construction, and
23 outfitting of the temporary casino shall be subject to a
24 preliminary background investigation to be completed by
25 the Gaming Board within 30 days after the Gaming Board is
26 provided the identities of the entities. If the Gaming

1 Board determines that there is a substantial likelihood
2 that the entities are not suitable or acceptable to perform
3 their respective functions, then the Gaming Board shall
4 immediately provide notice of that determination to the
5 Authority. If no such notice is delivered, then, commencing
6 on the 31st day following the date on which the information
7 identifying such entities is provided to the Gaming Board,
8 such entities shall be permitted to commence the services
9 contemplated for the design, construction, and outfitting
10 of the temporary casino. In no event, however, shall the
11 Authority open a casino until after the Gaming Board has
12 finally approved the Authority's executive director and
13 the members of the Casino Board and the Gaming Board has
14 issued the Authority's owners license and the casino
15 operator's casino operator license.

16 (10) Enter into a casino management contract subject to
17 the provisions of Section 1-45 of this Act.

18 (11) Negotiate and enter into intergovernmental
19 agreements with the State and its agencies, the City, and
20 other units of local government, in furtherance of the
21 powers and duties of the Casino Board.

22 (12) Receive and disburse funds for its own corporate
23 purposes or as otherwise specified in this Act.

24 (13) Borrow money from any source, public or private,
25 for any corporate purpose, including, without limitation,
26 working capital for its operations, reserve funds, or

1 payment of interest, and to mortgage, pledge, or otherwise
2 encumber the property or funds of the Authority and to
3 contract with or engage the services of any person in
4 connection with any financing, including financial
5 institutions, issuers of letters of credit, or insurers and
6 enter into reimbursement agreements with this person or
7 entity which may be secured as if money were borrowed from
8 the person or entity.

9 (14) Issue bonds as provided for under this Act.

10 (15) Receive and accept from any source, private or
11 public, contributions, gifts, or grants of money or
12 property to the Authority.

13 (16) Provide for the insurance of any property,
14 operations, officers, members, agents, or employees of the
15 Authority against any risk or hazard, to self-insure or
16 participate in joint self-insurance pools or entities to
17 insure against such risk or hazard, and to provide for the
18 indemnification of its officers, members, employees,
19 contractors, or agents against any and all risks.

20 (17) Exercise all the corporate powers granted
21 Illinois corporations under the Business Corporation Act
22 of 1983, except to the extent that powers are inconsistent
23 with those of a body politic and municipal corporation.

24 (18) Do all things necessary or convenient to carry out
25 the powers granted by this Act.

26 (b) The Casino Board shall comply with all applicable legal

1 requirements imposed on other owners licensees to conduct all
2 background investigations required under the Illinois Gambling
3 Act and the rules of the Gaming Board. This requirement shall
4 also extend to senior legal, financial, and administrative
5 staff of the Authority.

6 Section 1-32. Ethical conduct.

7 (a) Casino Board members and employees of the Authority
8 must carry out their duties and responsibilities in such a
9 manner as to promote and preserve public trust and confidence
10 in the integrity and conduct of gaming.

11 (b) Except as may be required in the conduct of official
12 duties, Casino Board members and employees of the Authority
13 shall not engage in gambling on any riverboat, in any casino,
14 or in an electronic gaming facility licensed by the Illinois
15 Gaming Board or engage in legalized gambling in any
16 establishment identified by Gaming Board action that, in the
17 judgment of the Gaming Board, could represent a potential for a
18 conflict of interest.

19 (c) A Casino Board member or employee of the Authority
20 shall not use or attempt to use his or her official position to
21 secure or attempt to secure any privilege, advantage, favor, or
22 influence for himself or herself or others.

23 (d) Casino Board members and employees of the Authority
24 shall not hold or pursue employment, office, position,
25 business, or occupation that may conflict with his or her

1 official duties. Employees may engage in other gainful
2 employment so long as that employment does not interfere or
3 conflict with their duties. Such employment must be disclosed
4 to the executive director and approved by the Casino Board.

5 (e) Casino Board members, employees of the Authority, and
6 elected officials and employees of the City may not engage in
7 employment, communications, or any activity identified by the
8 Casino Board or Gaming Board that, in the judgment of either
9 entity, could represent the potential for or the appearance of
10 a conflict of interest.

11 (f) Casino Board members, employees of the Authority, and
12 elected officials and employees of the City may not have a
13 financial interest, directly or indirectly, in his or her own
14 name or in the name of any other person, partnership,
15 association, trust, corporation, or other entity in any
16 contract or subcontract for the performance of any work for the
17 Authority. This prohibition shall extend to the holding or
18 acquisition of an interest in any entity identified by the
19 Casino Board or the Gaming Board that, in the judgment of
20 either entity, could represent the potential for or the
21 appearance of a financial interest. The holding or acquisition
22 of an interest in such entities through an indirect means, such
23 as through a mutual fund, shall not be prohibited, except that
24 the Gaming Board may identify specific investments or funds
25 that, in its judgment, are so influenced by gaming holdings as
26 to represent the potential for or the appearance of a conflict

1 of interest.

2 (g) Casino Board members, employees of the Authority, and
3 elected officials and employees of the City may not accept any
4 gift, gratuity, service, compensation, travel, lodging, or
5 thing of value, with the exception of unsolicited items of an
6 incidental nature, from any person, corporation, or entity
7 doing business with the Authority.

8 (h) No Casino Board member, employee of the Authority, or
9 elected official or employee of the City may, during employment
10 or within a period of 2 years immediately after termination of
11 employment, knowingly accept employment or receive
12 compensation or fees for services from a person or entity, or
13 its parent or affiliate, that has engaged in business with the
14 Authority that resulted in contracts with an aggregate value of
15 at least \$25,000 or if that Casino Board member or employee has
16 made a decision that directly applied to the person or entity,
17 or its parent or affiliate.

18 (i) A spouse, child, or parent of a Casino Board member,
19 employee of the Authority, or elected official or employee of
20 the City may not have a financial interest, directly or
21 indirectly, in his or her own name or in the name of any other
22 person, partnership, association, trust, corporation, or other
23 entity in any contract or subcontract for the performance of
24 any work for the Authority. This prohibition shall extend to
25 the holding or acquisition of an interest in any entity
26 identified by the Casino Board or Gaming Board that, in the

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

9 (j) A spouse, child, or parent of a Casino Board member,
10 employee of the Authority, or elected official or employee of
11 the City may not accept any gift, gratuity, service,
12 compensation, travel, lodging, or thing of value, with the
13 exception of unsolicited items of an incidental nature, from
14 any person, corporation, or entity doing business with the
15 Authority.

16 (k) A spouse, child, or parent of a Casino Board member,
17 employee of the Authority, or elected official or employee of
18 the City may not, while the person is a Board member or
19 employee of the spouse or within a period of 2 years
20 immediately after termination of employment, knowingly accept
21 employment or receive compensation or fees for services from a
22 person or entity, or its parent or affiliate, that has engaged
23 in business with the Authority that resulted in contracts with
24 an aggregate value of at least \$25,000 or if that Casino Board
25 member, employee, or elected official or employee of the City
26 has made a decision that directly applied to the person or

1 entity, or its parent or affiliate.

2 (l) No Casino Board member, employee of the Authority, or
3 elected official or employee of the City may attempt, in any
4 way, to influence any person or entity doing business with the
5 Authority or any officer, agent, or employee thereof to hire or
6 contract with any person or entity for any compensated work.

7 (m) No Casino Board member, employee of the Authority, or
8 elected official or employee of the City shall use or attempt
9 to use his or her official position to secure, or attempt to
10 secure, any privilege, advantage, favor, or influence for
11 himself or herself or others. No Casino Board member, employee
12 of the Authority, or elected official or employee of the City
13 shall, within one year immediately preceding appointment by the
14 Mayor or employment, have been employed or received
15 compensation or fees for services from a person or entity, or
16 its parent or affiliate, that has engaged in business with the
17 Casino Board, a licensee under this Act, or a licensee under
18 the Illinois Gambling Act.

19 (n) Any communication between an elected official of the
20 City and any applicant for or party to a casino management
21 contract with the Authority, or an officer, director, or
22 employee thereof, concerning any matter relating in any way to
23 gaming or the Authority shall be disclosed to the Casino Board
24 and the Gaming Board. Such disclosure shall be in writing by
25 the official within 30 days after the communication and shall
26 be filed with the Casino Board and the Gaming Board. Disclosure

1 must consist of the date of the communication, the identity and
2 job title of the person with whom the communication was made, a
3 brief summary of the communication, the action requested or
4 recommended, all responses made, the identity and job title of
5 the person making the response, and any other pertinent
6 information. In addition, if the communication is written or
7 digital, then the entire communication shall be disclosed.

8 Public disclosure of the written summary provided to the
9 Casino Board and the Gaming Board shall be subject to the
10 exemptions provided under Section 7 of the Freedom of
11 Information Act.

12 This subsection (n) shall not apply to communications
13 regarding traffic, law enforcement, security, environmental
14 issues, City services, transportation, or other routine
15 matters concerning the ordinary operations of the casino.

16 (o) For purposes of this Section:

17 "Ordinary operations" means operations relating to the
18 casino facility other than the conduct of gambling activities.

19 "Routine matters" includes the application for, issuance,
20 renewal, and other processes associated with City permits and
21 licenses.

22 "Employee of the City" means only those employees of the
23 City who provide services to the Authority or otherwise
24 influence the decisions of the Authority or the Casino Board.

25 (p) Any Casino Board member or employee of the Authority
26 who violates any provision of this Section is guilty of a Class

1 4 felony.

2 Section 1-45. Casino management contracts.

3 (a) In accordance with all applicable procurement laws and
4 rules, the Casino Board shall develop and administer a
5 competitive sealed bidding process for the selection of a
6 potential casino operator licensee to develop or operate a
7 casino within the City. The Casino Board shall issue one or
8 more requests for proposals. The Casino Board may establish
9 minimum financial and investment requirements to determine the
10 eligibility of persons to respond to the Casino Board's
11 requests for proposals, and may establish and consider such
12 other criteria as it deems appropriate. The Casino Board may
13 impose a reasonable fee upon persons who respond to requests
14 for proposals, in order to reimburse the Casino Board for its
15 costs in preparing and issuing the requests and reviewing the
16 proposals. At least 30 days prior to the commencement of the
17 competitive bidding process, the Gaming Board shall be given an
18 opportunity to review the competitive bidding process
19 established by the Casino Board. During the competitive bidding
20 process, the Casino Board shall keep the Gaming Board apprised
21 of the process and the responses received in connection with
22 the Casino Board's requests for proposals.

23 (b) Within 5 business days after the time limit for
24 submitting bids and proposals has passed, the Casino Board
25 shall make all bids and proposals public, provided, however,

1 the Casino Board shall not be required to disclose any
2 information which would be exempt from disclosure under Section
3 7 of the Freedom of Information Act. Thereafter, the Casino
4 Board shall evaluate the responses to its requests for
5 proposals and the ability of all persons or entities responding
6 to its requests for proposals to meet the requirements of this
7 Act and any relevant provisions of the Illinois Gambling Act
8 and to undertake and perform the obligations set forth in its
9 requests for proposals.

10 (c) After reviewing proposals and selecting a successful
11 bidder, the Casino Board shall enter into a casino management
12 contract with the successful bidder authorizing the operation
13 of a casino. The casino operator shall be subject to a
14 background investigation and approval by the Gaming Board. The
15 Gaming Board shall complete its background investigation and
16 approval of the casino operator within 6 months after the date
17 that the proposed casino operator submits its application to
18 the Gaming Board. If the Gaming Board does not complete its
19 background investigation and approval within the 6-month
20 period, then the Gaming Board shall give a written explanation
21 to the proposed casino operator and the chief legal officer of
22 the Authority as to why it has not reached a final
23 determination and when it reasonably expects to make a final
24 determination. Validity of the casino management contract is
25 contingent upon the issuance of a casino operator license to
26 the successful bidder. If the Gaming Board grants a casino

1 operator license, the Casino Board shall transmit a copy of the
2 executed casino management contract to the Gaming Board.

3 (d) After (1) the Authority has been issued an owners
4 license, (2) the Gaming Board has issued a casino operator
5 license, and (3) the Gaming Board has approved the members of
6 the Casino Board, the Authority may conduct gaming operations
7 at a temporary facility, subject to the adopted rules of the
8 Gaming Board, for no longer than 24 months after gaming
9 operations begin. The Gaming Board may, after holding a public
10 hearing, grant an extension so long as a permanent facility is
11 not operational and the Authority is working in good faith to
12 complete the permanent facility. The Gaming Board may grant
13 additional extensions following further public hearings. Each
14 extension may be for a period of no longer than 6 months.

15 (e) Fifty percent of any initial consideration received by
16 the Authority that was paid as an inducement pursuant to a bid
17 for a casino management contract or an executed casino
18 management contract must be transmitted to the State and
19 deposited into the Gaming Facilities Fee Revenue Fund. The
20 initial consideration shall not include (1) any amounts paid to
21 the Authority as reimbursement for its costs in preparing or
22 issuing the requests for proposals and reviewing the proposals
23 or (2) any amounts loaned to the Authority or paid by an entity
24 on behalf of the Authority for the design, construction,
25 outfitting, or equipping of the casino, pre-opening expenses,
26 bank roll or similar expenses required to open and operate the

1 casino, or any license or per position fees imposed pursuant to
2 the Illinois Gambling Act or any other financial obligation of
3 the Authority.

4 Section 1-47. Freedom of Information Act. The Authority
5 shall be a public body as defined in the Freedom of Information
6 Act and shall be subject to the provisions of the Freedom of
7 Information Act.

8 Section 1-50. Transfer of funds. The revenues received by
9 the Authority (other than amounts required to be paid pursuant
10 to the Illinois Gambling Act and amounts required to pay the
11 operating expenses of the Authority, to pay amounts due the
12 casino operator licensee pursuant to a casino management
13 contract, to repay any borrowing of the Authority made pursuant
14 to Section 1-31, to pay debt service on any bonds issued under
15 Section 1-75, and to pay any expenses in connection with the
16 issuance of such bonds pursuant to Section 1-75 or derivative
17 products pursuant to Section 1-85) shall be transferred to the
18 City by the Authority. Moneys transferred to the City pursuant
19 to this Section shall be expended or obligated by the City for
20 pension payments in accordance with Public Act 99-506.

21 Section 1-60. Auditor General.

22 (a) Prior to the issuance of bonds under this Act, the
23 Authority shall submit to the Auditor General a certification

1 that:

2 (1) it is legally authorized to issue bonds;

3 (2) scheduled annual payments of principal and
4 interest on the bonds to be issued meet the requirements of
5 Section 1-75 of this Act;

6 (3) no bond shall mature later than 30 years; and

7 (4) after payment of costs of issuance and necessary
8 deposits to funds and accounts established with respect to
9 debt service on the bonds, the net bond proceeds (exclusive
10 of any proceeds to be used to refund outstanding bonds)
11 will be used only for the purposes set forth in this Act.

12 The Authority also shall submit to the Auditor General its
13 projections on revenues to be generated and pledged to
14 repayment of the bonds as scheduled and such other information
15 as the Auditor General may reasonably request.

16 The Auditor General shall examine the certifications and
17 information submitted and submit a report to the Authority and
18 the Gaming Board indicating whether the required
19 certifications, projections, and other information have been
20 submitted by the Authority and whether the assumptions
21 underlying the projections are not unreasonable in the
22 aggregate. The Auditor General shall submit the report no later
23 than 60 days after receiving the information required to be
24 submitted by the Authority.

25 The Auditor General shall submit a bill to the Authority
26 for costs associated with the examinations and report required

1 under this Section. The Authority shall reimburse in a timely
2 manner.

3 (b) The Authority shall enter into an intergovernmental
4 agreement with the Auditor General authorizing the Auditor
5 General to, every 2 years, (i) review the financial audit of
6 the Authority performed by the Authority's certified public
7 accountants, (ii) perform a management audit of the Authority,
8 and (iii) perform a management audit of the casino operator
9 licensee. The Auditor General shall provide the Authority and
10 the General Assembly with the audits and shall post on his or
11 her Internet website such portions of the audit or other
12 financial information as generally would be made publicly
13 available for other owners licensees under the Illinois
14 Gambling Act. The Auditor General shall submit a bill to the
15 Authority for costs associated with the review and the audit
16 required under this Section, which costs shall not exceed
17 \$100,000, and the Authority shall reimburse the Auditor General
18 for such costs in a timely manner.

19 Section 1-62. Advisory committee. An Advisory Committee is
20 established to monitor, review, and report on (1) the
21 Authority's utilization of minority-owned business enterprises
22 and female-owned business enterprises, (2) employment of
23 females, and (3) employment of minorities with regard to the
24 development and construction of the casino as authorized under
25 Section 7 of the Illinois Gambling Act. The Authority shall

1 work with the Advisory Committee in accumulating necessary
2 information for the Committee to submit reports, as necessary,
3 to the General Assembly and to the City.

4 The Committee shall consist of 9 members as provided in
5 this Section. Five members shall be selected by the Governor
6 and 4 members shall be selected by the Mayor. The Governor and
7 Mayor shall each appoint at least one current member of the
8 General Assembly. The Advisory Committee shall meet
9 periodically and shall report the information to the Mayor of
10 the City and to the General Assembly by December 31st of every
11 year.

12 The Advisory Committee shall be dissolved on the date that
13 casino gambling operations are first conducted at a permanent
14 facility under the license authorized under Section 7 of the
15 Illinois Gambling Act. For the purposes of this Section, the
16 terms "female" and "minority person" have the meanings provided
17 in Section 2 of the Business Enterprise for Minorities,
18 Females, and Persons with Disabilities Act.

19 Section 1-65. Acquisition of property; eminent domain
20 proceedings. For the lawful purposes of this Act, the City may
21 acquire, by eminent domain or by condemnation proceedings in
22 the manner provided by the Eminent Domain Act, real or personal
23 property or interests in real or personal property located in
24 the City, and the City may convey to the Authority property so
25 acquired. The acquisition of property under this Section is

1 declared to be for a public use.

2 Section 1-70. Local regulation. In addition to this Act,
3 the Illinois Gambling Act, and all of the rules of the Gaming
4 Board, the casino facilities and operations therein shall be
5 subject to all ordinances and regulations of the City. The
6 construction, development, and operation of the casino shall
7 comply with all ordinances, regulations, rules, and controls of
8 the City, including, but not limited to, those relating to
9 zoning and planned development, building, fire prevention, and
10 land use. However, the regulation of gaming operations is
11 subject to the exclusive jurisdiction of the Gaming Board. The
12 Gaming Board shall be responsible for the investigation for and
13 issuance of all licenses required by this Act and the Illinois
14 Gambling Act.

15 Section 1-75. Borrowing.

16 (a) The Authority may borrow money and issue bonds as
17 provided in this Section. Bonds of the Authority may be issued
18 to provide funds for land acquisition, site assembly and
19 preparation, and the design and construction of the casino, as
20 defined in the Illinois Gambling Act, all ancillary and related
21 facilities comprising the casino complex, and all on-site and
22 off-site infrastructure improvements required in connection
23 with the development of the casino; to refund (at the time or
24 in advance of any maturity or redemption) or redeem any bonds

1 of the Authority; to provide or increase a debt service reserve
2 fund or other reserves with respect to any or all of its bonds;
3 or to pay the legal, financial, administrative, bond insurance,
4 credit enhancement, and other legal expenses of the
5 authorization, issuance, or delivery of bonds. In this Act, the
6 term "bonds" also includes notes of any kind, interim
7 certificates, refunding bonds, or any other evidence of
8 obligation for borrowed money issued under this Section. Bonds
9 may be issued in one or more series and may be payable and
10 secured either on a parity with or separately from other bonds.

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

26 (c) Bonds shall be authorized by a resolution of the

1 Authority and may be secured by a trust indenture by and
2 between the Authority and a corporate trustee or trustees,
3 which may be any trust company or bank having the powers of a
4 trust company within or without the State. Bonds shall meet the
5 following requirements:

6 (1) Bonds may bear interest payable at any time or
7 times and at any rate or rates, notwithstanding any other
8 provision of law to the contrary, and may be subject to
9 such other terms and conditions as may be provided by the
10 resolution or indenture authorizing the issuance of such
11 bonds.

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

17 (3) Bonds issued pursuant to this Section may be sold
18 pursuant to notice of sale and public bid or by negotiated
19 sale.

20 (4) Bonds shall be payable at a time or times, in the
21 denominations and form, including book entry form, either
22 coupon, registered, or both, and carry the registration and
23 privileges as to exchange, transfer or conversion, and
24 replacement of mutilated, lost, or destroyed bonds as the
25 resolution or trust indenture may provide.

26 (5) Bonds shall be payable in lawful money of the

1 United States at a designated place.

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

5 (7) Bonds shall be executed by the manual or facsimile
6 signatures of the officers of the Authority designated by
7 the Board, which signatures shall be valid at delivery even
8 for one who has ceased to hold office.

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

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

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

1 results of the efforts to achieve goals for the payment of
2 fees.

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

8 (1) Pledging, assigning, or directing the use,
9 investment, or disposition of revenues of the Authority or
10 proceeds or benefits of any contract, including without
11 limitation any rights in any casino management contract.

12 (2) The setting aside of loan funding deposits, debt
13 service reserves, replacement or operating reserves, cost
14 of issuance accounts and sinking funds, and the regulation,
15 investment, and disposition thereof.

16 (3) Limitations on the purposes to which or the
17 investments in which the proceeds of sale of any issue of
18 bonds or the Authority's revenues and receipts may be
19 applied or made.

20 (4) Limitations on the issue of additional bonds, the
21 terms upon which additional bonds may be issued and
22 secured, the terms upon which additional bonds may rank on
23 a parity with, or be subordinate or superior to, other
24 bonds.

25 (5) The refunding, advance refunding, or refinancing
26 of outstanding bonds.

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

5 (7) Defining the acts or omissions that shall
6 constitute a default in the duties of the Authority to
7 holders of bonds and providing the rights or remedies of
8 such holders in the event of a default, which may include
9 provisions restricting individual rights of action by
10 bondholders.

11 (8) Providing for guarantees, pledges of property,
12 letters of credit, or other security, or insurance for the
13 benefit of bondholders.

14 (f) No member of the Casino Board, nor any person executing
15 the bonds, shall be liable personally on the bonds or subject
16 to any personal liability by reason of the issuance of the
17 bonds.

18 (g) The Authority may issue and secure bonds in accordance
19 with the provisions of the Local Government Credit Enhancement
20 Act.

21 (h) A pledge by the Authority of revenues and receipts as
22 security for an issue of bonds or for the performance of its
23 obligations under any casino management contract shall be valid
24 and binding from the time when the pledge is made. The revenues
25 and receipts pledged shall immediately be subject to the lien
26 of the pledge without any physical delivery or further act, and

1 the lien of any pledge shall be valid and binding against any
2 person having any claim of any kind in tort, contract, or
3 otherwise against the Authority, irrespective of whether the
4 person has notice. No resolution, trust indenture, management
5 agreement or financing statement, continuation statement, or
6 other instrument adopted or entered into by the Authority need
7 be filed or recorded in any public record other than the
8 records of the Authority in order to perfect the lien against
9 third persons, regardless of any contrary provision of law.

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

16 (j) The bonds of the Authority shall not be indebtedness of
17 the State. The bonds of the Authority are not general
18 obligations of the State and are not secured by a pledge of the
19 full faith and credit of the State and the holders of bonds of
20 the Authority may not require the application of State revenues
21 or funds to the payment of bonds of the Authority. The
22 foregoing non-recourse language must be printed in bold-face
23 type on the face of the bonds and in the preliminary and final
24 official statements on the bonds.

25 (k) The State of Illinois pledges and agrees with the
26 owners of the bonds that it will not limit or alter the rights

1 and powers vested in the Authority by this Act so as to impair
2 the terms of any contract made by the Authority with the owners
3 or in any way impair the rights and remedies of the owners
4 until the bonds, together with interest on them, and all costs
5 and expenses in connection with any action or proceedings by or
6 on behalf of the owners, are fully met and discharged. The
7 Authority is authorized to include this pledge and agreement in
8 any contract with the owners of bonds issued under this
9 Section.

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

22 Section 1-85. Derivative products. With respect to all or
23 part of any issue of its bonds, the Authority may enter into
24 agreements or contracts with any necessary or appropriate
25 person, which will have the benefit of providing to the

1 Authority an interest rate basis, cash flow basis, or other
2 basis different from that provided in the bonds for the payment
3 of interest. Such agreements or contracts may include, without
4 limitation, agreements or contracts commonly known as
5 "interest rate swap agreements", "forward payment conversion
6 agreements", "futures", "options", "puts", or "calls" and
7 agreements or contracts providing for payments based on levels
8 of or changes in interest rates, agreements or contracts to
9 exchange cash flows or a series of payments, or to hedge
10 payment, rate spread, or similar exposure. Any such agreement
11 or contract shall be solely an obligation or indebtedness of
12 the Authority and shall not be an obligation or indebtedness of
13 the State, nor shall any party thereto have any recourse
14 against the State in connection with the agreement or contract.

15 Section 1-90. Legality for investment. The State of
16 Illinois, all governmental entities, all public officers,
17 banks, bankers, trust companies, savings banks and
18 institutions, building and loan associations, savings and loan
19 associations, investment companies, and other persons carrying
20 on a banking business, insurance companies, insurance
21 associations, and other persons carrying on an insurance
22 business, and all executors, administrators, guardians,
23 trustees, and other fiduciaries may legally invest any sinking
24 funds, moneys, or other funds belonging to them or within their
25 control in any bonds issued under this Act. However, nothing in

1 this Section shall be construed as relieving any person or
2 entity from any duty of exercising reasonable care in selecting
3 securities for purchase or investment.

4 Section 1-105. Budgets and reporting.

5 (a) The Casino Board shall annually adopt a budget for each
6 fiscal year. The budget may be modified from time to time in
7 the same manner and upon the same vote as it may be adopted.
8 The budget shall include the Authority's available funds and
9 estimated revenues and shall provide for payment of its
10 obligations and estimated expenditures for the fiscal year,
11 including, without limitation, expenditures for
12 administration, operation, maintenance and repairs, debt
13 service, and deposits into reserve and other funds and capital
14 projects.

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

21 (c) The Casino Board shall, for each fiscal year, prepare
22 an annual report setting forth information concerning its
23 activities in the fiscal year and the status of the development
24 of the casino. The annual report shall include financial
25 information of the Authority consistent with that which is

1 required for all other owners licensees under the Illinois
2 Gambling Act, the budget for the succeeding fiscal year, and
3 the current capital plan as of the date of the report. Copies
4 of the annual report shall be made available to persons who
5 request them and shall be submitted not later than 120 days
6 after the end of the Authority's fiscal year or, if the audit
7 of the Authority's financial statements is not completed within
8 120 days after the end of the Authority's fiscal year, as soon
9 as practical after completion of the audit, to the Governor,
10 the Mayor, the General Assembly, and the Commission on
11 Government Forecasting and Accountability.

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

13 (a) All funds deposited by the Authority in any bank or
14 savings and loan association shall be placed in the name of the
15 Authority and shall be withdrawn or paid out only by check or
16 draft upon the bank or savings and loan association, signed by
17 2 officers or employees designated by the Casino Board.
18 Notwithstanding any other provision of this Section, the Casino
19 Board may designate any of its members or any officer or
20 employee of the Authority to authorize the wire transfer of
21 funds deposited by the secretary-treasurer of funds in a bank
22 or savings and loan association for the payment of payroll and
23 employee benefits-related expenses.

24 No bank or savings and loan association shall receive
25 public funds as permitted by this Section unless it has

1 complied with the requirements established pursuant to Section
2 6 of the Public Funds Investment Act.

3 (b) If any officer or employee whose signature appears upon
4 any check or draft issued pursuant to this Act ceases (after
5 attaching his signature) to hold his or her office before the
6 delivery of such a check or draft to the payee, his or her
7 signature shall nevertheless be valid and sufficient for all
8 purposes with the same effect as if he or she had remained in
9 office until delivery thereof.

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

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

1 contractor shall notify the Authority of any changes in
2 officers, directors, ownership, or individuals having a
3 beneficial interest of more than 1%. Notwithstanding the
4 provisions of this subsection (a), the Gaming Board may adopt
5 rules in connection with contractors for contracts with the
6 Authority or the casino operator licensee.

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

18 (c) As used in this Section:

19 "Contribution" means contribution as defined in Section
20 9-1.4 of the Election Code.

21 "Affiliated person" means (i) any person with any ownership
22 interest or distributive share of the bidding, responding, or
23 contracting entity in excess of 1%, (ii) executive employees of
24 the bidding, responding, or contracting entity, and (iii) the
25 spouse, minor children, and parents of any such persons.

26 "Affiliated entity" means (i) any parent or subsidiary of

1 the bidding or contracting entity, (ii) any member of the same
2 unitary business group, or (iii) any political committee for
3 which the bidding, responding, or contracting entity is the
4 sponsoring entity.

5 (d) The Gaming Board may direct the Authority or a casino
6 operator licensee to void a contract if a violation of this
7 Section occurs. The Authority may direct a casino operator
8 licensee to void a contract if a violation of this Section
9 occurs.

10 (e) All contracts pertaining to the actual operation of the
11 casino and related gaming activities shall be entered into by
12 the casino operator licensee and not the Authority and shall be
13 subject to the regulation, oversight, and approval of the
14 Gaming Board, applying the same regulation, oversight, and
15 approval requirements as would be applied to any other owners
16 licensee under the Illinois Gambling Act.

17 Section 1-115. Purchasing.

18 (a) The Casino Board shall designate an officer of the
19 Authority to serve as the Chief Procurement Officer for the
20 Authority. The Chief Procurement Officer shall have all powers
21 and duties set forth in Section 15 of Division 10 of Article 8
22 of the Illinois Municipal Code. Except as otherwise provided in
23 this Section, the Chief Procurement Officer of the Authority
24 shall conduct procurements on behalf of the Authority subject
25 to Title 2, Chapter 92 of the Municipal Code of Chicago, which

1 by its terms incorporates Division 10 of Article 8 of the
2 Illinois Municipal Code.

3 (b) All contracts for amounts greater than \$25,000 must be
4 approved by the Casino Board and executed by the chairperson of
5 the Casino Board and executive director of the Authority.
6 Contracts for amounts of \$25,000 or less may be approved and
7 executed by the Chief Procurement Officer for the Authority and
8 executive director of the Authority, with approval by the chief
9 legal counsel for the Authority as to form and legality.

10 (c) All construction contracts and contracts for supplies,
11 materials, equipment, and services for amounts greater than
12 \$25,000 shall be let by a competitive selection process to the
13 lowest responsible proposer, after advertising for proposals,
14 except for the following:

15 (1) when repair parts, accessories, equipment, or
16 services are required for equipment or services previously
17 furnished or contracted for;

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

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

23 (4) contracts where there is only one economically
24 feasible source;

25 (5) when a purchase is needed on an immediate,
26 emergency basis because there exists a threat to public

1 health or public safety, or when immediate expenditure is
2 necessary for repairs to Authority property in order to
3 protect against further loss of or damage to Authority
4 property, to prevent or minimize serious disruption in
5 Authority services or to ensure the integrity of Authority
6 records;

7 (6) contracts for professional services other than for
8 management of the casino, except such contracts described
9 in subsection (d) of this Section; and

10 (7) contracts for the use, purchase, delivery,
11 movement, or installation of (i) data processing
12 equipment, software, and services and (ii)
13 telecommunications equipment, software, and services.

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

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

24 (f) In determining the responsibility of any proposer, the
25 Authority may take into account the proposer's (or an
26 individual having a beneficial interest, directly or

1 indirectly, of more than 1% in such proposing entity) past
2 record of dealings with the Authority, the proposer's
3 experience, adequacy of equipment, and ability to complete
4 performance within the time set, and other factors besides
5 financial responsibility. No such contract shall be awarded to
6 any proposer other than the lowest proposer (in case of
7 purchase or expenditure) unless authorized or approved by a
8 vote of at least 3 members of the Casino Board and such action
9 is accompanied by a written statement setting forth the reasons
10 for not awarding the contract to the highest or lowest
11 proposer, as the case may be. The statement shall be kept on
12 file in the principal office of the Authority and open to
13 public inspection.

14 (g) The Authority shall have the right to reject all
15 proposals and to re-advertise for proposals. If after any such
16 re-advertisement, no responsible and satisfactory proposals,
17 within the terms of the re-advertisement, is received, the
18 Authority may award such contract without competitive
19 selection. The contract must not be less advantageous to the
20 Authority than any valid proposal received pursuant to
21 advertisement.

22 (h) Advertisements for proposals and re-proposals shall be
23 published at least once in a daily newspaper of general
24 circulation published in the City at least 10 calendar days
25 before the time for receiving proposals and in an online
26 bulletin published on the Authority's website. Such

1 advertisements shall state the time and place for receiving and
2 opening of proposals and, by reference to plans and
3 specifications on file at the time of the first publication or
4 in the advertisement itself, shall describe the character of
5 the proposed contract in sufficient detail to fully advise
6 prospective proposers of their obligations and to ensure free
7 and open competitive selection.

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

19 (j) The contract shall be awarded as promptly as possible
20 after the opening of proposals. The proposal of the successful
21 proposer, as well as the bids of the unsuccessful proposers,
22 shall be placed on file and be open to public inspection
23 subject to the exemptions from disclosure provided under
24 Section 7 of the Freedom of Information Act. All proposals
25 shall be void if any disclosure of the terms of any proposals
26 in response to an advertisement is made or permitted to be made

1 by the Authority before the time fixed for opening proposals.

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

24 Section 1-130. Affirmative action and equal opportunity
25 obligations of Authority.

1 (a) The Authority is subject to the requirements of Article
2 IV of Chapter 2-92 (Sections 2-92-650 through 2-92-720
3 inclusive) of the Chicago Municipal Code, as now or hereafter
4 amended, renumbered, or succeeded, concerning a Minority-Owned
5 and Women-Owned Business Enterprise Procurement Program for
6 construction contracts, and Section 2-92-420 et seq. of the
7 Chicago Municipal Code, as now or hereafter amended,
8 renumbered, or succeeded, concerning a Minority-Owned and
9 Women-Owned Business Enterprise Procurement Program.

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

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

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

5 (5) That the Illinois horse racing industry is on the
6 verge of extinction due to fierce competition from fully
7 developed horse racing and gaming operations in other
8 states.

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

17 (7) That Illinois agriculture and other businesses
18 that support and supply the horse racing industry, already
19 a sector that employs over 37,000 Illinoisans, also stand
20 to substantially benefit and would be much more likely to
21 create additional jobs should Illinois horse racing once
22 again become competitive with other states.

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

26 (9) That gaming machines at Illinois horse racing

1 tracks would create an estimated 1,200 to 1,500 permanent
2 jobs, and an estimated capital investment of up to \$200
3 million to \$400 million at these race tracks would prompt
4 additional trade organization jobs necessary to construct
5 new facilities or remodel race tracks to operate electronic
6 gaming.

7 Section 90-3. The State Officials and Employees Ethics Act
8 is amended by changing Sections 5-45 and 20-10 as follows:

9 (5 ILCS 430/5-45)

10 Sec. 5-45. Procurement; revolving door prohibition.

11 (a) No former officer, member, or State employee, or spouse
12 or immediate family member living with such person, shall,
13 within a period of one year immediately after termination of
14 State employment, knowingly accept employment or receive
15 compensation or fees for services from a person or entity if
16 the officer, member, or State employee, during the year
17 immediately preceding termination of State employment,
18 participated personally and substantially in the award of State
19 contracts, or the issuance of State contract change orders,
20 with a cumulative value of \$25,000 or more to the person or
21 entity, or its parent or subsidiary.

22 (b) No former officer of the executive branch or State
23 employee of the executive branch with regulatory or licensing
24 authority, or spouse or immediate family member living with

1 such person, shall, within a period of one year immediately
2 after termination of State employment, knowingly accept
3 employment or receive compensation or fees for services from a
4 person or entity if the officer or State employee, during the
5 year immediately preceding termination of State employment,
6 participated personally and substantially in making a
7 regulatory or licensing decision that directly applied to the
8 person or entity, or its parent or subsidiary.

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

21 The policies required under subsection (c) of this Section
22 shall be filed with the appropriate ethics commission
23 established under this Act or, for the Auditor General, with
24 the Office of the Auditor General.

25 (d) Each Inspector General shall have the authority to
26 determine that additional State positions under his or her

1 jurisdiction, not otherwise subject to the policies required by
2 subsection (c) of this Section, are nonetheless subject to the
3 notification requirement of subsection (f) below due to their
4 involvement in the award of State contracts or in regulatory or
5 licensing decisions.

6 (e) The Joint Committee on Legislative Support Services,
7 the Auditor General, and each of the executive branch
8 constitutional officers and legislative leaders subject to
9 subsection (c) of this Section shall provide written
10 notification to all employees in positions subject to the
11 policies required by subsection (c) or a determination made
12 under subsection (d): (1) upon hiring, promotion, or transfer
13 into the relevant position; and (2) at the time the employee's
14 duties are changed in such a way as to qualify that employee.
15 An employee receiving notification must certify in writing that
16 the person was advised of the prohibition and the requirement
17 to notify the appropriate Inspector General in subsection (f).

18 (f) Any State employee in a position subject to the
19 policies required by subsection (c) or to a determination under
20 subsection (d), but who does not fall within the prohibition of
21 subsection (h) below, who is offered non-State employment
22 during State employment or within a period of one year
23 immediately after termination of State employment shall, prior
24 to accepting such non-State employment, notify the appropriate
25 Inspector General. Within 10 calendar days after receiving
26 notification from an employee in a position subject to the

1 policies required by subsection (c), such Inspector General
2 shall make a determination as to whether the State employee is
3 restricted from accepting such employment by subsection (a) or
4 (b). In making a determination, in addition to any other
5 relevant information, an Inspector General shall assess the
6 effect of the prospective employment or relationship upon
7 decisions referred to in subsections (a) and (b), based on the
8 totality of the participation by the former officer, member, or
9 State employee in those decisions. A determination by an
10 Inspector General must be in writing, signed and dated by the
11 Inspector General, and delivered to the subject of the
12 determination within 10 calendar days or the person is deemed
13 eligible for the employment opportunity. For purposes of this
14 subsection, "appropriate Inspector General" means (i) for
15 members and employees of the legislative branch, the
16 Legislative Inspector General; (ii) for the Auditor General and
17 employees of the Office of the Auditor General, the Inspector
18 General provided for in Section 30-5 of this Act; and (iii) for
19 executive branch officers and employees, the Inspector General
20 having jurisdiction over the officer or employee. Notice of any
21 determination of an Inspector General and of any such appeal
22 shall be given to the ultimate jurisdictional authority, the
23 Attorney General, and the Executive Ethics Commission.

24 (g) An Inspector General's determination regarding
25 restrictions under subsection (a) or (b) may be appealed to the
26 appropriate Ethics Commission by the person subject to the

1 decision or the Attorney General no later than the 10th
2 calendar day after the date of the determination.

3 On appeal, the Ethics Commission or Auditor General shall
4 seek, accept, and consider written public comments regarding a
5 determination. In deciding whether to uphold an Inspector
6 General's determination, the appropriate Ethics Commission or
7 Auditor General shall assess, in addition to any other relevant
8 information, the effect of the prospective employment or
9 relationship upon the decisions referred to in subsections (a)
10 and (b), based on the totality of the participation by the
11 former officer, member, or State employee in those decisions.
12 The Ethics Commission shall decide whether to uphold an
13 Inspector General's determination within 10 calendar days or
14 the person is deemed eligible for the employment opportunity.

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

1 in the award of the State contract or contracts or the making
2 of the regulatory or licensing decision in question:

3 (1) members or officers;

4 (2) members of a commission or board created by the
5 Illinois Constitution;

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

8 (4) the head of a department, commission, board,
9 division, bureau, authority, or other administrative unit
10 within the government of this State;

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

14 (6) chiefs of staff, deputy chiefs of staff, associate
15 chiefs of staff, assistant chiefs of staff, and deputy
16 governors; ~~and~~

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

18 (8) employees of the Illinois Gaming Board.

19 (i) For the purposes of this Section, with respect to
20 officers or employees of a regional transit board, as defined
21 in this Act, the phrase "person or entity" does not include:

22 (i) the United States government, (ii) the State, (iii)
23 municipalities, as defined under Article VII, Section 1 of the
24 Illinois Constitution, (iv) units of local government, as
25 defined under Article VII, Section 1 of the Illinois
26 Constitution, or (v) school districts.

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

2 (5 ILCS 430/20-10)

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

4 (a) ~~Six~~ Five independent Offices of the Executive Inspector
5 General are created, one each for the Governor, the Attorney
6 General, the Secretary of State, the Comptroller, and the
7 Treasurer and one for gaming activities. Each Office shall be
8 under the direction and supervision of an Executive Inspector
9 General and shall be a fully independent office with separate
10 appropriations.

11 (b) The Governor, Attorney General, Secretary of State,
12 Comptroller, and Treasurer shall each appoint an Executive
13 Inspector General, and the Governor shall appoint an Executive
14 Inspector General for gaming activities. Each appointment must
15 be made without regard to political affiliation and solely on
16 the basis of integrity and demonstrated ability. Appointments
17 shall be made by and with the advice and consent of the Senate
18 by three-fifths of the elected members concurring by record
19 vote. Any nomination not acted upon by the Senate within 60
20 session days of the receipt thereof shall be deemed to have
21 received the advice and consent of the Senate. If, during a
22 recess of the Senate, there is a vacancy in an office of
23 Executive Inspector General, the appointing authority shall
24 make a temporary appointment until the next meeting of the
25 Senate when the appointing authority shall make a nomination to

1 fill that office. No person rejected for an office of Executive
2 Inspector General shall, except by the Senate's request, be
3 nominated again for that office at the same session of the
4 Senate or be appointed to that office during a recess of that
5 Senate.

6 Nothing in this Article precludes the appointment by the
7 Governor, Attorney General, Secretary of State, Comptroller,
8 or Treasurer of any other inspector general required or
9 permitted by law. The Governor, Attorney General, Secretary of
10 State, Comptroller, and Treasurer each may appoint an existing
11 inspector general as the Executive Inspector General required
12 by this Article, provided that such an inspector general is not
13 prohibited by law, rule, jurisdiction, qualification, or
14 interest from serving as the Executive Inspector General
15 required by this Article. An appointing authority may not
16 appoint a relative as an Executive Inspector General.

17 Each Executive Inspector General shall have the following
18 qualifications:

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

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

23 (3) has 5 or more years of cumulative service (A) with
24 a federal, State, or local law enforcement agency, at least
25 2 years of which have been in a progressive investigatory
26 capacity; (B) as a federal, State, or local prosecutor; (C)

1 as a senior manager or executive of a federal, State, or
2 local agency; (D) as a member, an officer, or a State or
3 federal judge; or (E) representing any combination of (A)
4 through (D).

5 The term of each initial Executive Inspector General shall
6 commence upon qualification and shall run through June 30,
7 2008. The initial appointments shall be made within 60 days
8 after the effective date of this Act.

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

14 A vacancy occurring other than at the end of a term shall
15 be filled by the appointing authority only for the balance of
16 the term of the Executive Inspector General whose office is
17 vacant.

18 Terms shall run regardless of whether the position is
19 filled.

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

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

25 The jurisdiction of each Executive Inspector General is to
26 investigate allegations of fraud, waste, abuse, mismanagement,

1 misconduct, nonfeasance, misfeasance, malfeasance, or
2 violations of this Act or violations of other related laws and
3 rules.

4 (d) The compensation for each Executive Inspector General
5 shall be determined by the Executive Ethics Commission and
6 shall be made from appropriations made to the Comptroller for
7 this purpose. Subject to Section 20-45 of this Act, each
8 Executive Inspector General has full authority to organize his
9 or her Office of the Executive Inspector General, including the
10 employment and determination of the compensation of staff, such
11 as deputies, assistants, and other employees, as
12 appropriations permit. A separate appropriation shall be made
13 for each Office of Executive Inspector General.

14 (e) No Executive Inspector General or employee of the
15 Office of the Executive Inspector General may, during his or
16 her term of appointment or employment:

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

18 (2) hold any other elected or appointed public office
19 except for appointments on governmental advisory boards or
20 study commissions or as otherwise expressly authorized by
21 law;

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

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

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

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

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

9 (2) hold any elected public office; or

10 (3) hold any appointed State, county, or local judicial
11 office.

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

14 (f) An Executive Inspector General may be removed only for
15 cause and may be removed only by the appointing ~~constitutional~~
16 officer. At the time of the removal, the appointing
17 ~~constitutional~~ officer must report to the Executive Ethics
18 Commission the justification for the removal.

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

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

22 (20 ILCS 301/5-20)

23 Sec. 5-20. Compulsive gambling program.

24 (a) Subject to appropriation, the Department shall

1 establish a program for public education, research, and
2 training regarding problem and compulsive gambling and the
3 treatment and prevention of problem and compulsive gambling.
4 Subject to specific appropriation for these stated purposes,
5 the program must include all of the following:

6 (1) Establishment and maintenance of a toll-free "800"
7 telephone number to provide crisis counseling and referral
8 services to families experiencing difficulty as a result of
9 problem or compulsive gambling.

10 (2) Promotion of public awareness regarding the
11 recognition and prevention of problem and compulsive
12 gambling.

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

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

19 (b) Subject to appropriation, the Department shall either
20 establish and maintain the program or contract with a private
21 or public entity for the establishment and maintenance of the
22 program. Subject to appropriation, either the Department or the
23 private or public entity shall implement the toll-free
24 telephone number, promote public awareness, and conduct
25 in-service training concerning problem and compulsive
26 gambling.

1 (c) Subject to appropriation, the Department shall produce
2 and supply the signs specified in Section 10.7 of the Illinois
3 Lottery Law, Section 34.1 of the Illinois Horse Racing Act of
4 1975, Section 4.3 of the Bingo License and Tax Act, Section 8.1
5 of the Charitable Games Act, and Section 13.1 of the Illinois
6 ~~Riverboat~~ Gambling Act.

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

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

11 (20 ILCS 605/605-530 new)

12 Sec. 605-530. The Depressed Communities Economic
13 Development Board.

14 (a) The Depressed Communities Economic Development Board
15 is created as an advisory board within the Department of
16 Commerce and Economic Opportunity. The Board shall consist of
17 the following members:

18 (1) 3 members appointed by the Governor, one of whom
19 shall be appointed to serve an initial term of one year and
20 2 of whom shall be appointed to serve an initial term of 2
21 years;

22 (2) 2 members appointed by the Speaker of the House of
23 Representatives, one of whom shall be appointed to serve an
24 initial term of one year and one of whom shall be appointed

1 to serve an initial term of 2 years;

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

6 (4) 2 members appointed by the Minority Leader of the
7 House of Representatives, one of whom shall be appointed to
8 serve an initial term of one year and one of whom shall be
9 appointed to serve an initial term of 2 years; and

10 (5) 2 members appointed by the Minority Leader of the
11 Senate, one of whom shall be appointed to serve an initial
12 term of one year and one of whom shall be appointed to
13 serve an initial term of 2 years.

14 The members of the Board shall elect a member to serve as
15 chair of the Board. The members of the Board shall reflect the
16 composition of the Illinois population with regard to ethnic
17 and racial composition.

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

1 (b) Board members shall serve without compensation, but may
2 be reimbursed for their reasonable travel expenses from funds
3 available for that purpose. The Department of Commerce and
4 Economic Opportunity shall provide staff and administrative
5 support services to the Board.

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

24 (20 ILCS 605/605-535 new)

25 Sec. 605-535. The Commission on the Future of Economic

1 Development of the Latino Community.

2 (a) There is hereby created the Commission on the Future of
3 Economic Development of the Latino Community within the
4 Department. The purpose of the Commission shall be to maintain
5 and develop the economy of Latinos and to provide opportunities
6 for this community, which will enhance and expand the quality
7 of their lives.

8 The Commission shall concentrate its major efforts on
9 strategic planning, policy research and analysis, advocacy,
10 evaluation, and promoting coordination and collaboration.

11 During each regular legislative session, the Commission
12 must consult with appropriate legislative committees about the
13 State's economic development needs and opportunities in the
14 Latino community.

15 By October 1st of each even-numbered year, the Commission
16 must submit to the Governor and the General Assembly a biennial
17 comprehensive statewide economic development strategy for the
18 Latino community with a report on progress from the previous
19 comprehensive strategy.

20 The comprehensive statewide economic development strategy
21 may include, but is not limited to:

22 (1) an assessment of the Latino community's economic
23 vitality;

24 (2) recommended goals, objectives, and priorities for
25 the next biennium and the future;

26 (3) a common set of outcomes and benchmarks for the

1 economic development system as a whole for the Latino
2 community;

3 (4) recommendations for removing barriers for Latinos
4 in employment;

5 (5) an inventory of existing relevant programs
6 compiled by the Commission from materials submitted by
7 agencies;

8 (6) recommendations for expanding, discontinuing, or
9 redirecting existing programs or adding new programs to
10 better serve the Latino community; and

11 (7) recommendations of best practices and public and
12 private sector roles in implementing the comprehensive
13 statewide economic development strategy.

14 In developing the biennial statewide economic development
15 strategy, goals, objectives, priorities, and recommendations,
16 the Commission shall consult, collaborate, and coordinate with
17 relevant State agencies, private sector business, nonprofit
18 organizations involved in economic development, trade
19 associations, associate development organizations, and
20 relevant local organizations in order to avoid duplication of
21 effort.

22 State agencies shall cooperate with the Commission and
23 provide information as the Commission may reasonably request.

24 The Commission shall review and make budget
25 recommendations to the Governor's Office of Management and
26 Budget and the General Assembly in areas relating to the

1 economic development in the State's Latino community.

2 The Commission shall evaluate its own performance on a
3 regular basis.

4 The Commission may accept gifts, grants, donations,
5 sponsorships, or contributions from any federal, State, or
6 local governmental agency or program, or any private source,
7 and expend the same for any purpose consistent with this
8 Section.

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

19 (1) production agriculture;

20 (2) at least 2 individuals from manufacturing, one of
21 whom shall represent a company with no more than 75
22 employees;

23 (3) transportation, construction, and logistics;

24 (4) travel and tourism;

25 (5) financial services and insurance;

26 (6) information technology and communications; and

1 (7) biotechnology.

2 The members of the Commission shall choose a member to
3 serve as chair of the Commission. The members of the Commission
4 shall be representative, to the extent possible, of the various
5 geographic areas of the State. The Director shall serve as an
6 ad hoc nonvoting member of the Commission. Vacancies shall be
7 filled in the same manner as the original appointments. The
8 members of the Commission shall serve without compensation.

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

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

17 (1) public universities;

18 (2) community colleges;

19 (3) other educational institutions; and

20 (4) the Department of Labor.

21 (e) The Commission shall make recommendations, which must
22 be approved by a majority of the members of the Commission, to
23 the Department concerning the award of grants from amounts
24 appropriated to the Department from the Latino Community
25 Economic Development Fund, a special fund in the State
26 treasury. The Department shall make grants to public or private

1 entities submitting proposals to the Commission to assist in
2 the economic development of the Latino community. Grants may be
3 used by these entities only for those purposes conditioned with
4 the grant. The Commission shall coordinate with the Department
5 to develop grant criteria.

6 (f) For the purposes of this Section:

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

9 "Director" means the Director of Commerce and Economic
10 Development.

11 "Educational institutions" means nonprofit public and
12 private colleges, community colleges, State colleges, and
13 universities in this State.

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

16 (20 ILCS 1605/9.1)

17 Sec. 9.1. Private manager and management agreement.

18 (a) As used in this Section:

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

21 "Request for qualifications" means all materials and
22 documents prepared by the Department to solicit the following
23 from offerors:

24 (1) Statements of qualifications.

1 (2) Proposals to enter into a management agreement,
2 including the identity of any prospective vendor or vendors
3 that the offeror intends to initially engage to assist the
4 offeror in performing its obligations under the management
5 agreement.

6 "Final offer" means the last proposal submitted by an
7 offeror in response to the request for qualifications,
8 including the identity of any prospective vendor or vendors
9 that the offeror intends to initially engage to assist the
10 offeror in performing its obligations under the management
11 agreement.

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

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

20 (c) Pursuant to the terms of this subsection, the
21 Department shall endeavor to expeditiously terminate the
22 existing contracts in support of the Lottery in effect on the
23 effective date of this amendatory Act of the 96th General
24 Assembly in connection with the selection of the private
25 manager. As part of its obligation to terminate these contracts
26 and select the private manager, the Department shall establish

1 a mutually agreeable timetable to transfer the functions of
2 existing contractors to the private manager so that existing
3 Lottery operations are not materially diminished or impaired
4 during the transition. To that end, the Department shall do the
5 following:

6 (1) where such contracts contain a provision
7 authorizing termination upon notice, the Department shall
8 provide notice of termination to occur upon the mutually
9 agreed timetable for transfer of functions;

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

14 (3) in the event any current contract provides for
15 termination of that contract upon the implementation of a
16 contract with the private manager, the Department shall
17 perform all necessary actions to terminate the contract on
18 the date that coincides with the mutually agreed timetable
19 for transfer of functions.

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

26 (c-5) The Department shall include provisions in the

1 management agreement whereby the private manager shall, for a
2 fee, and pursuant to a contract negotiated with the Department
3 (the "Employee Use Contract"), utilize the services of current
4 Department employees to assist in the administration and
5 operation of the Lottery. The Department shall be the employer
6 of all such bargaining unit employees assigned to perform such
7 work for the private manager, and such employees shall be State
8 employees, as defined by the Personnel Code. Department
9 employees shall operate under the same employment policies,
10 rules, regulations, and procedures, as other employees of the
11 Department. In addition, neither historical representation
12 rights under the Illinois Public Labor Relations Act, nor
13 existing collective bargaining agreements, shall be disturbed
14 by the management agreement with the private manager for the
15 management of the Lottery.

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

18 (1) A term not to exceed 10 years, including any
19 renewals.

20 (2) A provision specifying that the Department:

21 (A) shall exercise actual control over all
22 significant business decisions;

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

25 (B) has ready access at any time to information
26 regarding Lottery operations;

1 (C) has the right to demand and receive information
2 from the private manager concerning any aspect of the
3 Lottery operations at any time; and

4 (D) retains ownership of all trade names,
5 trademarks, and intellectual property associated with
6 the Lottery.

7 (3) A provision imposing an affirmative duty on the
8 private manager to provide the Department with material
9 information and with any information the private manager
10 reasonably believes the Department would want to know to
11 enable the Department to conduct the Lottery.

12 (4) A provision requiring the private manager to
13 provide the Department with advance notice of any operating
14 decision that bears significantly on the public interest,
15 including, but not limited to, decisions on the kinds of
16 games to be offered to the public and decisions affecting
17 the relative risk and reward of the games being offered, so
18 the Department has a reasonable opportunity to evaluate and
19 countermand that decision.

20 (5) A provision providing for compensation of the
21 private manager that may consist of, among other things, a
22 fee for services and a performance based bonus as
23 consideration for managing the Lottery, including terms
24 that may provide the private manager with an increase in
25 compensation if Lottery revenues grow by a specified
26 percentage in a given year.

1 (6) (Blank).

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

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

7 (8-5) A provision encouraging that at least 20% of the
8 cost of contracts entered into for goods and services by
9 the private manager in connection with its management of
10 the Lottery, other than contracts with sales agents or
11 technical advisors, be awarded to businesses that are a
12 minority owned business, a female owned business, or a
13 business owned by a person with disability, as those terms
14 are defined in the Business Enterprise for Minorities,
15 Females, and Persons with Disabilities Act.

16 (9) A requirement that so long as the private manager
17 complies with all the conditions of the agreement under the
18 oversight of the Department, the private manager shall have
19 the following duties and obligations with respect to the
20 management of the Lottery:

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

23 (B) The rights and obligations under contracts
24 with retailers and vendors.

25 (C) The implementation of a comprehensive security
26 program by the private manager.

1 (D) The implementation of a comprehensive system
2 of internal audits.

3 (E) The implementation of a program by the private
4 manager to curb compulsive gambling by persons playing
5 the Lottery.

6 (F) A system for determining (i) the type of
7 Lottery games, (ii) the method of selecting winning
8 tickets, (iii) the manner of payment of prizes to
9 holders of winning tickets, (iv) the frequency of
10 drawings of winning tickets, (v) the method to be used
11 in selling tickets, (vi) a system for verifying the
12 validity of tickets claimed to be winning tickets,
13 (vii) the basis upon which retailer commissions are
14 established by the manager, and (viii) minimum
15 payouts.

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

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

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

25 (13) A requirement that the Department monitor and
26 oversee the private manager's practices and take action

1 that the Department considers appropriate to ensure that
2 the private manager is in compliance with the terms of the
3 management agreement, while allowing the manager, unless
4 specifically prohibited by law or the management
5 agreement, to negotiate and sign its own contracts with
6 vendors.

7 (14) A provision requiring the private manager to
8 periodically file, at least on an annual basis, appropriate
9 financial statements in a form and manner acceptable to the
10 Department.

11 (15) Cash reserves requirements.

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

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

18 (18) Procedures for amendment of the agreement.

19 (19) A provision requiring the private manager to
20 engage in an open and competitive bidding process for any
21 procurement having a cost in excess of \$50,000 that is not
22 a part of the private manager's final offer. The process
23 shall favor the selection of a vendor deemed to have
24 submitted a proposal that provides the Lottery with the
25 best overall value. The process shall not be subject to the
26 provisions of the Illinois Procurement Code, unless

1 specifically required by the management agreement.

2 (20) The transition of rights and obligations,
3 including any associated equipment or other assets used in
4 the operation of the Lottery, from the manager to any
5 successor manager of the lottery, including the
6 Department, following the termination of or foreclosure
7 upon the management agreement.

8 (21) Right of use of copyrights, trademarks, and
9 service marks held by the Department in the name of the
10 State. The agreement must provide that any use of them by
11 the manager shall only be for the purpose of fulfilling its
12 obligations under the management agreement during the term
13 of the agreement.

14 (22) The disclosure of any information requested by the
15 Department to enable it to comply with the reporting
16 requirements and information requests provided for under
17 subsection (p) of this Section.

18 (e) Notwithstanding any other law to the contrary, the
19 Department shall select a private manager through a competitive
20 request for qualifications process consistent with Section
21 20-35 of the Illinois Procurement Code, which shall take into
22 account:

23 (1) the offeror's ability to market the Lottery to
24 those residents who are new, infrequent, or lapsed players
25 of the Lottery, especially those who are most likely to
26 make regular purchases on the Internet;

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

4 (3) the offeror's ability to provide the most
5 successful management of the Lottery for the benefit of the
6 people of the State based on current and past business
7 practices or plans of the offeror; and

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

13 (f) The Department may retain the services of an advisor or
14 advisors with significant experience in financial services or
15 the management, operation, and procurement of goods, services,
16 and equipment for a government-run lottery to assist in the
17 preparation of the terms of the request for qualifications and
18 selection of the private manager. Any prospective advisor
19 seeking to provide services under this subsection (f) shall
20 disclose any material business or financial relationship
21 during the past 3 years with any potential offeror, or with a
22 contractor or subcontractor presently providing goods,
23 services, or equipment to the Department to support the
24 Lottery. The Department shall evaluate the material business or
25 financial relationship of each prospective advisor. The
26 Department shall not select any prospective advisor with a

1 substantial business or financial relationship that the
2 Department deems to impair the objectivity of the services to
3 be provided by the prospective advisor. During the course of
4 the advisor's engagement by the Department, and for a period of
5 one year thereafter, the advisor shall not enter into any
6 business or financial relationship with any offeror or any
7 vendor identified to assist an offeror in performing its
8 obligations under the management agreement. Any advisor
9 retained by the Department shall be disqualified from being an
10 offeror. The Department shall not include terms in the request
11 for qualifications that provide a material advantage whether
12 directly or indirectly to any potential offeror, or any
13 contractor or subcontractor presently providing goods,
14 services, or equipment to the Department to support the
15 Lottery, including terms contained in previous responses to
16 requests for proposals or qualifications submitted to
17 Illinois, another State or foreign government when those terms
18 are uniquely associated with a particular potential offeror,
19 contractor, or subcontractor. The request for proposals
20 offered by the Department on December 22, 2008 as
21 "LOT08GAMESYS" and reference number "22016176" is declared
22 void.

23 (g) The Department shall select at least 2 offerors as
24 finalists to potentially serve as the private manager no later
25 than August 9, 2010. Upon making preliminary selections, the
26 Department shall schedule a public hearing on the finalists'

1 proposals and provide public notice of the hearing at least 7
2 calendar days before the hearing. The notice must include all
3 of the following:

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

5 (2) The subject matter of the hearing.

6 (3) A brief description of the management agreement to
7 be awarded.

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

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

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

1 offeror is superior to other offerors and will provide
2 management services in a manner that best achieves the
3 objectives of this Section. The Governor shall also sign the
4 management agreement with the private manager.

5 (i) Any action to contest the private manager selected by
6 the Governor under this Section must be brought within 7
7 calendar days after the publication of the notice of the
8 designation of the private manager as provided in subsection
9 (h) of this Section.

10 (j) The Lottery shall remain, for so long as a private
11 manager manages the Lottery in accordance with provisions of
12 this Act, a Lottery conducted by the State, and the State shall
13 not be authorized to sell or transfer the Lottery to a third
14 party.

15 (k) Any tangible personal property used exclusively in
16 connection with the lottery that is owned by the Department and
17 leased to the private manager shall be owned by the Department
18 in the name of the State and shall be considered to be public
19 property devoted to an essential public and governmental
20 function.

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

24 (m) Neither this Section nor any management agreement
25 entered into under this Section prohibits the General Assembly
26 from authorizing forms of gambling that are not in direct

1 competition with the Lottery. The forms of gambling authorized
2 by this amendatory Act of the 100th General Assembly constitute
3 authorized forms of gambling that are not in direct competition
4 with the Lottery.

5 (n) The private manager shall be subject to a complete
6 investigation in the third, seventh, and tenth years of the
7 agreement (if the agreement is for a 10-year term) by the
8 Department in cooperation with the Auditor General to determine
9 whether the private manager has complied with this Section and
10 the management agreement. The private manager shall bear the
11 cost of an investigation or reinvestigation of the private
12 manager under this subsection.

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

1 complete authority for the Department to approve any contracts
2 entered into by a private manager with a vendor providing
3 goods, services, or both goods and services to the private
4 manager under the terms of the management agreement, including
5 subcontractors of such vendors.

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

23 Notwithstanding any other provision of this Section to the
24 contrary, the Chief Procurement Officer shall adopt
25 administrative rules, including emergency rules, to establish
26 a procurement process to select a successor private manager if

1 a private management agreement has been terminated. The
2 selection process shall at a minimum take into account the
3 criteria set forth in items (1) through (4) of subsection (e)
4 of this Section and may include provisions consistent with
5 subsections (f), (g), (h), and (i) of this Section. The Chief
6 Procurement Officer shall also implement and administer the
7 adopted selection process upon the termination of a private
8 management agreement. The Department, after the Chief
9 Procurement Officer certifies that the procurement process has
10 been followed in accordance with the rules adopted under this
11 subsection (o), shall select a final offeror as the private
12 manager and sign the management agreement with the private
13 manager.

14 Except as provided in Sections 21.5, 21.6, 21.7, 21.8, and
15 21.9, the Department shall distribute all proceeds of lottery
16 tickets and shares sold in the following priority and manner:

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

18 (2) The payment of costs incurred in the operation and
19 administration of the Lottery, including the payment of
20 sums due to the private manager under the management
21 agreement with the Department.

22 (3) On the last day of each month or as soon thereafter
23 as possible, the State Comptroller shall direct and the
24 State Treasurer shall transfer from the State Lottery Fund
25 to the Common School Fund an amount that is equal to the
26 proceeds transferred in the corresponding month of fiscal

1 year 2009, as adjusted for inflation, to the Common School
2 Fund.

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

7 (p) The Department shall be subject to the following
8 reporting and information request requirements:

9 (1) the Department shall submit written quarterly
10 reports to the Governor and the General Assembly on the
11 activities and actions of the private manager selected
12 under this Section;

13 (2) upon request of the Chief Procurement Officer, the
14 Department shall promptly produce information related to
15 the procurement activities of the Department and the
16 private manager requested by the Chief Procurement
17 Officer; the Chief Procurement Officer must retain
18 confidential, proprietary, or trade secret information
19 designated by the Department in complete confidence
20 pursuant to subsection (g) of Section 7 of the Freedom of
21 Information Act; and

22 (3) at least 30 days prior to the beginning of the
23 Department's fiscal year, the Department shall prepare an
24 annual written report on the activities of the private
25 manager selected under this Section and deliver that report
26 to the Governor and General Assembly.

1 (Source: P.A. 98-463, eff. 8-16-13; 98-649, eff. 6-16-14;
2 99-933, eff. 1-27-17.)

3 Section 90-10. The Department of Revenue Law of the Civil
4 Administrative Code of Illinois is amended by changing Section
5 2505-305 as follows:

6 (20 ILCS 2505/2505-305) (was 20 ILCS 2505/39b15.1)

7 Sec. 2505-305. Investigators.

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

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

22 (c) The Department may enter into agreements with the
23 Illinois Gaming Board providing that investigators appointed
24 under this Section shall exercise the peace officer powers set

1 forth in paragraph (20.6) of subsection (c) of Section 5 of the
2 Illinois Riverboat Gambling Act.

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

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

6 (30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

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

11 The Auditor General has jurisdiction over local government
12 agencies and private agencies only:

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

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

1 (c) to make audits of the records of local government
2 agencies to verify actual costs of state-mandated programs
3 when directed to do so by the Legislative Audit Commission
4 at the request of the State Board of Appeals under the
5 State Mandates Act.

6 In addition to the foregoing, the Auditor General may
7 conduct an audit of the Metropolitan Pier and Exposition
8 Authority, the Regional Transportation Authority, the Suburban
9 Bus Division, the Commuter Rail Division and the Chicago
10 Transit Authority and any other subsidized carrier when
11 authorized by the Legislative Audit Commission. Such audit may
12 be a financial, management or program audit, or any combination
13 thereof.

14 The audit shall determine whether they are operating in
15 accordance with all applicable laws and regulations. Subject to
16 the limitations of this Act, the Legislative Audit Commission
17 may by resolution specify additional determinations to be
18 included in the scope of the audit.

19 In addition to the foregoing, the Auditor General must also
20 conduct a financial audit of the Illinois Sports Facilities
21 Authority's expenditures of public funds in connection with the
22 reconstruction, renovation, remodeling, extension, or
23 improvement of all or substantially all of any existing
24 "facility", as that term is defined in the Illinois Sports
25 Facilities Authority Act.

26 The Auditor General may also conduct an audit, when

1 authorized by the Legislative Audit Commission, of any hospital
2 which receives 10% or more of its gross revenues from payments
3 from the State of Illinois, Department of Healthcare and Family
4 Services (formerly Department of Public Aid), Medical
5 Assistance Program.

6 The Auditor General is authorized to conduct financial and
7 compliance audits of the Illinois Distance Learning Foundation
8 and the Illinois Conservation Foundation.

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

20 The Auditor General shall conduct a financial and
21 compliance and program audit of distributions from the
22 Municipal Economic Development Fund during the immediately
23 preceding calendar year pursuant to Section 8-403.1 of the
24 Public Utilities Act at no cost to the city, village, or
25 incorporated town that received the distributions.

26 The Auditor General must conduct an audit of the Health

1 Facilities and Services Review Board pursuant to Section 19.5
2 of the Illinois Health Facilities Planning Act.

3 The Auditor General must conduct an audit of the Chicago
4 Casino Development Authority pursuant to Section 1-60 of the
5 Chicago Casino Development Authority Act.

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

20 The Auditor General must conduct audits of the Rend Lake
21 Conservancy District as provided in Section 25.5 of the River
22 Conservancy Districts Act.

23 The Auditor General must conduct financial audits of the
24 Southeastern Illinois Economic Development Authority as
25 provided in Section 70 of the Southeastern Illinois Economic
26 Development Authority Act.

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

4 (Source: P.A. 95-331, eff. 8-21-07; 96-31, eff. 6-30-09;
5 96-939, eff. 6-24-10.)

6 Section 90-15. The State Finance Act is amended by adding
7 Sections 5.878, 5.879, 5.880, and 6z-102 and by changing
8 Section 6z-45 as follows:

9 (30 ILCS 105/5.878 new)

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

11 (30 ILCS 105/5.879 new)

12 Sec. 5.879. The Depressed Communities Economic Development
13 Fund.

14 (30 ILCS 105/5.880 new)

15 Sec. 5.880. The Latino Community Economic Development
16 Fund.

17 (30 ILCS 105/6z-45)

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

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

21 In addition to any other deposits authorized by law,

1 beginning January 1, 2000, on the first day of each month, or
2 as soon thereafter as may be practical, the State Treasurer and
3 State Comptroller shall transfer the sum of \$5,000,000 from the
4 General Revenue Fund to the School Infrastructure Fund, except
5 that, notwithstanding any other provision of law, and in
6 addition to any other transfers that may be provided for by
7 law, before June 30, 2012, the Comptroller and the Treasurer
8 shall transfer \$45,000,000 from the General Revenue Fund into
9 the School Infrastructure Fund, and, for fiscal year 2013 only,
10 the Treasurer and the Comptroller shall transfer \$1,250,000
11 from the General Revenue Fund to the School Infrastructure Fund
12 on the first day of each month; provided, however, that no such
13 transfers shall be made from July 1, 2001 through June 30,
14 2003.

15 (b) Subject to the transfer provisions set forth below,
16 money in the School Infrastructure Fund shall, if and when the
17 State of Illinois incurs any bonded indebtedness for the
18 construction of school improvements under the School
19 Construction Law, be set aside and used for the purpose of
20 paying and discharging annually the principal and interest on
21 that bonded indebtedness then due and payable, and for no other
22 purpose.

23 In addition to other transfers to the General Obligation
24 Bond Retirement and Interest Fund made pursuant to Section 15
25 of the General Obligation Bond Act, upon each delivery of bonds
26 issued for construction of school improvements under the School

1 Construction Law, the State Comptroller shall compute and
2 certify to the State Treasurer the total amount of principal
3 of, interest on, and premium, if any, on such bonds during the
4 then current and each succeeding fiscal year. With respect to
5 the interest payable on variable rate bonds, such
6 certifications shall be calculated at the maximum rate of
7 interest that may be payable during the fiscal year, after
8 taking into account any credits permitted in the related
9 indenture or other instrument against the amount of such
10 interest required to be appropriated for that period.

11 On or before the last day of each month, the State
12 Treasurer and State Comptroller shall transfer from the School
13 Infrastructure Fund to the General Obligation Bond Retirement
14 and Interest Fund an amount sufficient to pay the aggregate of
15 the principal of, interest on, and premium, if any, on the
16 bonds payable on their next payment date, divided by the number
17 of monthly transfers occurring between the last previous
18 payment date (or the delivery date if no payment date has yet
19 occurred) and the next succeeding payment date. Interest
20 payable on variable rate bonds shall be calculated at the
21 maximum rate of interest that may be payable for the relevant
22 period, after taking into account any credits permitted in the
23 related indenture or other instrument against the amount of
24 such interest required to be appropriated for that period.
25 Interest for which moneys have already been deposited into the
26 capitalized interest account within the General Obligation

1 Bond Retirement and Interest Fund shall not be included in the
2 calculation of the amounts to be transferred under this
3 subsection.

4 (b-5) The money deposited into the School Infrastructure
5 Fund from transfers pursuant to subsections (c-30) and (c-35)
6 of Section 13 of the Illinois Riverboat Gambling Act shall be
7 applied, without further direction, as provided in subsection
8 (b-3) of Section 5-35 of the School Construction Law.

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

13 First - to make 3 payments to the School Technology
14 Revolving Loan Fund as follows:

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

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

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

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

22 Third - to pay any amounts due for grants for school
23 construction projects and debt service under the School
24 Construction Law.

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

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

2 (30 ILCS 105/6z-102 new)

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

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

6 (b) The revenues in the Fund shall be used, subject to
7 appropriation, by the Comptroller for the purpose of (i)
8 providing appropriations to the Illinois Gaming Board for the
9 administration and enforcement of the Illinois Gambling Act and
10 the applicable provisions of the Chicago Casino Development
11 Authority Act and (ii) payment of vouchers that are outstanding
12 for more than 60 days. Whenever practical, the Comptroller must
13 prioritize voucher payments for expenses related to medical
14 assistance under the Illinois Public Aid Code, the Children's
15 Health Insurance Program Act, and the Covering ALL KIDS Health
16 Insurance Act.

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

24 (d) The Fund shall not be subject to administrative charges
25 or chargebacks, including, but not limited to, those authorized

1 under subsection (h) of Section 8 of this Act.

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

4 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

5 Sec. 201. Tax Imposed.

6 (a) In general. A tax measured by net income is hereby
7 imposed on every individual, corporation, trust and estate for
8 each taxable year ending after July 31, 1969 on the privilege
9 of earning or receiving income in or as a resident of this
10 State. Such tax shall be in addition to all other occupation or
11 privilege taxes imposed by this State or by any municipal
12 corporation or political subdivision thereof.

13 (b) Rates. The tax imposed by subsection (a) of this
14 Section shall be determined as follows, except as adjusted by
15 subsection (d-1):

16 (1) In the case of an individual, trust or estate, for
17 taxable years ending prior to July 1, 1989, an amount equal
18 to 2 1/2% of the taxpayer's net income for the taxable
19 year.

20 (2) In the case of an individual, trust or estate, for
21 taxable years beginning prior to July 1, 1989 and ending
22 after June 30, 1989, an amount equal to the sum of (i) 2
23 1/2% of the taxpayer's net income for the period prior to
24 July 1, 1989, as calculated under Section 202.3, and (ii)

1 3% of the taxpayer's net income for the period after June
2 30, 1989, as calculated under Section 202.3.

3 (3) In the case of an individual, trust or estate, for
4 taxable years beginning after June 30, 1989, and ending
5 prior to January 1, 2011, an amount equal to 3% of the
6 taxpayer's net income for the taxable year.

7 (4) In the case of an individual, trust, or estate, for
8 taxable years beginning prior to January 1, 2011, and
9 ending after December 31, 2010, an amount equal to the sum
10 of (i) 3% of the taxpayer's net income for the period prior
11 to January 1, 2011, as calculated under Section 202.5, and
12 (ii) 5% of the taxpayer's net income for the period after
13 December 31, 2010, as calculated under Section 202.5.

14 (5) In the case of an individual, trust, or estate, for
15 taxable years beginning on or after January 1, 2011, and
16 ending prior to January 1, 2015, an amount equal to 5% of
17 the taxpayer's net income for the taxable year.

18 (5.1) In the case of an individual, trust, or estate,
19 for taxable years beginning prior to January 1, 2015, and
20 ending after December 31, 2014, an amount equal to the sum
21 of (i) 5% of the taxpayer's net income for the period prior
22 to January 1, 2015, as calculated under Section 202.5, and
23 (ii) 3.75% of the taxpayer's net income for the period
24 after December 31, 2014, as calculated under Section 202.5.

25 (5.2) In the case of an individual, trust, or estate,
26 for taxable years beginning on or after January 1, 2015,

1 and ending prior to January 1, 2025, an amount equal to
2 3.75% of the taxpayer's net income for the taxable year.

3 (5.3) In the case of an individual, trust, or estate,
4 for taxable years beginning prior to January 1, 2025, and
5 ending after December 31, 2024, an amount equal to the sum
6 of (i) 3.75% of the taxpayer's net income for the period
7 prior to January 1, 2025, as calculated under Section
8 202.5, and (ii) 3.25% of the taxpayer's net income for the
9 period after December 31, 2024, as calculated under Section
10 202.5.

11 (5.4) In the case of an individual, trust, or estate,
12 for taxable years beginning on or after January 1, 2025, an
13 amount equal to 3.25% of the taxpayer's net income for the
14 taxable year.

15 (6) In the case of a corporation, for taxable years
16 ending prior to July 1, 1989, an amount equal to 4% of the
17 taxpayer's net income for the taxable year.

18 (7) In the case of a corporation, for taxable years
19 beginning prior to July 1, 1989 and ending after June 30,
20 1989, an amount equal to the sum of (i) 4% of the
21 taxpayer's net income for the period prior to July 1, 1989,
22 as calculated under Section 202.3, and (ii) 4.8% of the
23 taxpayer's net income for the period after June 30, 1989,
24 as calculated under Section 202.3.

25 (8) In the case of a corporation, for taxable years
26 beginning after June 30, 1989, and ending prior to January

1 1, 2011, an amount equal to 4.8% of the taxpayer's net
2 income for the taxable year.

3 (9) In the case of a corporation, for taxable years
4 beginning prior to January 1, 2011, and ending after
5 December 31, 2010, an amount equal to the sum of (i) 4.8%
6 of the taxpayer's net income for the period prior to
7 January 1, 2011, as calculated under Section 202.5, and
8 (ii) 7% of the taxpayer's net income for the period after
9 December 31, 2010, as calculated under Section 202.5.

10 (10) In the case of a corporation, for taxable years
11 beginning on or after January 1, 2011, and ending prior to
12 January 1, 2015, an amount equal to 7% of the taxpayer's
13 net income for the taxable year.

14 (11) In the case of a corporation, for taxable years
15 beginning prior to January 1, 2015, and ending after
16 December 31, 2014, an amount equal to the sum of (i) 7% of
17 the taxpayer's net income for the period prior to January
18 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
19 of the taxpayer's net income for the period after December
20 31, 2014, as calculated under Section 202.5.

21 (12) In the case of a corporation, for taxable years
22 beginning on or after January 1, 2015, and ending prior to
23 January 1, 2025, an amount equal to 5.25% of the taxpayer's
24 net income for the taxable year.

25 (13) In the case of a corporation, for taxable years
26 beginning prior to January 1, 2025, and ending after

1 December 31, 2024, an amount equal to the sum of (i) 5.25%
2 of the taxpayer's net income for the period prior to
3 January 1, 2025, as calculated under Section 202.5, and
4 (ii) 4.8% of the taxpayer's net income for the period after
5 December 31, 2024, as calculated under Section 202.5.

6 (14) In the case of a corporation, for taxable years
7 beginning on or after January 1, 2025, an amount equal to
8 4.8% of the taxpayer's net income for the taxable year.

9 The rates under this subsection (b) are subject to the
10 provisions of Section 201.5.

11 (b-5) Surcharge; sale or exchange of assets, properties,
12 and intangibles of electronic gaming licensees. For each of
13 taxable years 2017 through 2025, a surcharge is imposed on all
14 taxpayers on income arising from the sale or exchange of
15 capital assets, depreciable business property, real property
16 used in the trade or business, and Section 197 intangibles (i)
17 of an organization licensee under the Illinois Horse Racing Act
18 of 1975 and (ii) of an electronic gaming licensee under the
19 Illinois Gambling Act. The amount of the surcharge is equal to
20 the amount of federal income tax liability for the taxable year
21 attributable to those sales and exchanges. The surcharge
22 imposed shall not apply if:

23 (1) the electronic gaming license, organization
24 license, or race track property is transferred as a result
25 of any of the following:

26 (A) bankruptcy, a receivership, or a debt

1 adjustment initiated by or against the initial
2 licensee or the substantial owners of the initial
3 licensee;

4 (B) cancellation, revocation, or termination of
5 any such license by the Illinois Gaming Board or the
6 Illinois Racing Board;

7 (C) a determination by the Illinois Gaming Board
8 that transfer of the license is in the best interests
9 of Illinois gaming;

10 (D) the death of an owner of the equity interest in
11 a licensee;

12 (E) the acquisition of a controlling interest in
13 the stock or substantially all of the assets of a
14 publicly traded company;

15 (F) a transfer by a parent company to a wholly
16 owned subsidiary; or

17 (G) the transfer or sale to or by one person to
18 another person where both persons were initial owners
19 of the license when the license was issued; or

20 (2) the controlling interest in the electronic gaming
21 license, organization license, or race track property is
22 transferred in a transaction to lineal descendants in which
23 no gain or loss is recognized or as a result of a
24 transaction in accordance with Section 351 of the Internal
25 Revenue Code in which no gain or loss is recognized; or

26 (3) live horse racing was not conducted in 2011 under a

1 license issued pursuant to the Illinois Horse Racing Act of
2 1975.

3 The transfer of an electronic gaming license, organization
4 license, or race track property by a person other than the
5 initial licensee to receive the electronic gaming license is
6 not subject to a surcharge. The Department shall adopt rules
7 necessary to implement and administer this subsection.

8 (c) Personal Property Tax Replacement Income Tax.
9 Beginning on July 1, 1979 and thereafter, in addition to such
10 income tax, there is also hereby imposed the Personal Property
11 Tax Replacement Income Tax measured by net income on every
12 corporation (including Subchapter S corporations), partnership
13 and trust, for each taxable year ending after June 30, 1979.
14 Such taxes are imposed on the privilege of earning or receiving
15 income in or as a resident of this State. The Personal Property
16 Tax Replacement Income Tax shall be in addition to the income
17 tax imposed by subsections (a) and (b) of this Section and in
18 addition to all other occupation or privilege taxes imposed by
19 this State or by any municipal corporation or political
20 subdivision thereof.

21 (d) Additional Personal Property Tax Replacement Income
22 Tax Rates. The personal property tax replacement income tax
23 imposed by this subsection and subsection (c) of this Section
24 in the case of a corporation, other than a Subchapter S
25 corporation and except as adjusted by subsection (d-1), shall
26 be an additional amount equal to 2.85% of such taxpayer's net

1 income for the taxable year, except that beginning on January
2 1, 1981, and thereafter, the rate of 2.85% specified in this
3 subsection shall be reduced to 2.5%, and in the case of a
4 partnership, trust or a Subchapter S corporation shall be an
5 additional amount equal to 1.5% of such taxpayer's net income
6 for the taxable year.

7 (d-1) Rate reduction for certain foreign insurers. In the
8 case of a foreign insurer, as defined by Section 35A-5 of the
9 Illinois Insurance Code, whose state or country of domicile
10 imposes on insurers domiciled in Illinois a retaliatory tax
11 (excluding any insurer whose premiums from reinsurance assumed
12 are 50% or more of its total insurance premiums as determined
13 under paragraph (2) of subsection (b) of Section 304, except
14 that for purposes of this determination premiums from
15 reinsurance do not include premiums from inter-affiliate
16 reinsurance arrangements), beginning with taxable years ending
17 on or after December 31, 1999, the sum of the rates of tax
18 imposed by subsections (b) and (d) shall be reduced (but not
19 increased) to the rate at which the total amount of tax imposed
20 under this Act, net of all credits allowed under this Act,
21 shall equal (i) the total amount of tax that would be imposed
22 on the foreign insurer's net income allocable to Illinois for
23 the taxable year by such foreign insurer's state or country of
24 domicile if that net income were subject to all income taxes
25 and taxes measured by net income imposed by such foreign
26 insurer's state or country of domicile, net of all credits

1 allowed or (ii) a rate of zero if no such tax is imposed on such
2 income by the foreign insurer's state of domicile. For the
3 purposes of this subsection (d-1), an inter-affiliate includes
4 a mutual insurer under common management.

5 (1) For the purposes of subsection (d-1), in no event
6 shall the sum of the rates of tax imposed by subsections
7 (b) and (d) be reduced below the rate at which the sum of:

8 (A) the total amount of tax imposed on such foreign
9 insurer under this Act for a taxable year, net of all
10 credits allowed under this Act, plus

11 (B) the privilege tax imposed by Section 409 of the
12 Illinois Insurance Code, the fire insurance company
13 tax imposed by Section 12 of the Fire Investigation
14 Act, and the fire department taxes imposed under
15 Section 11-10-1 of the Illinois Municipal Code,
16 equals 1.25% for taxable years ending prior to December 31,
17 2003, or 1.75% for taxable years ending on or after
18 December 31, 2003, of the net taxable premiums written for
19 the taxable year, as described by subsection (1) of Section
20 409 of the Illinois Insurance Code. This paragraph will in
21 no event increase the rates imposed under subsections (b)
22 and (d).

23 (2) Any reduction in the rates of tax imposed by this
24 subsection shall be applied first against the rates imposed
25 by subsection (b) and only after the tax imposed by
26 subsection (a) net of all credits allowed under this

1 Section other than the credit allowed under subsection (i)
2 has been reduced to zero, against the rates imposed by
3 subsection (d).

4 This subsection (d-1) is exempt from the provisions of
5 Section 250.

6 (e) Investment credit. A taxpayer shall be allowed a credit
7 against the Personal Property Tax Replacement Income Tax for
8 investment in qualified property.

9 (1) A taxpayer shall be allowed a credit equal to .5%
10 of the basis of qualified property placed in service during
11 the taxable year, provided such property is placed in
12 service on or after July 1, 1984. There shall be allowed an
13 additional credit equal to .5% of the basis of qualified
14 property placed in service during the taxable year,
15 provided such property is placed in service on or after
16 July 1, 1986, and the taxpayer's base employment within
17 Illinois has increased by 1% or more over the preceding
18 year as determined by the taxpayer's employment records
19 filed with the Illinois Department of Employment Security.
20 Taxpayers who are new to Illinois shall be deemed to have
21 met the 1% growth in base employment for the first year in
22 which they file employment records with the Illinois
23 Department of Employment Security. The provisions added to
24 this Section by Public Act 85-1200 (and restored by Public
25 Act 87-895) shall be construed as declaratory of existing
26 law and not as a new enactment. If, in any year, the

1 increase in base employment within Illinois over the
2 preceding year is less than 1%, the additional credit shall
3 be limited to that percentage times a fraction, the
4 numerator of which is .5% and the denominator of which is
5 1%, but shall not exceed .5%. The investment credit shall
6 not be allowed to the extent that it would reduce a
7 taxpayer's liability in any tax year below zero, nor may
8 any credit for qualified property be allowed for any year
9 other than the year in which the property was placed in
10 service in Illinois. For tax years ending on or after
11 December 31, 1987, and on or before December 31, 1988, the
12 credit shall be allowed for the tax year in which the
13 property is placed in service, or, if the amount of the
14 credit exceeds the tax liability for that year, whether it
15 exceeds the original liability or the liability as later
16 amended, such excess may be carried forward and applied to
17 the tax liability of the 5 taxable years following the
18 excess credit years if the taxpayer (i) makes investments
19 which cause the creation of a minimum of 2,000 full-time
20 equivalent jobs in Illinois, (ii) is located in an
21 enterprise zone established pursuant to the Illinois
22 Enterprise Zone Act and (iii) is certified by the
23 Department of Commerce and Community Affairs (now
24 Department of Commerce and Economic Opportunity) as
25 complying with the requirements specified in clause (i) and
26 (ii) by July 1, 1986. The Department of Commerce and

1 Community Affairs (now Department of Commerce and Economic
2 Opportunity) shall notify the Department of Revenue of all
3 such certifications immediately. For tax years ending
4 after December 31, 1988, the credit shall be allowed for
5 the tax year in which the property is placed in service,
6 or, if the amount of the credit exceeds the tax liability
7 for that year, whether it exceeds the original liability or
8 the liability as later amended, such excess may be carried
9 forward and applied to the tax liability of the 5 taxable
10 years following the excess credit years. The credit shall
11 be applied to the earliest year for which there is a
12 liability. If there is credit from more than one tax year
13 that is available to offset a liability, earlier credit
14 shall be applied first.

15 (2) The term "qualified property" means property
16 which:

17 (A) is tangible, whether new or used, including
18 buildings and structural components of buildings and
19 signs that are real property, but not including land or
20 improvements to real property that are not a structural
21 component of a building such as landscaping, sewer
22 lines, local access roads, fencing, parking lots, and
23 other appurtenances;

24 (B) is depreciable pursuant to Section 167 of the
25 Internal Revenue Code, except that "3-year property"
26 as defined in Section 168(c) (2) (A) of that Code is not

1 eligible for the credit provided by this subsection
2 (e);

3 (C) is acquired by purchase as defined in Section
4 179(d) of the Internal Revenue Code;

5 (D) is used in Illinois by a taxpayer who is
6 primarily engaged in manufacturing, or in mining coal
7 or fluorite, or in retailing, or was placed in service
8 on or after July 1, 2006 in a River Edge Redevelopment
9 Zone established pursuant to the River Edge
10 Redevelopment Zone Act; and

11 (E) has not previously been used in Illinois in
12 such a manner and by such a person as would qualify for
13 the credit provided by this subsection (e) or
14 subsection (f).

15 (3) For purposes of this subsection (e),
16 "manufacturing" means the material staging and production
17 of tangible personal property by procedures commonly
18 regarded as manufacturing, processing, fabrication, or
19 assembling which changes some existing material into new
20 shapes, new qualities, or new combinations. For purposes of
21 this subsection (e) the term "mining" shall have the same
22 meaning as the term "mining" in Section 613(c) of the
23 Internal Revenue Code. For purposes of this subsection (e),
24 the term "retailing" means the sale of tangible personal
25 property for use or consumption and not for resale, or
26 services rendered in conjunction with the sale of tangible

1 personal property for use or consumption and not for
2 resale. For purposes of this subsection (e), "tangible
3 personal property" has the same meaning as when that term
4 is used in the Retailers' Occupation Tax Act, and, for
5 taxable years ending after December 31, 2008, does not
6 include the generation, transmission, or distribution of
7 electricity.

8 (4) The basis of qualified property shall be the basis
9 used to compute the depreciation deduction for federal
10 income tax purposes.

11 (5) If the basis of the property for federal income tax
12 depreciation purposes is increased after it has been placed
13 in service in Illinois by the taxpayer, the amount of such
14 increase shall be deemed property placed in service on the
15 date of such increase in basis.

16 (6) The term "placed in service" shall have the same
17 meaning as under Section 46 of the Internal Revenue Code.

18 (7) If during any taxable year, any property ceases to
19 be qualified property in the hands of the taxpayer within
20 48 months after being placed in service, or the situs of
21 any qualified property is moved outside Illinois within 48
22 months after being placed in service, the Personal Property
23 Tax Replacement Income Tax for such taxable year shall be
24 increased. Such increase shall be determined by (i)
25 recomputing the investment credit which would have been
26 allowed for the year in which credit for such property was

1 originally allowed by eliminating such property from such
2 computation and, (ii) subtracting such recomputed credit
3 from the amount of credit previously allowed. For the
4 purposes of this paragraph (7), a reduction of the basis of
5 qualified property resulting from a redetermination of the
6 purchase price shall be deemed a disposition of qualified
7 property to the extent of such reduction.

8 (8) Unless the investment credit is extended by law,
9 the basis of qualified property shall not include costs
10 incurred after December 31, 2018, except for costs incurred
11 pursuant to a binding contract entered into on or before
12 December 31, 2018.

13 (9) Each taxable year ending before December 31, 2000,
14 a partnership may elect to pass through to its partners the
15 credits to which the partnership is entitled under this
16 subsection (e) for the taxable year. A partner may use the
17 credit allocated to him or her under this paragraph only
18 against the tax imposed in subsections (c) and (d) of this
19 Section. If the partnership makes that election, those
20 credits shall be allocated among the partners in the
21 partnership in accordance with the rules set forth in
22 Section 704(b) of the Internal Revenue Code, and the rules
23 promulgated under that Section, and the allocated amount of
24 the credits shall be allowed to the partners for that
25 taxable year. The partnership shall make this election on
26 its Personal Property Tax Replacement Income Tax return for

1 that taxable year. The election to pass through the credits
2 shall be irrevocable.

3 For taxable years ending on or after December 31, 2000,
4 a partner that qualifies its partnership for a subtraction
5 under subparagraph (I) of paragraph (2) of subsection (d)
6 of Section 203 or a shareholder that qualifies a Subchapter
7 S corporation for a subtraction under subparagraph (S) of
8 paragraph (2) of subsection (b) of Section 203 shall be
9 allowed a credit under this subsection (e) equal to its
10 share of the credit earned under this subsection (e) during
11 the taxable year by the partnership or Subchapter S
12 corporation, determined in accordance with the
13 determination of income and distributive share of income
14 under Sections 702 and 704 and Subchapter S of the Internal
15 Revenue Code. This paragraph is exempt from the provisions
16 of Section 250.

17 (f) Investment credit; Enterprise Zone; River Edge
18 Redevelopment Zone.

19 (1) A taxpayer shall be allowed a credit against the
20 tax imposed by subsections (a) and (b) of this Section for
21 investment in qualified property which is placed in service
22 in an Enterprise Zone created pursuant to the Illinois
23 Enterprise Zone Act or, for property placed in service on
24 or after July 1, 2006, a River Edge Redevelopment Zone
25 established pursuant to the River Edge Redevelopment Zone
26 Act. For partners, shareholders of Subchapter S

1 corporations, and owners of limited liability companies,
2 if the liability company is treated as a partnership for
3 purposes of federal and State income taxation, there shall
4 be allowed a credit under this subsection (f) to be
5 determined in accordance with the determination of income
6 and distributive share of income under Sections 702 and 704
7 and Subchapter S of the Internal Revenue Code. The credit
8 shall be .5% of the basis for such property. The credit
9 shall be available only in the taxable year in which the
10 property is placed in service in the Enterprise Zone or
11 River Edge Redevelopment Zone and shall not be allowed to
12 the extent that it would reduce a taxpayer's liability for
13 the tax imposed by subsections (a) and (b) of this Section
14 to below zero. For tax years ending on or after December
15 31, 1985, the credit shall be allowed for the tax year in
16 which the property is placed in service, or, if the amount
17 of the credit exceeds the tax liability for that year,
18 whether it exceeds the original liability or the liability
19 as later amended, such excess may be carried forward and
20 applied to the tax liability of the 5 taxable years
21 following the excess credit year. The credit shall be
22 applied to the earliest year for which there is a
23 liability. If there is credit from more than one tax year
24 that is available to offset a liability, the credit
25 accruing first in time shall be applied first.

26 (2) The term qualified property means property which:

1 (A) is tangible, whether new or used, including
2 buildings and structural components of buildings;

3 (B) is depreciable pursuant to Section 167 of the
4 Internal Revenue Code, except that "3-year property"
5 as defined in Section 168(c)(2)(A) of that Code is not
6 eligible for the credit provided by this subsection
7 (f);

8 (C) is acquired by purchase as defined in Section
9 179(d) of the Internal Revenue Code;

10 (D) is used in the Enterprise Zone or River Edge
11 Redevelopment Zone by the taxpayer; and

12 (E) has not been previously used in Illinois in
13 such a manner and by such a person as would qualify for
14 the credit provided by this subsection (f) or
15 subsection (e).

16 (3) The basis of qualified property shall be the basis
17 used to compute the depreciation deduction for federal
18 income tax purposes.

19 (4) If the basis of the property for federal income tax
20 depreciation purposes is increased after it has been placed
21 in service in the Enterprise Zone or River Edge
22 Redevelopment Zone by the taxpayer, the amount of such
23 increase shall be deemed property placed in service on the
24 date of such increase in basis.

25 (5) The term "placed in service" shall have the same
26 meaning as under Section 46 of the Internal Revenue Code.

1 (6) If during any taxable year, any property ceases to
2 be qualified property in the hands of the taxpayer within
3 48 months after being placed in service, or the situs of
4 any qualified property is moved outside the Enterprise Zone
5 or River Edge Redevelopment Zone within 48 months after
6 being placed in service, the tax imposed under subsections
7 (a) and (b) of this Section for such taxable year shall be
8 increased. Such increase shall be determined by (i)
9 recomputing the investment credit which would have been
10 allowed for the year in which credit for such property was
11 originally allowed by eliminating such property from such
12 computation, and (ii) subtracting such recomputed credit
13 from the amount of credit previously allowed. For the
14 purposes of this paragraph (6), a reduction of the basis of
15 qualified property resulting from a redetermination of the
16 purchase price shall be deemed a disposition of qualified
17 property to the extent of such reduction.

18 (7) There shall be allowed an additional credit equal
19 to 0.5% of the basis of qualified property placed in
20 service during the taxable year in a River Edge
21 Redevelopment Zone, provided such property is placed in
22 service on or after July 1, 2006, and the taxpayer's base
23 employment within Illinois has increased by 1% or more over
24 the preceding year as determined by the taxpayer's
25 employment records filed with the Illinois Department of
26 Employment Security. Taxpayers who are new to Illinois

1 shall be deemed to have met the 1% growth in base
2 employment for the first year in which they file employment
3 records with the Illinois Department of Employment
4 Security. If, in any year, the increase in base employment
5 within Illinois over the preceding year is less than 1%,
6 the additional credit shall be limited to that percentage
7 times a fraction, the numerator of which is 0.5% and the
8 denominator of which is 1%, but shall not exceed 0.5%.

9 (g) (Blank).

10 (h) Investment credit; High Impact Business.

11 (1) Subject to subsections (b) and (b-5) of Section 5.5
12 of the Illinois Enterprise Zone Act, a taxpayer shall be
13 allowed a credit against the tax imposed by subsections (a)
14 and (b) of this Section for investment in qualified
15 property which is placed in service by a Department of
16 Commerce and Economic Opportunity designated High Impact
17 Business. The credit shall be .5% of the basis for such
18 property. The credit shall not be available (i) until the
19 minimum investments in qualified property set forth in
20 subdivision (a)(3)(A) of Section 5.5 of the Illinois
21 Enterprise Zone Act have been satisfied or (ii) until the
22 time authorized in subsection (b-5) of the Illinois
23 Enterprise Zone Act for entities designated as High Impact
24 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
25 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
26 Act, and shall not be allowed to the extent that it would

1 reduce a taxpayer's liability for the tax imposed by
2 subsections (a) and (b) of this Section to below zero. The
3 credit applicable to such investments shall be taken in the
4 taxable year in which such investments have been completed.
5 The credit for additional investments beyond the minimum
6 investment by a designated high impact business authorized
7 under subdivision (a) (3) (A) of Section 5.5 of the Illinois
8 Enterprise Zone Act shall be available only in the taxable
9 year in which the property is placed in service and shall
10 not be allowed to the extent that it would reduce a
11 taxpayer's liability for the tax imposed by subsections (a)
12 and (b) of this Section to below zero. For tax years ending
13 on or after December 31, 1987, the credit shall be allowed
14 for the tax year in which the property is placed in
15 service, or, if the amount of the credit exceeds the tax
16 liability for that year, whether it exceeds the original
17 liability or the liability as later amended, such excess
18 may be carried forward and applied to the tax liability of
19 the 5 taxable years following the excess credit year. The
20 credit shall be applied to the earliest year for which
21 there is a liability. If there is credit from more than one
22 tax year that is available to offset a liability, the
23 credit accruing first in time shall be applied first.

24 Changes made in this subdivision (h) (1) by Public Act
25 88-670 restore changes made by Public Act 85-1182 and
26 reflect existing law.

1 (2) The term qualified property means property which:

2 (A) is tangible, whether new or used, including
3 buildings and structural components of buildings;

4 (B) is depreciable pursuant to Section 167 of the
5 Internal Revenue Code, except that "3-year property"
6 as defined in Section 168(c)(2)(A) of that Code is not
7 eligible for the credit provided by this subsection
8 (h);

9 (C) is acquired by purchase as defined in Section
10 179(d) of the Internal Revenue Code; and

11 (D) is not eligible for the Enterprise Zone
12 Investment Credit provided by subsection (f) of this
13 Section.

14 (3) The basis of qualified property shall be the basis
15 used to compute the depreciation deduction for federal
16 income tax purposes.

17 (4) If the basis of the property for federal income tax
18 depreciation purposes is increased after it has been placed
19 in service in a federally designated Foreign Trade Zone or
20 Sub-Zone located in Illinois by the taxpayer, the amount of
21 such increase shall be deemed property placed in service on
22 the date of such increase in basis.

23 (5) The term "placed in service" shall have the same
24 meaning as under Section 46 of the Internal Revenue Code.

25 (6) If during any taxable year ending on or before
26 December 31, 1996, any property ceases to be qualified

1 property in the hands of the taxpayer within 48 months
2 after being placed in service, or the situs of any
3 qualified property is moved outside Illinois within 48
4 months after being placed in service, the tax imposed under
5 subsections (a) and (b) of this Section for such taxable
6 year shall be increased. Such increase shall be determined
7 by (i) recomputing the investment credit which would have
8 been allowed for the year in which credit for such property
9 was originally allowed by eliminating such property from
10 such computation, and (ii) subtracting such recomputed
11 credit from the amount of credit previously allowed. For
12 the purposes of this paragraph (6), a reduction of the
13 basis of qualified property resulting from a
14 redetermination of the purchase price shall be deemed a
15 disposition of qualified property to the extent of such
16 reduction.

17 (7) Beginning with tax years ending after December 31,
18 1996, if a taxpayer qualifies for the credit under this
19 subsection (h) and thereby is granted a tax abatement and
20 the taxpayer relocates its entire facility in violation of
21 the explicit terms and length of the contract under Section
22 18-183 of the Property Tax Code, the tax imposed under
23 subsections (a) and (b) of this Section shall be increased
24 for the taxable year in which the taxpayer relocated its
25 facility by an amount equal to the amount of credit
26 received by the taxpayer under this subsection (h).

1 (i) Credit for Personal Property Tax Replacement Income
2 Tax. For tax years ending prior to December 31, 2003, a credit
3 shall be allowed against the tax imposed by subsections (a) and
4 (b) of this Section for the tax imposed by subsections (c) and
5 (d) of this Section. This credit shall be computed by
6 multiplying the tax imposed by subsections (c) and (d) of this
7 Section by a fraction, the numerator of which is base income
8 allocable to Illinois and the denominator of which is Illinois
9 base income, and further multiplying the product by the tax
10 rate imposed by subsections (a) and (b) of this Section.

11 Any credit earned on or after December 31, 1986 under this
12 subsection which is unused in the year the credit is computed
13 because it exceeds the tax liability imposed by subsections (a)
14 and (b) for that year (whether it exceeds the original
15 liability or the liability as later amended) may be carried
16 forward and applied to the tax liability imposed by subsections
17 (a) and (b) of the 5 taxable years following the excess credit
18 year, provided that no credit may be carried forward to any
19 year ending on or after December 31, 2003. This credit shall be
20 applied first to the earliest year for which there is a
21 liability. If there is a credit under this subsection from more
22 than one tax year that is available to offset a liability the
23 earliest credit arising under this subsection shall be applied
24 first.

25 If, during any taxable year ending on or after December 31,
26 1986, the tax imposed by subsections (c) and (d) of this

1 Section for which a taxpayer has claimed a credit under this
2 subsection (i) is reduced, the amount of credit for such tax
3 shall also be reduced. Such reduction shall be determined by
4 recomputing the credit to take into account the reduced tax
5 imposed by subsections (c) and (d). If any portion of the
6 reduced amount of credit has been carried to a different
7 taxable year, an amended return shall be filed for such taxable
8 year to reduce the amount of credit claimed.

9 (j) Training expense credit. Beginning with tax years
10 ending on or after December 31, 1986 and prior to December 31,
11 2003, a taxpayer shall be allowed a credit against the tax
12 imposed by subsections (a) and (b) under this Section for all
13 amounts paid or accrued, on behalf of all persons employed by
14 the taxpayer in Illinois or Illinois residents employed outside
15 of Illinois by a taxpayer, for educational or vocational
16 training in semi-technical or technical fields or semi-skilled
17 or skilled fields, which were deducted from gross income in the
18 computation of taxable income. The credit against the tax
19 imposed by subsections (a) and (b) shall be 1.6% of such
20 training expenses. For partners, shareholders of subchapter S
21 corporations, and owners of limited liability companies, if the
22 liability company is treated as a partnership for purposes of
23 federal and State income taxation, there shall be allowed a
24 credit under this subsection (j) to be determined in accordance
25 with the determination of income and distributive share of
26 income under Sections 702 and 704 and subchapter S of the

1 Internal Revenue Code.

2 Any credit allowed under this subsection which is unused in
3 the year the credit is earned may be carried forward to each of
4 the 5 taxable years following the year for which the credit is
5 first computed until it is used. This credit shall be applied
6 first to the earliest year for which there is a liability. If
7 there is a credit under this subsection from more than one tax
8 year that is available to offset a liability the earliest
9 credit arising under this subsection shall be applied first. No
10 carryforward credit may be claimed in any tax year ending on or
11 after December 31, 2003.

12 (k) Research and development credit. For tax years ending
13 after July 1, 1990 and prior to December 31, 2003, and
14 beginning again for tax years ending on or after December 31,
15 2004, and ending prior to January 1, 2016, a taxpayer shall be
16 allowed a credit against the tax imposed by subsections (a) and
17 (b) of this Section for increasing research activities in this
18 State. The credit allowed against the tax imposed by
19 subsections (a) and (b) shall be equal to 6 1/2% of the
20 qualifying expenditures for increasing research activities in
21 this State. For partners, shareholders of subchapter S
22 corporations, and owners of limited liability companies, if the
23 liability company is treated as a partnership for purposes of
24 federal and State income taxation, there shall be allowed a
25 credit under this subsection to be determined in accordance
26 with the determination of income and distributive share of

1 income under Sections 702 and 704 and subchapter S of the
2 Internal Revenue Code.

3 For purposes of this subsection, "qualifying expenditures"
4 means the qualifying expenditures as defined for the federal
5 credit for increasing research activities which would be
6 allowable under Section 41 of the Internal Revenue Code and
7 which are conducted in this State, "qualifying expenditures for
8 increasing research activities in this State" means the excess
9 of qualifying expenditures for the taxable year in which
10 incurred over qualifying expenditures for the base period,
11 "qualifying expenditures for the base period" means the average
12 of the qualifying expenditures for each year in the base
13 period, and "base period" means the 3 taxable years immediately
14 preceding the taxable year for which the determination is being
15 made.

16 Any credit in excess of the tax liability for the taxable
17 year may be carried forward. A taxpayer may elect to have the
18 unused credit shown on its final completed return carried over
19 as a credit against the tax liability for the following 5
20 taxable years or until it has been fully used, whichever occurs
21 first; provided that no credit earned in a tax year ending
22 prior to December 31, 2003 may be carried forward to any year
23 ending on or after December 31, 2003.

24 If an unused credit is carried forward to a given year from
25 2 or more earlier years, that credit arising in the earliest
26 year will be applied first against the tax liability for the

1 given year. If a tax liability for the given year still
2 remains, the credit from the next earliest year will then be
3 applied, and so on, until all credits have been used or no tax
4 liability for the given year remains. Any remaining unused
5 credit or credits then will be carried forward to the next
6 following year in which a tax liability is incurred, except
7 that no credit can be carried forward to a year which is more
8 than 5 years after the year in which the expense for which the
9 credit is given was incurred.

10 No inference shall be drawn from this amendatory Act of the
11 91st General Assembly in construing this Section for taxable
12 years beginning before January 1, 1999.

13 (1) Environmental Remediation Tax Credit.

14 (i) For tax years ending after December 31, 1997 and on
15 or before December 31, 2001, a taxpayer shall be allowed a
16 credit against the tax imposed by subsections (a) and (b)
17 of this Section for certain amounts paid for unreimbursed
18 eligible remediation costs, as specified in this
19 subsection. For purposes of this Section, "unreimbursed
20 eligible remediation costs" means costs approved by the
21 Illinois Environmental Protection Agency ("Agency") under
22 Section 58.14 of the Environmental Protection Act that were
23 paid in performing environmental remediation at a site for
24 which a No Further Remediation Letter was issued by the
25 Agency and recorded under Section 58.10 of the
26 Environmental Protection Act. The credit must be claimed

1 for the taxable year in which Agency approval of the
2 eligible remediation costs is granted. The credit is not
3 available to any taxpayer if the taxpayer or any related
4 party caused or contributed to, in any material respect, a
5 release of regulated substances on, in, or under the site
6 that was identified and addressed by the remedial action
7 pursuant to the Site Remediation Program of the
8 Environmental Protection Act. After the Pollution Control
9 Board rules are adopted pursuant to the Illinois
10 Administrative Procedure Act for the administration and
11 enforcement of Section 58.9 of the Environmental
12 Protection Act, determinations as to credit availability
13 for purposes of this Section shall be made consistent with
14 those rules. For purposes of this Section, "taxpayer"
15 includes a person whose tax attributes the taxpayer has
16 succeeded to under Section 381 of the Internal Revenue Code
17 and "related party" includes the persons disallowed a
18 deduction for losses by paragraphs (b), (c), and (f)(1) of
19 Section 267 of the Internal Revenue Code by virtue of being
20 a related taxpayer, as well as any of its partners. The
21 credit allowed against the tax imposed by subsections (a)
22 and (b) shall be equal to 25% of the unreimbursed eligible
23 remediation costs in excess of \$100,000 per site, except
24 that the \$100,000 threshold shall not apply to any site
25 contained in an enterprise zone as determined by the
26 Department of Commerce and Community Affairs (now

1 Department of Commerce and Economic Opportunity). The
2 total credit allowed shall not exceed \$40,000 per year with
3 a maximum total of \$150,000 per site. For partners and
4 shareholders of subchapter S corporations, there shall be
5 allowed a credit under this subsection to be determined in
6 accordance with the determination of income and
7 distributive share of income under Sections 702 and 704 and
8 subchapter S of the Internal Revenue Code.

9 (ii) A credit allowed under this subsection that is
10 unused in the year the credit is earned may be carried
11 forward to each of the 5 taxable years following the year
12 for which the credit is first earned until it is used. The
13 term "unused credit" does not include any amounts of
14 unreimbursed eligible remediation costs in excess of the
15 maximum credit per site authorized under paragraph (i).
16 This credit shall be applied first to the earliest year for
17 which there is a liability. If there is a credit under this
18 subsection from more than one tax year that is available to
19 offset a liability, the earliest credit arising under this
20 subsection shall be applied first. A credit allowed under
21 this subsection may be sold to a buyer as part of a sale of
22 all or part of the remediation site for which the credit
23 was granted. The purchaser of a remediation site and the
24 tax credit shall succeed to the unused credit and remaining
25 carry-forward period of the seller. To perfect the
26 transfer, the assignor shall record the transfer in the

1 chain of title for the site and provide written notice to
2 the Director of the Illinois Department of Revenue of the
3 assignor's intent to sell the remediation site and the
4 amount of the tax credit to be transferred as a portion of
5 the sale. In no event may a credit be transferred to any
6 taxpayer if the taxpayer or a related party would not be
7 eligible under the provisions of subsection (i).

8 (iii) For purposes of this Section, the term "site"
9 shall have the same meaning as under Section 58.2 of the
10 Environmental Protection Act.

11 (m) Education expense credit. Beginning with tax years
12 ending after December 31, 1999, a taxpayer who is the custodian
13 of one or more qualifying pupils shall be allowed a credit
14 against the tax imposed by subsections (a) and (b) of this
15 Section for qualified education expenses incurred on behalf of
16 the qualifying pupils. The credit shall be equal to 25% of
17 qualified education expenses, but in no event may the total
18 credit under this subsection claimed by a family that is the
19 custodian of qualifying pupils exceed \$500. In no event shall a
20 credit under this subsection reduce the taxpayer's liability
21 under this Act to less than zero. This subsection is exempt
22 from the provisions of Section 250 of this Act.

23 For purposes of this subsection:

24 "Qualifying pupils" means individuals who (i) are
25 residents of the State of Illinois, (ii) are under the age of
26 21 at the close of the school year for which a credit is

1 sought, and (iii) during the school year for which a credit is
2 sought were full-time pupils enrolled in a kindergarten through
3 twelfth grade education program at any school, as defined in
4 this subsection.

5 "Qualified education expense" means the amount incurred on
6 behalf of a qualifying pupil in excess of \$250 for tuition,
7 book fees, and lab fees at the school in which the pupil is
8 enrolled during the regular school year.

9 "School" means any public or nonpublic elementary or
10 secondary school in Illinois that is in compliance with Title
11 VI of the Civil Rights Act of 1964 and attendance at which
12 satisfies the requirements of Section 26-1 of the School Code,
13 except that nothing shall be construed to require a child to
14 attend any particular public or nonpublic school to qualify for
15 the credit under this Section.

16 "Custodian" means, with respect to qualifying pupils, an
17 Illinois resident who is a parent, the parents, a legal
18 guardian, or the legal guardians of the qualifying pupils.

19 (n) River Edge Redevelopment Zone site remediation tax
20 credit.

21 (i) For tax years ending on or after December 31, 2006,
22 a taxpayer shall be allowed a credit against the tax
23 imposed by subsections (a) and (b) of this Section for
24 certain amounts paid for unreimbursed eligible remediation
25 costs, as specified in this subsection. For purposes of
26 this Section, "unreimbursed eligible remediation costs"

1 means costs approved by the Illinois Environmental
2 Protection Agency ("Agency") under Section 58.14a of the
3 Environmental Protection Act that were paid in performing
4 environmental remediation at a site within a River Edge
5 Redevelopment Zone for which a No Further Remediation
6 Letter was issued by the Agency and recorded under Section
7 58.10 of the Environmental Protection Act. The credit must
8 be claimed for the taxable year in which Agency approval of
9 the eligible remediation costs is granted. The credit is
10 not available to any taxpayer if the taxpayer or any
11 related party caused or contributed to, in any material
12 respect, a release of regulated substances on, in, or under
13 the site that was identified and addressed by the remedial
14 action pursuant to the Site Remediation Program of the
15 Environmental Protection Act. Determinations as to credit
16 availability for purposes of this Section shall be made
17 consistent with rules adopted by the Pollution Control
18 Board pursuant to the Illinois Administrative Procedure
19 Act for the administration and enforcement of Section 58.9
20 of the Environmental Protection Act. For purposes of this
21 Section, "taxpayer" includes a person whose tax attributes
22 the taxpayer has succeeded to under Section 381 of the
23 Internal Revenue Code and "related party" includes the
24 persons disallowed a deduction for losses by paragraphs
25 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
26 Code by virtue of being a related taxpayer, as well as any

1 of its partners. The credit allowed against the tax imposed
2 by subsections (a) and (b) shall be equal to 25% of the
3 unreimbursed eligible remediation costs in excess of
4 \$100,000 per site.

5 (ii) A credit allowed under this subsection that is
6 unused in the year the credit is earned may be carried
7 forward to each of the 5 taxable years following the year
8 for which the credit is first earned until it is used. This
9 credit shall be applied first to the earliest year for
10 which there is a liability. If there is a credit under this
11 subsection from more than one tax year that is available to
12 offset a liability, the earliest credit arising under this
13 subsection shall be applied first. A credit allowed under
14 this subsection may be sold to a buyer as part of a sale of
15 all or part of the remediation site for which the credit
16 was granted. The purchaser of a remediation site and the
17 tax credit shall succeed to the unused credit and remaining
18 carry-forward period of the seller. To perfect the
19 transfer, the assignor shall record the transfer in the
20 chain of title for the site and provide written notice to
21 the Director of the Illinois Department of Revenue of the
22 assignor's intent to sell the remediation site and the
23 amount of the tax credit to be transferred as a portion of
24 the sale. In no event may a credit be transferred to any
25 taxpayer if the taxpayer or a related party would not be
26 eligible under the provisions of subsection (i).

1 (iii) For purposes of this Section, the term "site"
2 shall have the same meaning as under Section 58.2 of the
3 Environmental Protection Act.

4 (o) For each of taxable years during the Compassionate Use
5 of Medical Cannabis Pilot Program, a surcharge is imposed on
6 all taxpayers on income arising from the sale or exchange of
7 capital assets, depreciable business property, real property
8 used in the trade or business, and Section 197 intangibles of
9 an organization registrant under the Compassionate Use of
10 Medical Cannabis Pilot Program Act. The amount of the surcharge
11 is equal to the amount of federal income tax liability for the
12 taxable year attributable to those sales and exchanges. The
13 surcharge imposed does not apply if:

14 (1) the medical cannabis cultivation center
15 registration, medical cannabis dispensary registration, or
16 the property of a registration is transferred as a result
17 of any of the following:

18 (A) bankruptcy, a receivership, or a debt
19 adjustment initiated by or against the initial
20 registration or the substantial owners of the initial
21 registration;

22 (B) cancellation, revocation, or termination of
23 any registration by the Illinois Department of Public
24 Health;

25 (C) a determination by the Illinois Department of
26 Public Health that transfer of the registration is in

1 the best interests of Illinois qualifying patients as
2 defined by the Compassionate Use of Medical Cannabis
3 Pilot Program Act;

4 (D) the death of an owner of the equity interest in
5 a registrant;

6 (E) the acquisition of a controlling interest in
7 the stock or substantially all of the assets of a
8 publicly traded company;

9 (F) a transfer by a parent company to a wholly
10 owned subsidiary; or

11 (G) the transfer or sale to or by one person to
12 another person where both persons were initial owners
13 of the registration when the registration was issued;
14 or

15 (2) the cannabis cultivation center registration,
16 medical cannabis dispensary registration, or the
17 controlling interest in a registrant's property is
18 transferred in a transaction to lineal descendants in which
19 no gain or loss is recognized or as a result of a
20 transaction in accordance with Section 351 of the Internal
21 Revenue Code in which no gain or loss is recognized.

22 (Source: P.A. 97-2, eff. 5-6-11; 97-636, eff. 6-1-12; 97-905,
23 eff. 8-7-12; 98-109, eff. 7-25-13; 98-122, eff. 1-1-14; 98-756,
24 eff. 7-16-14.)

25 (35 ILCS 5/303) (from Ch. 120, par. 3-303)

1 Sec. 303. (a) In general. Any item of capital gain or loss,
2 and any item of income from rents or royalties from real or
3 tangible personal property, interest, dividends, and patent or
4 copyright royalties, and prizes awarded under the Illinois
5 Lottery Law, and, for taxable years ending on or after December
6 31, 2017, wagering and gambling winnings from Illinois sources
7 as set forth in subsection (e-1) of this Section, to the extent
8 such item constitutes nonbusiness income, together with any
9 item of deduction directly allocable thereto, shall be
10 allocated by any person other than a resident as provided in
11 this Section.

12 (b) Capital gains and losses.

13 (1) Real property. Capital gains and losses from sales
14 or exchanges of real property are allocable to this State
15 if the property is located in this State.

16 (2) Tangible personal property. Capital gains and
17 losses from sales or exchanges of tangible personal
18 property are allocable to this State if, at the time of
19 such sale or exchange:

20 (A) The property had its situs in this State; or

21 (B) The taxpayer had its commercial domicile in
22 this State and was not taxable in the state in which
23 the property had its situs.

24 (3) Intangibles. Capital gains and losses from sales or
25 exchanges of intangible personal property are allocable to
26 this State if the taxpayer had its commercial domicile in

1 this State at the time of such sale or exchange.

2 (c) Rents and royalties.

3 (1) Real property. Rents and royalties from real
4 property are allocable to this State if the property is
5 located in this State.

6 (2) Tangible personal property. Rents and royalties
7 from tangible personal property are allocable to this
8 State:

9 (A) If and to the extent that the property is
10 utilized in this State; or

11 (B) In their entirety if, at the time such rents or
12 royalties were paid or accrued, the taxpayer had its
13 commercial domicile in this State and was not organized
14 under the laws of or taxable with respect to such rents
15 or royalties in the state in which the property was
16 utilized. The extent of utilization of tangible
17 personal property in a state is determined by
18 multiplying the rents or royalties derived from such
19 property by a fraction, the numerator of which is the
20 number of days of physical location of the property in
21 the state during the rental or royalty period in the
22 taxable year and the denominator of which is the number
23 of days of physical location of the property everywhere
24 during all rental or royalty periods in the taxable
25 year. If the physical location of the property during
26 the rental or royalty period is unknown or

1 unascertainable by the taxpayer, tangible personal
2 property is utilized in the state in which the property
3 was located at the time the rental or royalty payer
4 obtained possession.

5 (d) Patent and copyright royalties.

6 (1) Allocation. Patent and copyright royalties are
7 allocable to this State:

8 (A) If and to the extent that the patent or
9 copyright is utilized by the payer in this State; or

10 (B) If and to the extent that the patent or
11 copyright is utilized by the payer in a state in which
12 the taxpayer is not taxable with respect to such
13 royalties and, at the time such royalties were paid or
14 accrued, the taxpayer had its commercial domicile in
15 this State.

16 (2) Utilization.

17 (A) A patent is utilized in a state to the extent
18 that it is employed in production, fabrication,
19 manufacturing or other processing in the state or to
20 the extent that a patented product is produced in the
21 state. If the basis of receipts from patent royalties
22 does not permit allocation to states or if the
23 accounting procedures do not reflect states of
24 utilization, the patent is utilized in this State if
25 the taxpayer has its commercial domicile in this State.

26 (B) A copyright is utilized in a state to the

1 extent that printing or other publication originates
2 in the state. If the basis of receipts from copyright
3 royalties does not permit allocation to states or if
4 the accounting procedures do not reflect states of
5 utilization, the copyright is utilized in this State if
6 the taxpayer has its commercial domicile in this State.

7 (e) Illinois lottery prizes. Prizes awarded under the
8 Illinois Lottery Law are allocable to this State. Payments
9 received in taxable years ending on or after December 31, 2013,
10 from the assignment of a prize under Section 13.1 of the
11 Illinois Lottery Law are allocable to this State.

12 (e-1) Wagering and gambling winnings. Payments received in
13 taxable years ending on or after December 31, 2017 of winnings
14 from pari-mutuel wagering conducted at a wagering facility
15 licensed under the Illinois Horse Racing Act of 1975 and from
16 gambling games conducted on a riverboat or in a casino or
17 electronic gaming facility licensed under the Illinois
18 Gambling Act are allocable to this State.

19 (e-5) Unemployment benefits. Unemployment benefits paid by
20 the Illinois Department of Employment Security are allocable to
21 this State.

22 (f) Taxability in other state. For purposes of allocation
23 of income pursuant to this Section, a taxpayer is taxable in
24 another state if:

25 (1) In that state he is subject to a net income tax, a
26 franchise tax measured by net income, a franchise tax for

1 the privilege of doing business, or a corporate stock tax;
2 or

3 (2) That state has jurisdiction to subject the taxpayer
4 to a net income tax regardless of whether, in fact, the
5 state does or does not.

6 (g) Cross references.

7 (1) For allocation of interest and dividends by persons
8 other than residents, see Section 301(c) (2).

9 (2) For allocation of nonbusiness income by residents,
10 see Section 301(a).

11 (Source: P.A. 97-709, eff. 7-1-12; 98-496, eff. 1-1-14.)

12 (35 ILCS 5/304) (from Ch. 120, par. 3-304)

13 Sec. 304. Business income of persons other than residents.

14 (a) In general. The business income of a person other than
15 a resident shall be allocated to this State if such person's
16 business income is derived solely from this State. If a person
17 other than a resident derives business income from this State
18 and one or more other states, then, for tax years ending on or
19 before December 30, 1998, and except as otherwise provided by
20 this Section, such person's business income shall be
21 apportioned to this State by multiplying the income by a
22 fraction, the numerator of which is the sum of the property
23 factor (if any), the payroll factor (if any) and 200% of the
24 sales factor (if any), and the denominator of which is 4
25 reduced by the number of factors other than the sales factor

1 which have a denominator of zero and by an additional 2 if the
2 sales factor has a denominator of zero. For tax years ending on
3 or after December 31, 1998, and except as otherwise provided by
4 this Section, persons other than residents who derive business
5 income from this State and one or more other states shall
6 compute their apportionment factor by weighting their
7 property, payroll, and sales factors as provided in subsection
8 (h) of this Section.

9 (1) Property factor.

10 (A) The property factor is a fraction, the numerator of
11 which is the average value of the person's real and
12 tangible personal property owned or rented and used in the
13 trade or business in this State during the taxable year and
14 the denominator of which is the average value of all the
15 person's real and tangible personal property owned or
16 rented and used in the trade or business during the taxable
17 year.

18 (B) Property owned by the person is valued at its
19 original cost. Property rented by the person is valued at 8
20 times the net annual rental rate. Net annual rental rate is
21 the annual rental rate paid by the person less any annual
22 rental rate received by the person from sub-rentals.

23 (C) The average value of property shall be determined
24 by averaging the values at the beginning and ending of the
25 taxable year but the Director may require the averaging of
26 monthly values during the taxable year if reasonably

1 required to reflect properly the average value of the
2 person's property.

3 (2) Payroll factor.

4 (A) The payroll factor is a fraction, the numerator of
5 which is the total amount paid in this State during the
6 taxable year by the person for compensation, and the
7 denominator of which is the total compensation paid
8 everywhere during the taxable year.

9 (B) Compensation is paid in this State if:

10 (i) The individual's service is performed entirely
11 within this State;

12 (ii) The individual's service is performed both
13 within and without this State, but the service
14 performed without this State is incidental to the
15 individual's service performed within this State; or

16 (iii) Some of the service is performed within this
17 State and either the base of operations, or if there is
18 no base of operations, the place from which the service
19 is directed or controlled is within this State, or the
20 base of operations or the place from which the service
21 is directed or controlled is not in any state in which
22 some part of the service is performed, but the
23 individual's residence is in this State.

24 (iv) Compensation paid to nonresident professional
25 athletes.

26 (a) General. The Illinois source income of a

1 nonresident individual who is a member of a
2 professional athletic team includes the portion of the
3 individual's total compensation for services performed
4 as a member of a professional athletic team during the
5 taxable year which the number of duty days spent within
6 this State performing services for the team in any
7 manner during the taxable year bears to the total
8 number of duty days spent both within and without this
9 State during the taxable year.

10 (b) Travel days. Travel days that do not involve
11 either a game, practice, team meeting, or other similar
12 team event are not considered duty days spent in this
13 State. However, such travel days are considered in the
14 total duty days spent both within and without this
15 State.

16 (c) Definitions. For purposes of this subpart
17 (iv):

18 (1) The term "professional athletic team"
19 includes, but is not limited to, any professional
20 baseball, basketball, football, soccer, or hockey
21 team.

22 (2) The term "member of a professional
23 athletic team" includes those employees who are
24 active players, players on the disabled list, and
25 any other persons required to travel and who travel
26 with and perform services on behalf of a

1 professional athletic team on a regular basis.
2 This includes, but is not limited to, coaches,
3 managers, and trainers.

4 (3) Except as provided in items (C) and (D) of
5 this subpart (3), the term "duty days" means all
6 days during the taxable year from the beginning of
7 the professional athletic team's official
8 pre-season training period through the last game
9 in which the team competes or is scheduled to
10 compete. Duty days shall be counted for the year in
11 which they occur, including where a team's
12 official pre-season training period through the
13 last game in which the team competes or is
14 scheduled to compete, occurs during more than one
15 tax year.

16 (A) Duty days shall also include days on
17 which a member of a professional athletic team
18 performs service for a team on a date that does
19 not fall within the foregoing period (e.g.,
20 participation in instructional leagues, the
21 "All Star Game", or promotional "caravans").
22 Performing a service for a professional
23 athletic team includes conducting training and
24 rehabilitation activities, when such
25 activities are conducted at team facilities.

26 (B) Also included in duty days are game

1 days, practice days, days spent at team
2 meetings, promotional caravans, preseason
3 training camps, and days served with the team
4 through all post-season games in which the team
5 competes or is scheduled to compete.

6 (C) Duty days for any person who joins a
7 team during the period from the beginning of
8 the professional athletic team's official
9 pre-season training period through the last
10 game in which the team competes, or is
11 scheduled to compete, shall begin on the day
12 that person joins the team. Conversely, duty
13 days for any person who leaves a team during
14 this period shall end on the day that person
15 leaves the team. Where a person switches teams
16 during a taxable year, a separate duty-day
17 calculation shall be made for the period the
18 person was with each team.

19 (D) Days for which a member of a
20 professional athletic team is not compensated
21 and is not performing services for the team in
22 any manner, including days when such member of
23 a professional athletic team has been
24 suspended without pay and prohibited from
25 performing any services for the team, shall not
26 be treated as duty days.

1 (E) Days for which a member of a
2 professional athletic team is on the disabled
3 list and does not conduct rehabilitation
4 activities at facilities of the team, and is
5 not otherwise performing services for the team
6 in Illinois, shall not be considered duty days
7 spent in this State. All days on the disabled
8 list, however, are considered to be included in
9 total duty days spent both within and without
10 this State.

11 (4) The term "total compensation for services
12 performed as a member of a professional athletic
13 team" means the total compensation received during
14 the taxable year for services performed:

15 (A) from the beginning of the official
16 pre-season training period through the last
17 game in which the team competes or is scheduled
18 to compete during that taxable year; and

19 (B) during the taxable year on a date which
20 does not fall within the foregoing period
21 (e.g., participation in instructional leagues,
22 the "All Star Game", or promotional caravans).

23 This compensation shall include, but is not
24 limited to, salaries, wages, bonuses as described
25 in this subpart, and any other type of compensation
26 paid during the taxable year to a member of a

1 professional athletic team for services performed
2 in that year. This compensation does not include
3 strike benefits, severance pay, termination pay,
4 contract or option year buy-out payments,
5 expansion or relocation payments, or any other
6 payments not related to services performed for the
7 team.

8 For purposes of this subparagraph, "bonuses"
9 included in "total compensation for services
10 performed as a member of a professional athletic
11 team" subject to the allocation described in
12 Section 302(c)(1) are: bonuses earned as a result
13 of play (i.e., performance bonuses) during the
14 season, including bonuses paid for championship,
15 playoff or "bowl" games played by a team, or for
16 selection to all-star league or other honorary
17 positions; and bonuses paid for signing a
18 contract, unless the payment of the signing bonus
19 is not conditional upon the signee playing any
20 games for the team or performing any subsequent
21 services for the team or even making the team, the
22 signing bonus is payable separately from the
23 salary and any other compensation, and the signing
24 bonus is nonrefundable.

25 (3) Sales factor.

26 (A) The sales factor is a fraction, the numerator of

1 which is the total sales of the person in this State during
2 the taxable year, and the denominator of which is the total
3 sales of the person everywhere during the taxable year.

4 (B) Sales of tangible personal property are in this
5 State if:

6 (i) The property is delivered or shipped to a
7 purchaser, other than the United States government,
8 within this State regardless of the f. o. b. point or
9 other conditions of the sale; or

10 (ii) The property is shipped from an office, store,
11 warehouse, factory or other place of storage in this
12 State and either the purchaser is the United States
13 government or the person is not taxable in the state of
14 the purchaser; provided, however, that premises owned
15 or leased by a person who has independently contracted
16 with the seller for the printing of newspapers,
17 periodicals or books shall not be deemed to be an
18 office, store, warehouse, factory or other place of
19 storage for purposes of this Section. Sales of tangible
20 personal property are not in this State if the seller
21 and purchaser would be members of the same unitary
22 business group but for the fact that either the seller
23 or purchaser is a person with 80% or more of total
24 business activity outside of the United States and the
25 property is purchased for resale.

26 (B-1) Patents, copyrights, trademarks, and similar

1 items of intangible personal property.

2 (i) Gross receipts from the licensing, sale, or
3 other disposition of a patent, copyright, trademark,
4 or similar item of intangible personal property, other
5 than gross receipts governed by paragraph (B-7) of this
6 item (3), are in this State to the extent the item is
7 utilized in this State during the year the gross
8 receipts are included in gross income.

9 (ii) Place of utilization.

10 (I) A patent is utilized in a state to the
11 extent that it is employed in production,
12 fabrication, manufacturing, or other processing in
13 the state or to the extent that a patented product
14 is produced in the state. If a patent is utilized
15 in more than one state, the extent to which it is
16 utilized in any one state shall be a fraction equal
17 to the gross receipts of the licensee or purchaser
18 from sales or leases of items produced,
19 fabricated, manufactured, or processed within that
20 state using the patent and of patented items
21 produced within that state, divided by the total of
22 such gross receipts for all states in which the
23 patent is utilized.

24 (II) A copyright is utilized in a state to the
25 extent that printing or other publication
26 originates in the state. If a copyright is utilized

1 in more than one state, the extent to which it is
2 utilized in any one state shall be a fraction equal
3 to the gross receipts from sales or licenses of
4 materials printed or published in that state
5 divided by the total of such gross receipts for all
6 states in which the copyright is utilized.

7 (III) Trademarks and other items of intangible
8 personal property governed by this paragraph (B-1)
9 are utilized in the state in which the commercial
10 domicile of the licensee or purchaser is located.

11 (iii) If the state of utilization of an item of
12 property governed by this paragraph (B-1) cannot be
13 determined from the taxpayer's books and records or
14 from the books and records of any person related to the
15 taxpayer within the meaning of Section 267(b) of the
16 Internal Revenue Code, 26 U.S.C. 267, the gross
17 receipts attributable to that item shall be excluded
18 from both the numerator and the denominator of the
19 sales factor.

20 (B-2) Gross receipts from the license, sale, or other
21 disposition of patents, copyrights, trademarks, and
22 similar items of intangible personal property, other than
23 gross receipts governed by paragraph (B-7) of this item
24 (3), may be included in the numerator or denominator of the
25 sales factor only if gross receipts from licenses, sales,
26 or other disposition of such items comprise more than 50%

1 of the taxpayer's total gross receipts included in gross
2 income during the tax year and during each of the 2
3 immediately preceding tax years; provided that, when a
4 taxpayer is a member of a unitary business group, such
5 determination shall be made on the basis of the gross
6 receipts of the entire unitary business group.

7 (B-5) For taxable years ending on or after December 31,
8 2008, except as provided in subsections (ii) through (vii),
9 receipts from the sale of telecommunications service or
10 mobile telecommunications service are in this State if the
11 customer's service address is in this State.

12 (i) For purposes of this subparagraph (B-5), the
13 following terms have the following meanings:

14 "Ancillary services" means services that are
15 associated with or incidental to the provision of
16 "telecommunications services", including but not
17 limited to "detailed telecommunications billing",
18 "directory assistance", "vertical service", and "voice
19 mail services".

20 "Air-to-Ground Radiotelephone service" means a
21 radio service, as that term is defined in 47 CFR 22.99,
22 in which common carriers are authorized to offer and
23 provide radio telecommunications service for hire to
24 subscribers in aircraft.

25 "Call-by-call Basis" means any method of charging
26 for telecommunications services where the price is

1 measured by individual calls.

2 "Communications Channel" means a physical or
3 virtual path of communications over which signals are
4 transmitted between or among customer channel
5 termination points.

6 "Conference bridging service" means an "ancillary
7 service" that links two or more participants of an
8 audio or video conference call and may include the
9 provision of a telephone number. "Conference bridging
10 service" does not include the "telecommunications
11 services" used to reach the conference bridge.

12 "Customer Channel Termination Point" means the
13 location where the customer either inputs or receives
14 the communications.

15 "Detailed telecommunications billing service"
16 means an "ancillary service" of separately stating
17 information pertaining to individual calls on a
18 customer's billing statement.

19 "Directory assistance" means an "ancillary
20 service" of providing telephone number information,
21 and/or address information.

22 "Home service provider" means the facilities based
23 carrier or reseller with which the customer contracts
24 for the provision of mobile telecommunications
25 services.

26 "Mobile telecommunications service" means

1 commercial mobile radio service, as defined in Section
2 20.3 of Title 47 of the Code of Federal Regulations as
3 in effect on June 1, 1999.

4 "Place of primary use" means the street address
5 representative of where the customer's use of the
6 telecommunications service primarily occurs, which
7 must be the residential street address or the primary
8 business street address of the customer. In the case of
9 mobile telecommunications services, "place of primary
10 use" must be within the licensed service area of the
11 home service provider.

12 "Post-paid telecommunication service" means the
13 telecommunications service obtained by making a
14 payment on a call-by-call basis either through the use
15 of a credit card or payment mechanism such as a bank
16 card, travel card, credit card, or debit card, or by
17 charge made to a telephone number which is not
18 associated with the origination or termination of the
19 telecommunications service. A post-paid calling
20 service includes telecommunications service, except a
21 prepaid wireless calling service, that would be a
22 prepaid calling service except it is not exclusively a
23 telecommunication service.

24 "Prepaid telecommunication service" means the
25 right to access exclusively telecommunications
26 services, which must be paid for in advance and which

1 enables the origination of calls using an access number
2 or authorization code, whether manually or
3 electronically dialed, and that is sold in
4 predetermined units or dollars of which the number
5 declines with use in a known amount.

6 "Prepaid Mobile telecommunication service" means a
7 telecommunications service that provides the right to
8 utilize mobile wireless service as well as other
9 non-telecommunication services, including but not
10 limited to ancillary services, which must be paid for
11 in advance that is sold in predetermined units or
12 dollars of which the number declines with use in a
13 known amount.

14 "Private communication service" means a
15 telecommunication service that entitles the customer
16 to exclusive or priority use of a communications
17 channel or group of channels between or among
18 termination points, regardless of the manner in which
19 such channel or channels are connected, and includes
20 switching capacity, extension lines, stations, and any
21 other associated services that are provided in
22 connection with the use of such channel or channels.

23 "Service address" means:

24 (a) The location of the telecommunications
25 equipment to which a customer's call is charged and
26 from which the call originates or terminates,

1 regardless of where the call is billed or paid;

2 (b) If the location in line (a) is not known,
3 service address means the origination point of the
4 signal of the telecommunications services first
5 identified by either the seller's
6 telecommunications system or in information
7 received by the seller from its service provider
8 where the system used to transport such signals is
9 not that of the seller; and

10 (c) If the locations in line (a) and line (b)
11 are not known, the service address means the
12 location of the customer's place of primary use.

13 "Telecommunications service" means the electronic
14 transmission, conveyance, or routing of voice, data,
15 audio, video, or any other information or signals to a
16 point, or between or among points. The term
17 "telecommunications service" includes such
18 transmission, conveyance, or routing in which computer
19 processing applications are used to act on the form,
20 code or protocol of the content for purposes of
21 transmission, conveyance or routing without regard to
22 whether such service is referred to as voice over
23 Internet protocol services or is classified by the
24 Federal Communications Commission as enhanced or value
25 added. "Telecommunications service" does not include:

26 (a) Data processing and information services

1 that allow data to be generated, acquired, stored,
2 processed, or retrieved and delivered by an
3 electronic transmission to a purchaser when such
4 purchaser's primary purpose for the underlying
5 transaction is the processed data or information;

6 (b) Installation or maintenance of wiring or
7 equipment on a customer's premises;

8 (c) Tangible personal property;

9 (d) Advertising, including but not limited to
10 directory advertising;~~;~~

11 (e) Billing and collection services provided
12 to third parties;

13 (f) Internet access service;

14 (g) Radio and television audio and video
15 programming services, regardless of the medium,
16 including the furnishing of transmission,
17 conveyance and routing of such services by the
18 programming service provider. Radio and television
19 audio and video programming services shall include
20 but not be limited to cable service as defined in
21 47 USC 522(6) and audio and video programming
22 services delivered by commercial mobile radio
23 service providers, as defined in 47 CFR 20.3;

24 (h) "Ancillary services"; or

25 (i) Digital products "delivered
26 electronically", including but not limited to

1 software, music, video, reading materials or ring
2 tones.

3 "Vertical service" means an "ancillary service"
4 that is offered in connection with one or more
5 "telecommunications services", which offers advanced
6 calling features that allow customers to identify
7 callers and to manage multiple calls and call
8 connections, including "conference bridging services".

9 "Voice mail service" means an "ancillary service"
10 that enables the customer to store, send or receive
11 recorded messages. "Voice mail service" does not
12 include any "vertical services" that the customer may
13 be required to have in order to utilize the "voice mail
14 service".

15 (ii) Receipts from the sale of telecommunications
16 service sold on an individual call-by-call basis are in
17 this State if either of the following applies:

18 (a) The call both originates and terminates in
19 this State.

20 (b) The call either originates or terminates
21 in this State and the service address is located in
22 this State.

23 (iii) Receipts from the sale of postpaid
24 telecommunications service at retail are in this State
25 if the origination point of the telecommunication
26 signal, as first identified by the service provider's

1 telecommunication system or as identified by
2 information received by the seller from its service
3 provider if the system used to transport
4 telecommunication signals is not the seller's, is
5 located in this State.

6 (iv) Receipts from the sale of prepaid
7 telecommunications service or prepaid mobile
8 telecommunications service at retail are in this State
9 if the purchaser obtains the prepaid card or similar
10 means of conveyance at a location in this State.
11 Receipts from recharging a prepaid telecommunications
12 service or mobile telecommunications service is in
13 this State if the purchaser's billing information
14 indicates a location in this State.

15 (v) Receipts from the sale of private
16 communication services are in this State as follows:

17 (a) 100% of receipts from charges imposed at
18 each channel termination point in this State.

19 (b) 100% of receipts from charges for the total
20 channel mileage between each channel termination
21 point in this State.

22 (c) 50% of the total receipts from charges for
23 service segments when those segments are between 2
24 customer channel termination points, 1 of which is
25 located in this State and the other is located
26 outside of this State, which segments are

1 separately charged.

2 (d) The receipts from charges for service
3 segments with a channel termination point located
4 in this State and in two or more other states, and
5 which segments are not separately billed, are in
6 this State based on a percentage determined by
7 dividing the number of customer channel
8 termination points in this State by the total
9 number of customer channel termination points.

10 (vi) Receipts from charges for ancillary services
11 for telecommunications service sold to customers at
12 retail are in this State if the customer's primary
13 place of use of telecommunications services associated
14 with those ancillary services is in this State. If the
15 seller of those ancillary services cannot determine
16 where the associated telecommunications are located,
17 then the ancillary services shall be based on the
18 location of the purchaser.

19 (vii) Receipts to access a carrier's network or
20 from the sale of telecommunication services or
21 ancillary services for resale are in this State as
22 follows:

23 (a) 100% of the receipts from access fees
24 attributable to intrastate telecommunications
25 service that both originates and terminates in
26 this State.

1 (b) 50% of the receipts from access fees
2 attributable to interstate telecommunications
3 service if the interstate call either originates
4 or terminates in this State.

5 (c) 100% of the receipts from interstate end
6 user access line charges, if the customer's
7 service address is in this State. As used in this
8 subdivision, "interstate end user access line
9 charges" includes, but is not limited to, the
10 surcharge approved by the federal communications
11 commission and levied pursuant to 47 CFR 69.

12 (d) Gross receipts from sales of
13 telecommunication services or from ancillary
14 services for telecommunications services sold to
15 other telecommunication service providers for
16 resale shall be sourced to this State using the
17 apportionment concepts used for non-resale
18 receipts of telecommunications services if the
19 information is readily available to make that
20 determination. If the information is not readily
21 available, then the taxpayer may use any other
22 reasonable and consistent method.

23 (B-7) For taxable years ending on or after December 31,
24 2008, receipts from the sale of broadcasting services are
25 in this State if the broadcasting services are received in
26 this State. For purposes of this paragraph (B-7), the

1 following terms have the following meanings:

2 "Advertising revenue" means consideration received
3 by the taxpayer in exchange for broadcasting services
4 or allowing the broadcasting of commercials or
5 announcements in connection with the broadcasting of
6 film or radio programming, from sponsorships of the
7 programming, or from product placements in the
8 programming.

9 "Audience factor" means the ratio that the
10 audience or subscribers located in this State of a
11 station, a network, or a cable system bears to the
12 total audience or total subscribers for that station,
13 network, or cable system. The audience factor for film
14 or radio programming shall be determined by reference
15 to the books and records of the taxpayer or by
16 reference to published rating statistics provided the
17 method used by the taxpayer is consistently used from
18 year to year for this purpose and fairly represents the
19 taxpayer's activity in this State.

20 "Broadcast" or "broadcasting" or "broadcasting
21 services" means the transmission or provision of film
22 or radio programming, whether through the public
23 airwaves, by cable, by direct or indirect satellite
24 transmission, or by any other means of communication,
25 either through a station, a network, or a cable system.

26 "Film" or "film programming" means the broadcast

1 on television of any and all performances, events, or
2 productions, including but not limited to news,
3 sporting events, plays, stories, or other literary,
4 commercial, educational, or artistic works, either
5 live or through the use of video tape, disc, or any
6 other type of format or medium. Each episode of a
7 series of films produced for television shall
8 constitute separate "film" notwithstanding that the
9 series relates to the same principal subject and is
10 produced during one or more tax periods.

11 "Radio" or "radio programming" means the broadcast
12 on radio of any and all performances, events, or
13 productions, including but not limited to news,
14 sporting events, plays, stories, or other literary,
15 commercial, educational, or artistic works, either
16 live or through the use of an audio tape, disc, or any
17 other format or medium. Each episode in a series of
18 radio programming produced for radio broadcast shall
19 constitute a separate "radio programming"
20 notwithstanding that the series relates to the same
21 principal subject and is produced during one or more
22 tax periods.

23 (i) In the case of advertising revenue from
24 broadcasting, the customer is the advertiser and
25 the service is received in this State if the
26 commercial domicile of the advertiser is in this

1 State.

2 (ii) In the case where film or radio
3 programming is broadcast by a station, a network,
4 or a cable system for a fee or other remuneration
5 received from the recipient of the broadcast, the
6 portion of the service that is received in this
7 State is measured by the portion of the recipients
8 of the broadcast located in this State.
9 Accordingly, the fee or other remuneration for
10 such service that is included in the Illinois
11 numerator of the sales factor is the total of those
12 fees or other remuneration received from
13 recipients in Illinois. For purposes of this
14 paragraph, a taxpayer may determine the location
15 of the recipients of its broadcast using the
16 address of the recipient shown in its contracts
17 with the recipient or using the billing address of
18 the recipient in the taxpayer's records.

19 (iii) In the case where film or radio
20 programming is broadcast by a station, a network,
21 or a cable system for a fee or other remuneration
22 from the person providing the programming, the
23 portion of the broadcast service that is received
24 by such station, network, or cable system in this
25 State is measured by the portion of recipients of
26 the broadcast located in this State. Accordingly,

1 the amount of revenue related to such an
2 arrangement that is included in the Illinois
3 numerator of the sales factor is the total fee or
4 other total remuneration from the person providing
5 the programming related to that broadcast
6 multiplied by the Illinois audience factor for
7 that broadcast.

8 (iv) In the case where film or radio
9 programming is provided by a taxpayer that is a
10 network or station to a customer for broadcast in
11 exchange for a fee or other remuneration from that
12 customer the broadcasting service is received at
13 the location of the office of the customer from
14 which the services were ordered in the regular
15 course of the customer's trade or business.
16 Accordingly, in such a case the revenue derived by
17 the taxpayer that is included in the taxpayer's
18 Illinois numerator of the sales factor is the
19 revenue from such customers who receive the
20 broadcasting service in Illinois.

21 (v) In the case where film or radio programming
22 is provided by a taxpayer that is not a network or
23 station to another person for broadcasting in
24 exchange for a fee or other remuneration from that
25 person, the broadcasting service is received at
26 the location of the office of the customer from

1 which the services were ordered in the regular
2 course of the customer's trade or business.
3 Accordingly, in such a case the revenue derived by
4 the taxpayer that is included in the taxpayer's
5 Illinois numerator of the sales factor is the
6 revenue from such customers who receive the
7 broadcasting service in Illinois.

8 (B-8) Gross receipts from winnings under the Illinois
9 Lottery Law from the assignment of a prize under Section
10 13.1 of the Illinois Lottery Law are received in this
11 State. This paragraph (B-8) applies only to taxable years
12 ending on or after December 31, 2013.

13 (B-9) For taxable years ending on or after December 31,
14 2017, gross receipts from winnings from pari-mutuel
15 wagering conducted at a wagering facility licensed under
16 the Illinois Horse Racing Act of 1975 or from winnings from
17 gambling games conducted on a riverboat or in a casino or
18 electronic gaming facility licensed under the Illinois
19 Gambling Act are in this State.

20 (C) For taxable years ending before December 31, 2008,
21 sales, other than sales governed by paragraphs (B), (B-1),
22 (B-2), and (B-8) are in this State if:

23 (i) The income-producing activity is performed in
24 this State; or

25 (ii) The income-producing activity is performed
26 both within and without this State and a greater

1 proportion of the income-producing activity is
2 performed within this State than without this State,
3 based on performance costs.

4 (C-5) For taxable years ending on or after December 31,
5 2008, sales, other than sales governed by paragraphs (B),
6 (B-1), (B-2), (B-5), and (B-7), are in this State if any of
7 the following criteria are met:

8 (i) Sales from the sale or lease of real property
9 are in this State if the property is located in this
10 State.

11 (ii) Sales from the lease or rental of tangible
12 personal property are in this State if the property is
13 located in this State during the rental period. Sales
14 from the lease or rental of tangible personal property
15 that is characteristically moving property, including,
16 but not limited to, motor vehicles, rolling stock,
17 aircraft, vessels, or mobile equipment are in this
18 State to the extent that the property is used in this
19 State.

20 (iii) In the case of interest, net gains (but not
21 less than zero) and other items of income from
22 intangible personal property, the sale is in this State
23 if:

24 (a) in the case of a taxpayer who is a dealer
25 in the item of intangible personal property within
26 the meaning of Section 475 of the Internal Revenue

1 Code, the income or gain is received from a
2 customer in this State. For purposes of this
3 subparagraph, a customer is in this State if the
4 customer is an individual, trust or estate who is a
5 resident of this State and, for all other
6 customers, if the customer's commercial domicile
7 is in this State. Unless the dealer has actual
8 knowledge of the residence or commercial domicile
9 of a customer during a taxable year, the customer
10 shall be deemed to be a customer in this State if
11 the billing address of the customer, as shown in
12 the records of the dealer, is in this State; or

13 (b) in all other cases, if the
14 income-producing activity of the taxpayer is
15 performed in this State or, if the
16 income-producing activity of the taxpayer is
17 performed both within and without this State, if a
18 greater proportion of the income-producing
19 activity of the taxpayer is performed within this
20 State than in any other state, based on performance
21 costs.

22 (iv) Sales of services are in this State if the
23 services are received in this State. For the purposes
24 of this section, gross receipts from the performance of
25 services provided to a corporation, partnership, or
26 trust may only be attributed to a state where that

1 corporation, partnership, or trust has a fixed place of
2 business. If the state where the services are received
3 is not readily determinable or is a state where the
4 corporation, partnership, or trust receiving the
5 service does not have a fixed place of business, the
6 services shall be deemed to be received at the location
7 of the office of the customer from which the services
8 were ordered in the regular course of the customer's
9 trade or business. If the ordering office cannot be
10 determined, the services shall be deemed to be received
11 at the office of the customer to which the services are
12 billed. If the taxpayer is not taxable in the state in
13 which the services are received, the sale must be
14 excluded from both the numerator and the denominator of
15 the sales factor. The Department shall adopt rules
16 prescribing where specific types of service are
17 received, including, but not limited to, publishing,
18 and utility service.

19 (D) For taxable years ending on or after December 31,
20 1995, the following items of income shall not be included
21 in the numerator or denominator of the sales factor:
22 dividends; amounts included under Section 78 of the
23 Internal Revenue Code; and Subpart F income as defined in
24 Section 952 of the Internal Revenue Code. No inference
25 shall be drawn from the enactment of this paragraph (D) in
26 construing this Section for taxable years ending before

1 December 31, 1995.

2 (E) Paragraphs (B-1) and (B-2) shall apply to tax years
3 ending on or after December 31, 1999, provided that a
4 taxpayer may elect to apply the provisions of these
5 paragraphs to prior tax years. Such election shall be made
6 in the form and manner prescribed by the Department, shall
7 be irrevocable, and shall apply to all tax years; provided
8 that, if a taxpayer's Illinois income tax liability for any
9 tax year, as assessed under Section 903 prior to January 1,
10 1999, was computed in a manner contrary to the provisions
11 of paragraphs (B-1) or (B-2), no refund shall be payable to
12 the taxpayer for that tax year to the extent such refund is
13 the result of applying the provisions of paragraph (B-1) or
14 (B-2) retroactively. In the case of a unitary business
15 group, such election shall apply to all members of such
16 group for every tax year such group is in existence, but
17 shall not apply to any taxpayer for any period during which
18 that taxpayer is not a member of such group.

19 (b) Insurance companies.

20 (1) In general. Except as otherwise provided by
21 paragraph (2), business income of an insurance company for
22 a taxable year shall be apportioned to this State by
23 multiplying such income by a fraction, the numerator of
24 which is the direct premiums written for insurance upon
25 property or risk in this State, and the denominator of
26 which is the direct premiums written for insurance upon

1 property or risk everywhere. For purposes of this
2 subsection, the term "direct premiums written" means the
3 total amount of direct premiums written, assessments and
4 annuity considerations as reported for the taxable year on
5 the annual statement filed by the company with the Illinois
6 Director of Insurance in the form approved by the National
7 Convention of Insurance Commissioners or such other form as
8 may be prescribed in lieu thereof.

9 (2) Reinsurance. If the principal source of premiums
10 written by an insurance company consists of premiums for
11 reinsurance accepted by it, the business income of such
12 company shall be apportioned to this State by multiplying
13 such income by a fraction, the numerator of which is the
14 sum of (i) direct premiums written for insurance upon
15 property or risk in this State, plus (ii) premiums written
16 for reinsurance accepted in respect of property or risk in
17 this State, and the denominator of which is the sum of
18 (iii) direct premiums written for insurance upon property
19 or risk everywhere, plus (iv) premiums written for
20 reinsurance accepted in respect of property or risk
21 everywhere. For purposes of this paragraph, premiums
22 written for reinsurance accepted in respect of property or
23 risk in this State, whether or not otherwise determinable,
24 may, at the election of the company, be determined on the
25 basis of the proportion which premiums written for
26 reinsurance accepted from companies commercially domiciled

1 in Illinois bears to premiums written for reinsurance
2 accepted from all sources, or, alternatively, in the
3 proportion which the sum of the direct premiums written for
4 insurance upon property or risk in this State by each
5 ceding company from which reinsurance is accepted bears to
6 the sum of the total direct premiums written by each such
7 ceding company for the taxable year. The election made by a
8 company under this paragraph for its first taxable year
9 ending on or after December 31, 2011, shall be binding for
10 that company for that taxable year and for all subsequent
11 taxable years, and may be altered only with the written
12 permission of the Department, which shall not be
13 unreasonably withheld.

14 (c) Financial organizations.

15 (1) In general. For taxable years ending before
16 December 31, 2008, business income of a financial
17 organization shall be apportioned to this State by
18 multiplying such income by a fraction, the numerator of
19 which is its business income from sources within this
20 State, and the denominator of which is its business income
21 from all sources. For the purposes of this subsection, the
22 business income of a financial organization from sources
23 within this State is the sum of the amounts referred to in
24 subparagraphs (A) through (E) following, but excluding the
25 adjusted income of an international banking facility as
26 determined in paragraph (2):

1 (A) Fees, commissions or other compensation for
2 financial services rendered within this State;

3 (B) Gross profits from trading in stocks, bonds or
4 other securities managed within this State;

5 (C) Dividends, and interest from Illinois
6 customers, which are received within this State;

7 (D) Interest charged to customers at places of
8 business maintained within this State for carrying
9 debit balances of margin accounts, without deduction
10 of any costs incurred in carrying such accounts; and

11 (E) Any other gross income resulting from the
12 operation as a financial organization within this
13 State. In computing the amounts referred to in
14 paragraphs (A) through (E) of this subsection, any
15 amount received by a member of an affiliated group
16 (determined under Section 1504(a) of the Internal
17 Revenue Code but without reference to whether any such
18 corporation is an "includible corporation" under
19 Section 1504(b) of the Internal Revenue Code) from
20 another member of such group shall be included only to
21 the extent such amount exceeds expenses of the
22 recipient directly related thereto.

23 (2) International Banking Facility. For taxable years
24 ending before December 31, 2008:

25 (A) Adjusted Income. The adjusted income of an
26 international banking facility is its income reduced

1 by the amount of the floor amount.

2 (B) Floor Amount. The floor amount shall be the
3 amount, if any, determined by multiplying the income of
4 the international banking facility by a fraction, not
5 greater than one, which is determined as follows:

6 (i) The numerator shall be:

7 The average aggregate, determined on a
8 quarterly basis, of the financial organization's
9 loans to banks in foreign countries, to foreign
10 domiciled borrowers (except where secured
11 primarily by real estate) and to foreign
12 governments and other foreign official
13 institutions, as reported for its branches,
14 agencies and offices within the state on its
15 "Consolidated Report of Condition", Schedule A,
16 Lines 2.c., 5.b., and 7.a., which was filed with
17 the Federal Deposit Insurance Corporation and
18 other regulatory authorities, for the year 1980,
19 minus

20 The average aggregate, determined on a
21 quarterly basis, of such loans (other than loans of
22 an international banking facility), as reported by
23 the financial institution for its branches,
24 agencies and offices within the state, on the
25 corresponding Schedule and lines of the
26 Consolidated Report of Condition for the current

1 taxable year, provided, however, that in no case
2 shall the amount determined in this clause (the
3 subtrahend) exceed the amount determined in the
4 preceding clause (the minuend); and

5 (ii) the denominator shall be the average
6 aggregate, determined on a quarterly basis, of the
7 international banking facility's loans to banks in
8 foreign countries, to foreign domiciled borrowers
9 (except where secured primarily by real estate)
10 and to foreign governments and other foreign
11 official institutions, which were recorded in its
12 financial accounts for the current taxable year.

13 (C) Change to Consolidated Report of Condition and
14 in Qualification. In the event the Consolidated Report
15 of Condition which is filed with the Federal Deposit
16 Insurance Corporation and other regulatory authorities
17 is altered so that the information required for
18 determining the floor amount is not found on Schedule
19 A, lines 2.c., 5.b. and 7.a., the financial institution
20 shall notify the Department and the Department may, by
21 regulations or otherwise, prescribe or authorize the
22 use of an alternative source for such information. The
23 financial institution shall also notify the Department
24 should its international banking facility fail to
25 qualify as such, in whole or in part, or should there
26 be any amendment or change to the Consolidated Report

1 of Condition, as originally filed, to the extent such
2 amendment or change alters the information used in
3 determining the floor amount.

4 (3) For taxable years ending on or after December 31,
5 2008, the business income of a financial organization shall
6 be apportioned to this State by multiplying such income by
7 a fraction, the numerator of which is its gross receipts
8 from sources in this State or otherwise attributable to
9 this State's marketplace and the denominator of which is
10 its gross receipts everywhere during the taxable year.
11 "Gross receipts" for purposes of this subparagraph (3)
12 means gross income, including net taxable gain on
13 disposition of assets, including securities and money
14 market instruments, when derived from transactions and
15 activities in the regular course of the financial
16 organization's trade or business. The following examples
17 are illustrative:

18 (i) Receipts from the lease or rental of real or
19 tangible personal property are in this State if the
20 property is located in this State during the rental
21 period. Receipts from the lease or rental of tangible
22 personal property that is characteristically moving
23 property, including, but not limited to, motor
24 vehicles, rolling stock, aircraft, vessels, or mobile
25 equipment are from sources in this State to the extent
26 that the property is used in this State.

1 (ii) Interest income, commissions, fees, gains on
2 disposition, and other receipts from assets in the
3 nature of loans that are secured primarily by real
4 estate or tangible personal property are from sources
5 in this State if the security is located in this State.

6 (iii) Interest income, commissions, fees, gains on
7 disposition, and other receipts from consumer loans
8 that are not secured by real or tangible personal
9 property are from sources in this State if the debtor
10 is a resident of this State.

11 (iv) Interest income, commissions, fees, gains on
12 disposition, and other receipts from commercial loans
13 and installment obligations that are not secured by
14 real or tangible personal property are from sources in
15 this State if the proceeds of the loan are to be
16 applied in this State. If it cannot be determined where
17 the funds are to be applied, the income and receipts
18 are from sources in this State if the office of the
19 borrower from which the loan was negotiated in the
20 regular course of business is located in this State. If
21 the location of this office cannot be determined, the
22 income and receipts shall be excluded from the
23 numerator and denominator of the sales factor.

24 (v) Interest income, fees, gains on disposition,
25 service charges, merchant discount income, and other
26 receipts from credit card receivables are from sources

1 in this State if the card charges are regularly billed
2 to a customer in this State.

3 (vi) Receipts from the performance of services,
4 including, but not limited to, fiduciary, advisory,
5 and brokerage services, are in this State if the
6 services are received in this State within the meaning
7 of subparagraph (a) (3) (C-5) (iv) of this Section.

8 (vii) Receipts from the issuance of travelers
9 checks and money orders are from sources in this State
10 if the checks and money orders are issued from a
11 location within this State.

12 (viii) Receipts from investment assets and
13 activities and trading assets and activities are
14 included in the receipts factor as follows:

15 (1) Interest, dividends, net gains (but not
16 less than zero) and other income from investment
17 assets and activities from trading assets and
18 activities shall be included in the receipts
19 factor. Investment assets and activities and
20 trading assets and activities include but are not
21 limited to: investment securities; trading account
22 assets; federal funds; securities purchased and
23 sold under agreements to resell or repurchase;
24 options; futures contracts; forward contracts;
25 notional principal contracts such as swaps;
26 equities; and foreign currency transactions. With

1 respect to the investment and trading assets and
2 activities described in subparagraphs (A) and (B)
3 of this paragraph, the receipts factor shall
4 include the amounts described in such
5 subparagraphs.

6 (A) The receipts factor shall include the
7 amount by which interest from federal funds
8 sold and securities purchased under resale
9 agreements exceeds interest expense on federal
10 funds purchased and securities sold under
11 repurchase agreements.

12 (B) The receipts factor shall include the
13 amount by which interest, dividends, gains and
14 other income from trading assets and
15 activities, including but not limited to
16 assets and activities in the matched book, in
17 the arbitrage book, and foreign currency
18 transactions, exceed amounts paid in lieu of
19 interest, amounts paid in lieu of dividends,
20 and losses from such assets and activities.

21 (2) The numerator of the receipts factor
22 includes interest, dividends, net gains (but not
23 less than zero), and other income from investment
24 assets and activities and from trading assets and
25 activities described in paragraph (1) of this
26 subsection that are attributable to this State.

1 (A) The amount of interest, dividends, net
2 gains (but not less than zero), and other
3 income from investment assets and activities
4 in the investment account to be attributed to
5 this State and included in the numerator is
6 determined by multiplying all such income from
7 such assets and activities by a fraction, the
8 numerator of which is the gross income from
9 such assets and activities which are properly
10 assigned to a fixed place of business of the
11 taxpayer within this State and the denominator
12 of which is the gross income from all such
13 assets and activities.

14 (B) The amount of interest from federal
15 funds sold and purchased and from securities
16 purchased under resale agreements and
17 securities sold under repurchase agreements
18 attributable to this State and included in the
19 numerator is determined by multiplying the
20 amount described in subparagraph (A) of
21 paragraph (1) of this subsection from such
22 funds and such securities by a fraction, the
23 numerator of which is the gross income from
24 such funds and such securities which are
25 properly assigned to a fixed place of business
26 of the taxpayer within this State and the

1 denominator of which is the gross income from
2 all such funds and such securities.

3 (C) The amount of interest, dividends,
4 gains, and other income from trading assets and
5 activities, including but not limited to
6 assets and activities in the matched book, in
7 the arbitrage book and foreign currency
8 transactions (but excluding amounts described
9 in subparagraphs (A) or (B) of this paragraph),
10 attributable to this State and included in the
11 numerator is determined by multiplying the
12 amount described in subparagraph (B) of
13 paragraph (1) of this subsection by a fraction,
14 the numerator of which is the gross income from
15 such trading assets and activities which are
16 properly assigned to a fixed place of business
17 of the taxpayer within this State and the
18 denominator of which is the gross income from
19 all such assets and activities.

20 (D) Properly assigned, for purposes of
21 this paragraph (2) of this subsection, means
22 the investment or trading asset or activity is
23 assigned to the fixed place of business with
24 which it has a preponderance of substantive
25 contacts. An investment or trading asset or
26 activity assigned by the taxpayer to a fixed

1 place of business without the State shall be
2 presumed to have been properly assigned if:

3 (i) the taxpayer has assigned, in the
4 regular course of its business, such asset
5 or activity on its records to a fixed place
6 of business consistent with federal or
7 state regulatory requirements;

8 (ii) such assignment on its records is
9 based upon substantive contacts of the
10 asset or activity to such fixed place of
11 business; and

12 (iii) the taxpayer uses such records
13 reflecting assignment of such assets or
14 activities for the filing of all state and
15 local tax returns for which an assignment
16 of such assets or activities to a fixed
17 place of business is required.

18 (E) The presumption of proper assignment
19 of an investment or trading asset or activity
20 provided in subparagraph (D) of paragraph (2)
21 of this subsection may be rebutted upon a
22 showing by the Department, supported by a
23 preponderance of the evidence, that the
24 preponderance of substantive contacts
25 regarding such asset or activity did not occur
26 at the fixed place of business to which it was

1 assigned on the taxpayer's records. If the
2 fixed place of business that has a
3 preponderance of substantive contacts cannot
4 be determined for an investment or trading
5 asset or activity to which the presumption in
6 subparagraph (D) of paragraph (2) of this
7 subsection does not apply or with respect to
8 which that presumption has been rebutted, that
9 asset or activity is properly assigned to the
10 state in which the taxpayer's commercial
11 domicile is located. For purposes of this
12 subparagraph (E), it shall be presumed,
13 subject to rebuttal, that taxpayer's
14 commercial domicile is in the state of the
15 United States or the District of Columbia to
16 which the greatest number of employees are
17 regularly connected with the management of the
18 investment or trading income or out of which
19 they are working, irrespective of where the
20 services of such employees are performed, as of
21 the last day of the taxable year.

22 (4) (Blank).

23 (5) (Blank).

24 (c-1) Federally regulated exchanges. For taxable years
25 ending on or after December 31, 2012, business income of a
26 federally regulated exchange shall, at the option of the

1 federally regulated exchange, be apportioned to this State by
2 multiplying such income by a fraction, the numerator of which
3 is its business income from sources within this State, and the
4 denominator of which is its business income from all sources.
5 For purposes of this subsection, the business income within
6 this State of a federally regulated exchange is the sum of the
7 following:

8 (1) Receipts attributable to transactions executed on
9 a physical trading floor if that physical trading floor is
10 located in this State.

11 (2) Receipts attributable to all other matching,
12 execution, or clearing transactions, including without
13 limitation receipts from the provision of matching,
14 execution, or clearing services to another entity,
15 multiplied by (i) for taxable years ending on or after
16 December 31, 2012 but before December 31, 2013, 63.77%; and
17 (ii) for taxable years ending on or after December 31,
18 2013, 27.54%.

19 (3) All other receipts not governed by subparagraphs
20 (1) or (2) of this subsection (c-1), to the extent the
21 receipts would be characterized as "sales in this State"
22 under item (3) of subsection (a) of this Section.

23 "Federally regulated exchange" means (i) a "registered
24 entity" within the meaning of 7 U.S.C. Section 1a(40) (A), (B),
25 or (C), (ii) an "exchange" or "clearing agency" within the
26 meaning of 15 U.S.C. Section 78c (a) (1) or (23), (iii) any such

1 entities regulated under any successor regulatory structure to
2 the foregoing, and (iv) all taxpayers who are members of the
3 same unitary business group as a federally regulated exchange,
4 determined without regard to the prohibition in Section
5 1501(a)(27) of this Act against including in a unitary business
6 group taxpayers who are ordinarily required to apportion
7 business income under different subsections of this Section;
8 provided that this subparagraph (iv) shall apply only if 50% or
9 more of the business receipts of the unitary business group
10 determined by application of this subparagraph (iv) for the
11 taxable year are attributable to the matching, execution, or
12 clearing of transactions conducted by an entity described in
13 subparagraph (i), (ii), or (iii) of this paragraph.

14 In no event shall the Illinois apportionment percentage
15 computed in accordance with this subsection (c-1) for any
16 taxpayer for any tax year be less than the Illinois
17 apportionment percentage computed under this subsection (c-1)
18 for that taxpayer for the first full tax year ending on or
19 after December 31, 2013 for which this subsection (c-1) applied
20 to the taxpayer.

21 (d) Transportation services. For taxable years ending
22 before December 31, 2008, business income derived from
23 furnishing transportation services shall be apportioned to
24 this State in accordance with paragraphs (1) and (2):

25 (1) Such business income (other than that derived from
26 transportation by pipeline) shall be apportioned to this

1 State by multiplying such income by a fraction, the
2 numerator of which is the revenue miles of the person in
3 this State, and the denominator of which is the revenue
4 miles of the person everywhere. For purposes of this
5 paragraph, a revenue mile is the transportation of 1
6 passenger or 1 net ton of freight the distance of 1 mile
7 for a consideration. Where a person is engaged in the
8 transportation of both passengers and freight, the
9 fraction above referred to shall be determined by means of
10 an average of the passenger revenue mile fraction and the
11 freight revenue mile fraction, weighted to reflect the
12 person's

13 (A) relative railway operating income from total
14 passenger and total freight service, as reported to the
15 Interstate Commerce Commission, in the case of
16 transportation by railroad, and

17 (B) relative gross receipts from passenger and
18 freight transportation, in case of transportation
19 other than by railroad.

20 (2) Such business income derived from transportation
21 by pipeline shall be apportioned to this State by
22 multiplying such income by a fraction, the numerator of
23 which is the revenue miles of the person in this State, and
24 the denominator of which is the revenue miles of the person
25 everywhere. For the purposes of this paragraph, a revenue
26 mile is the transportation by pipeline of 1 barrel of oil,

1 1,000 cubic feet of gas, or of any specified quantity of
2 any other substance, the distance of 1 mile for a
3 consideration.

4 (3) For taxable years ending on or after December 31,
5 2008, business income derived from providing
6 transportation services other than airline services shall
7 be apportioned to this State by using a fraction, (a) the
8 numerator of which shall be (i) all receipts from any
9 movement or shipment of people, goods, mail, oil, gas, or
10 any other substance (other than by airline) that both
11 originates and terminates in this State, plus (ii) that
12 portion of the person's gross receipts from movements or
13 shipments of people, goods, mail, oil, gas, or any other
14 substance (other than by airline) that originates in one
15 state or jurisdiction and terminates in another state or
16 jurisdiction, that is determined by the ratio that the
17 miles traveled in this State bears to total miles
18 everywhere and (b) the denominator of which shall be all
19 revenue derived from the movement or shipment of people,
20 goods, mail, oil, gas, or any other substance (other than
21 by airline). Where a taxpayer is engaged in the
22 transportation of both passengers and freight, the
23 fraction above referred to shall first be determined
24 separately for passenger miles and freight miles. Then an
25 average of the passenger miles fraction and the freight
26 miles fraction shall be weighted to reflect the taxpayer's:

1 (A) relative railway operating income from total
2 passenger and total freight service, as reported to the
3 Surface Transportation Board, in the case of
4 transportation by railroad; and

5 (B) relative gross receipts from passenger and
6 freight transportation, in case of transportation
7 other than by railroad.

8 (4) For taxable years ending on or after December 31,
9 2008, business income derived from furnishing airline
10 transportation services shall be apportioned to this State
11 by multiplying such income by a fraction, the numerator of
12 which is the revenue miles of the person in this State, and
13 the denominator of which is the revenue miles of the person
14 everywhere. For purposes of this paragraph, a revenue mile
15 is the transportation of one passenger or one net ton of
16 freight the distance of one mile for a consideration. If a
17 person is engaged in the transportation of both passengers
18 and freight, the fraction above referred to shall be
19 determined by means of an average of the passenger revenue
20 mile fraction and the freight revenue mile fraction,
21 weighted to reflect the person's relative gross receipts
22 from passenger and freight airline transportation.

23 (e) Combined apportionment. Where 2 or more persons are
24 engaged in a unitary business as described in subsection
25 (a) (27) of Section 1501, a part of which is conducted in this
26 State by one or more members of the group, the business income

1 attributable to this State by any such member or members shall
2 be apportioned by means of the combined apportionment method.

3 (f) Alternative allocation. If the allocation and
4 apportionment provisions of subsections (a) through (e) and of
5 subsection (h) do not, for taxable years ending before December
6 31, 2008, fairly represent the extent of a person's business
7 activity in this State, or, for taxable years ending on or
8 after December 31, 2008, fairly represent the market for the
9 person's goods, services, or other sources of business income,
10 the person may petition for, or the Director may, without a
11 petition, permit or require, in respect of all or any part of
12 the person's business activity, if reasonable:

13 (1) Separate accounting;

14 (2) The exclusion of any one or more factors;

15 (3) The inclusion of one or more additional factors
16 which will fairly represent the person's business
17 activities or market in this State; or

18 (4) The employment of any other method to effectuate an
19 equitable allocation and apportionment of the person's
20 business income.

21 (g) Cross reference. For allocation of business income by
22 residents, see Section 301(a).

23 (h) For tax years ending on or after December 31, 1998, the
24 apportionment factor of persons who apportion their business
25 income to this State under subsection (a) shall be equal to:

26 (1) for tax years ending on or after December 31, 1998

1 and before December 31, 1999, 16 2/3% of the property
2 factor plus 16 2/3% of the payroll factor plus 66 2/3% of
3 the sales factor;

4 (2) for tax years ending on or after December 31, 1999
5 and before December 31, 2000, 8 1/3% of the property factor
6 plus 8 1/3% of the payroll factor plus 83 1/3% of the sales
7 factor;

8 (3) for tax years ending on or after December 31, 2000,
9 the sales factor.

10 If, in any tax year ending on or after December 31, 1998 and
11 before December 31, 2000, the denominator of the payroll,
12 property, or sales factor is zero, the apportionment factor
13 computed in paragraph (1) or (2) of this subsection for that
14 year shall be divided by an amount equal to 100% minus the
15 percentage weight given to each factor whose denominator is
16 equal to zero.

17 (Source: P.A. 98-478, eff. 1-1-14; 98-496, eff. 1-1-14; 98-756,
18 eff. 7-16-14; 99-642, eff. 7-28-16; revised 11-14-16.)

19 (35 ILCS 5/710) (from Ch. 120, par. 7-710)

20 Sec. 710. Withholding from lottery winnings.

21 (a) In general.

22 (1) Any person making a payment to a resident or
23 nonresident of winnings under the Illinois Lottery Law and
24 not required to withhold Illinois income tax from such
25 payment under Subsection (b) of Section 701 of this Act

1 because those winnings are not subject to Federal income
2 tax withholding, must withhold Illinois income tax from
3 such payment at a rate equal to the percentage tax rate for
4 individuals provided in subsection (b) of Section 201,
5 provided that withholding is not required if such payment
6 of winnings is less than \$1,000.

7 (2) In the case of an assignment of a lottery prize
8 under Section 13.1 of the Illinois Lottery Law, any person
9 making a payment of the purchase price after December 31,
10 2013, shall withhold from the amount of each payment at a
11 rate equal to the percentage tax rate for individuals
12 provided in subsection (b) of Section 201.

13 (3) Any person making a payment after December 31, 2017
14 to a resident or nonresident of winnings from pari-mutuel
15 wagering conducted at a wagering facility licensed under
16 the Illinois Horse Racing Act of 1975 or from gambling
17 games conducted on a riverboat or in a casino or electronic
18 gaming facility licensed under the Illinois Gambling Act
19 must withhold Illinois income tax from such payment at a
20 rate equal to the percentage tax rate for individuals
21 provided in subsection (b) of Section 201, provided that
22 the person making the payment is required to withhold under
23 Section 3402(g) of the Internal Revenue Code.

24 (b) Credit for taxes withheld. Any amount withheld under
25 Subsection (a) shall be a credit against the Illinois income
26 tax liability of the person to whom the payment of winnings was

1 made for the taxable year in which that person incurred an
2 Illinois income tax liability with respect to those winnings.
3 (Source: P.A. 98-496, eff. 1-1-14.)

4 Section 90-23. The Property Tax Code is amended by adding
5 Section 15-144 as follows:

6 (35 ILCS 200/15-144 new)

7 Sec. 15-144. Chicago Casino Development Authority. All
8 property owned by the Chicago Casino Development Authority is
9 exempt. Any property owned by the Chicago Casino Development
10 Authority and leased to any other entity is not exempt.

11 Section 90-24. The Illinois Municipal Code is amended by
12 adding Section 8-10-2.6 as follows:

13 (65 ILCS 5/8-10-2.6 new)

14 Sec. 8-10-2.6. Chicago Casino Development Authority.
15 Except as otherwise provided in the Chicago Casino Development
16 Authority Act, this Division 10 applies to purchase orders and
17 contracts relating to the Chicago Casino Development
18 Authority.

19 Section 90-25. The Joliet Regional Port District Act is
20 amended by changing Section 5.1 as follows:

1 (70 ILCS 1825/5.1) (from Ch. 19, par. 255.1)

2 Sec. 5.1. Riverboat and casino gambling. Notwithstanding
3 any other provision of this Act, the District may not regulate
4 the operation, conduct, or navigation of any riverboat gambling
5 casino licensed under the Illinois ~~Riverboat~~ Gambling Act, and
6 the District may not license, tax, or otherwise levy any
7 assessment of any kind on any riverboat gambling casino
8 licensed under the Illinois ~~Riverboat~~ Gambling Act. The General
9 Assembly declares that the powers to regulate the operation,
10 conduct, and navigation of riverboat gambling casinos and to
11 license, tax, and levy assessments upon riverboat gambling
12 casinos are exclusive powers of the State of Illinois and the
13 Illinois Gaming Board as provided in the Illinois ~~Riverboat~~
14 Gambling Act.

15 (Source: P.A. 87-1175.)

16 Section 90-30. The Consumer Installment Loan Act is amended
17 by changing Section 12.5 as follows:

18 (205 ILCS 670/12.5)

19 Sec. 12.5. Limited purpose branch.

20 (a) Upon the written approval of the Director, a licensee
21 may maintain a limited purpose branch for the sole purpose of
22 making loans as permitted by this Act. A limited purpose branch
23 may include an automatic loan machine. No other activity shall
24 be conducted at the site, including but not limited to,

1 accepting payments, servicing the accounts, or collections.

2 (b) The licensee must submit an application for a limited
3 purpose branch to the Director on forms prescribed by the
4 Director with an application fee of \$300. The approval for the
5 limited purpose branch must be renewed concurrently with the
6 renewal of the licensee's license along with a renewal fee of
7 \$300 for the limited purpose branch.

8 (c) The books, accounts, records, and files of the limited
9 purpose branch's transactions shall be maintained at the
10 licensee's licensed location. The licensee shall notify the
11 Director of the licensed location at which the books, accounts,
12 records, and files shall be maintained.

13 (d) The licensee shall prominently display at the limited
14 purpose branch the address and telephone number of the
15 licensee's licensed location.

16 (e) No other business shall be conducted at the site of the
17 limited purpose branch unless authorized by the Director.

18 (f) The Director shall make and enforce reasonable rules
19 for the conduct of a limited purpose branch.

20 (g) A limited purpose branch may not be located within
21 1,000 feet of a facility operated by an inter-track wagering
22 licensee or an organization licensee subject to the Illinois
23 Horse Racing Act of 1975, on a riverboat or in a casino subject
24 to the Illinois Riverboat Gambling Act, or within 1,000 feet of
25 the location at which the riverboat docks or within 1,000 feet
26 of a casino.

1 (Source: P.A. 90-437, eff. 1-1-98.)

2 Section 90-35. The Illinois Horse Racing Act of 1975 is
3 amended by changing Sections 1.2, 3.11, 3.12, 6, 9, 15, 18, 19,
4 20, 21, 24, 25, 26, 26.8, 26.9, 27, 30, 30.5, 31, 32.1, 36, 40,
5 and 54.75 and by adding Sections 3.31, 3.32, 3.33, 3.35, 3.36,
6 34.3, and 56 as follows:

7 (230 ILCS 5/1.2)

8 Sec. 1.2. Legislative intent. This Act is intended to
9 benefit the people of the State of Illinois by encouraging the
10 breeding and production of race horses, assisting economic
11 development and promoting Illinois tourism. The General
12 Assembly finds and declares it to be the public policy of the
13 State of Illinois to:

14 (a) support and enhance Illinois' horse racing industry,
15 which is a significant component within the agribusiness
16 industry;

17 (b) ensure that Illinois' horse racing industry remains
18 competitive with neighboring states;

19 (c) stimulate growth within Illinois' horse racing
20 industry, thereby encouraging new investment and development
21 to produce additional tax revenues and to create additional
22 jobs;

23 (d) promote the further growth of tourism;

24 (e) encourage the breeding of thoroughbred and

1 standardbred horses in this State; and

2 (f) ensure that public confidence and trust in the
3 credibility and integrity of racing operations and the
4 regulatory process is maintained.

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

6 (230 ILCS 5/3.11) (from Ch. 8, par. 37-3.11)

7 Sec. 3.11. "Organization Licensee" means any person
8 receiving an organization license from the Board to conduct a
9 race meeting or meetings. With respect only to electronic
10 gaming, "organization licensee" includes the authorization for
11 an electronic gaming license under subsection (a) of Section 56
12 of this Act.

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

14 (230 ILCS 5/3.12) (from Ch. 8, par. 37-3.12)

15 Sec. 3.12. Pari-mutuel system of wagering. "Pari-mutuel
16 system of wagering" means a form of wagering on the outcome of
17 horse races in which wagers are made in various denominations
18 on a horse or horses and all wagers for each race are pooled
19 and held by a licensee for distribution in a manner approved by
20 the Board. "Pari-mutuel system of wagering" shall not include
21 wagering on historic races. Wagers may be placed via any method
22 or at any location authorized under this Act.

23 (Source: P.A. 96-762, eff. 8-25-09.)

1 (230 ILCS 5/3.31 new)

2 Sec. 3.31. Adjusted gross receipts. "Adjusted gross
3 receipts" means the gross receipts less winnings paid to
4 wagerers.

5 (230 ILCS 5/3.32 new)

6 Sec. 3.32. Gross receipts. "Gross receipts" means the total
7 amount of money exchanged for the purchase of chips, tokens, or
8 electronic cards by riverboat or casino patrons or electronic
9 gaming patrons.

10 (230 ILCS 5/3.33 new)

11 Sec. 3.33. Electronic gaming. "Electronic gaming" means
12 slot machine gambling or gambling with table games positioned
13 within an electronic gaming facility as defined in the Illinois
14 Gambling Act or defined by the Illinois Gaming Board that is
15 conducted at a race track pursuant to an electronic gaming
16 license.

17 (230 ILCS 5/3.35 new)

18 Sec. 3.35. Electronic gaming license. "Electronic gaming
19 license" means a license issued by the Illinois Gaming Board
20 under Section 7.7 of the Illinois Gambling Act authorizing
21 electronic gaming at an electronic gaming facility.

22 (230 ILCS 5/3.36 new)

1 Sec. 3.36. Electronic gaming facility. "Electronic gaming
2 facility" means that portion of an organization licensee's race
3 track facility at which electronic gaming is conducted.

4 (230 ILCS 5/6) (from Ch. 8, par. 37-6)

5 Sec. 6. Restrictions on Board members.

6 (a) No person shall be appointed a member of the Board or
7 continue to be a member of the Board if the person or any
8 member of their immediate family is a member of the Board of
9 Directors, employee, or financially interested in any of the
10 following: (i) any licensee or other person who has applied for
11 racing dates to the Board, or the operations thereof including,
12 but not limited to, concessions, data processing, track
13 maintenance, track security, and pari-mutuel operations,
14 located, scheduled or doing business within the State of
15 Illinois, (ii) any race horse competing at a meeting under the
16 Board's jurisdiction, or (iii) any licensee under the Illinois
17 Gambling Act. No person shall be appointed a member of the
18 Board or continue to be a member of the Board who is (or any
19 member of whose family is) a member of the Board of Directors
20 of, or who is a person financially interested in, any licensee
21 or other person who has applied for racing dates to the Board,
22 or the operations thereof including, but not limited to,
23 concessions, data processing, track maintenance, track
24 security and pari mutuel operations, located, scheduled or
25 doing business within the State of Illinois, or in any race

1 ~~horse competing at a meeting under the Board's jurisdiction. No~~
2 ~~Board member shall hold any other public office for which he~~
3 ~~shall receive compensation other than necessary travel or other~~
4 ~~incidental expenses.~~

5 (b) No person shall be a member of the Board who is not of
6 good moral character or who has been convicted of, or is under
7 indictment for, a felony under the laws of Illinois or any
8 other state, or the United States.

9 (c) No member of the Board or employee shall engage in any
10 political activity.

11 For the purposes of this subsection (c):

12 "Political" means any activity in support of or in
13 connection with any campaign for State or local elective office
14 or any political organization, but does not include activities
15 (i) relating to the support or opposition of any executive,
16 legislative, or administrative action (as those terms are
17 defined in Section 2 of the Lobbyist Registration Act), (ii)
18 relating to collective bargaining, or (iii) that are otherwise
19 in furtherance of the person's official State duties or
20 governmental and public service functions.

21 "Political organization" means a party, committee,
22 association, fund, or other organization (whether or not
23 incorporated) that is required to file a statement of
24 organization with the State Board of Elections or county clerk
25 under Section 9-3 of the Election Code, but only with regard to
26 those activities that require filing with the State Board of

1 Elections or county clerk.

2 (d) Board members and employees may not engage in
3 communications or any activity that may cause or have the
4 appearance of causing a conflict of interest. A conflict of
5 interest exists if a situation influences or creates the
6 appearance that it may influence judgment or performance of
7 regulatory duties and responsibilities. This prohibition shall
8 extend to any act identified by Board action that, in the
9 judgment of the Board, could represent the potential for or the
10 appearance of a conflict of interest.

11 (e) Board members and employees may not accept any gift,
12 gratuity, service, compensation, travel, lodging, or thing of
13 value, with the exception of unsolicited items of an incidental
14 nature, from any person, corporation, limited liability
15 company, or entity doing business with the Board.

16 (f) A Board member or employee shall not use or attempt to
17 use his or her official position to secure, or attempt to
18 secure, any privilege, advantage, favor, or influence for
19 himself or herself or others. No Board member or employee,
20 within a period of one year immediately preceding nomination by
21 the Governor or employment, shall have been employed or
22 received compensation or fees for services from a person or
23 entity, or its parent or affiliate, that has engaged in
24 business with the Board, a licensee or a licensee under the
25 Illinois Gambling Act. In addition, all Board members and
26 employees are subject to the restrictions set forth in Section

1 5-45 of the State Officials and Employees Ethics Act.

2 (Source: P.A. 89-16, eff. 5-30-95.)

3 (230 ILCS 5/9) (from Ch. 8, par. 37-9)

4 Sec. 9. The Board shall have all powers necessary and
5 proper to fully and effectively execute the provisions of this
6 Act, including, but not limited to, the following:

7 (a) The Board is vested with jurisdiction and supervision
8 over all race meetings in this State, over all licensees doing
9 business in this State, over all occupation licensees, and over
10 all persons on the facilities of any licensee. Such
11 jurisdiction shall include the power to issue licenses to the
12 Illinois Department of Agriculture authorizing the pari-mutuel
13 system of wagering on harness and Quarter Horse races held (1)
14 at the Illinois State Fair in Sangamon County, and (2) at the
15 DuQuoin State Fair in Perry County. The jurisdiction of the
16 Board shall also include the power to issue licenses to county
17 fairs which are eligible to receive funds pursuant to the
18 Agricultural Fair Act, as now or hereafter amended, or their
19 agents, authorizing the pari-mutuel system of wagering on horse
20 races conducted at the county fairs receiving such licenses.
21 Such licenses shall be governed by subsection (n) of this
22 Section.

23 Upon application, the Board shall issue a license to the
24 Illinois Department of Agriculture to conduct harness and
25 Quarter Horse races at the Illinois State Fair and at the

1 DuQuoin State Fairgrounds during the scheduled dates of each
2 fair. The Board shall not require and the Department of
3 Agriculture shall be exempt from the requirements of Sections
4 15.3, 18 and 19, paragraphs (a)(2), (b), (c), (d), (e), (e-5),
5 (e-10), (f), (g), and (h) of Section 20, and Sections 21, 24
6 and 25. The Board and the Department of Agriculture may extend
7 any or all of these exemptions to any contractor or agent
8 engaged by the Department of Agriculture to conduct its race
9 meetings when the Board determines that this would best serve
10 the public interest and the interest of horse racing.

11 Notwithstanding any provision of law to the contrary, it
12 shall be lawful for any licensee to operate pari-mutuel
13 wagering or contract with the Department of Agriculture to
14 operate pari-mutuel wagering at the DuQuoin State Fairgrounds
15 or for the Department to enter into contracts with a licensee,
16 employ its owners, employees or agents and employ such other
17 occupation licensees as the Department deems necessary in
18 connection with race meetings and wagerings.

19 (b) The Board is vested with the full power to promulgate
20 reasonable rules and regulations for the purpose of
21 administering the provisions of this Act and to prescribe
22 reasonable rules, regulations and conditions under which all
23 horse race meetings or wagering in the State shall be
24 conducted. Such reasonable rules and regulations are to provide
25 for the prevention of practices detrimental to the public
26 interest and to promote the best interests of horse racing and

1 to impose penalties for violations thereof.

2 (c) The Board, and any person or persons to whom it
3 delegates this power, is vested with the power to enter the
4 facilities and other places of business of any licensee to
5 determine whether there has been compliance with the provisions
6 of this Act and its rules and regulations.

7 (d) The Board, and any person or persons to whom it
8 delegates this power, is vested with the authority to
9 investigate alleged violations of the provisions of this Act,
10 its reasonable rules and regulations, orders and final
11 decisions; the Board shall take appropriate disciplinary
12 action against any licensee or occupation licensee for
13 violation thereof or institute appropriate legal action for the
14 enforcement thereof.

15 (e) The Board, and any person or persons to whom it
16 delegates this power, may eject or exclude from any race
17 meeting or the facilities of any licensee, or any part thereof,
18 any occupation licensee or any other individual whose conduct
19 or reputation is such that his presence on those facilities
20 may, in the opinion of the Board, call into question the
21 honesty and integrity of horse racing or wagering or interfere
22 with the orderly conduct of horse racing or wagering; provided,
23 however, that no person shall be excluded or ejected from the
24 facilities of any licensee solely on the grounds of race,
25 color, creed, national origin, ancestry, or sex. The power to
26 eject or exclude an occupation licensee or other individual may

1 be exercised for just cause by the licensee or the Board,
2 subject to subsequent hearing by the Board as to the propriety
3 of said exclusion.

4 (f) The Board is vested with the power to acquire,
5 establish, maintain and operate (or provide by contract to
6 maintain and operate) testing laboratories and related
7 facilities, for the purpose of conducting saliva, blood, urine
8 and other tests on the horses run or to be run in any horse race
9 meeting, including races run at county fairs, and to purchase
10 all equipment and supplies deemed necessary or desirable in
11 connection with any such testing laboratories and related
12 facilities and all such tests.

13 (g) The Board may require that the records, including
14 financial or other statements of any licensee or any person
15 affiliated with the licensee who is involved directly or
16 indirectly in the activities of any licensee as regulated under
17 this Act to the extent that those financial or other statements
18 relate to such activities be kept in such manner as prescribed
19 by the Board, and that Board employees shall have access to
20 those records during reasonable business hours. Within 120 days
21 of the end of its fiscal year, each licensee shall transmit to
22 the Board an audit of the financial transactions and condition
23 of the licensee's total operations. All audits shall be
24 conducted by certified public accountants. Each certified
25 public accountant must be registered in the State of Illinois
26 under the Illinois Public Accounting Act. The compensation for

1 each certified public accountant shall be paid directly by the
2 licensee to the certified public accountant. A licensee shall
3 also submit any other financial or related information the
4 Board deems necessary to effectively administer this Act and
5 all rules, regulations, and final decisions promulgated under
6 this Act.

7 (h) The Board shall name and appoint in the manner provided
8 by the rules and regulations of the Board: an Executive
9 Director; a State director of mutuels; State veterinarians and
10 representatives to take saliva, blood, urine and other tests on
11 horses; licensing personnel; revenue inspectors; and State
12 seasonal employees (excluding admission ticket sellers and
13 mutuel clerks). All of those named and appointed as provided in
14 this subsection shall serve during the pleasure of the Board;
15 their compensation shall be determined by the Board and be paid
16 in the same manner as other employees of the Board under this
17 Act.

18 (i) The Board shall require that there shall be 3 stewards
19 at each horse race meeting, at least 2 of whom shall be named
20 and appointed by the Board. Stewards appointed or approved by
21 the Board, while performing duties required by this Act or by
22 the Board, shall be entitled to the same rights and immunities
23 as granted to Board members and Board employees in Section 10
24 of this Act.

25 (j) The Board may discharge any Board employee who fails or
26 refuses for any reason to comply with the rules and regulations

1 of the Board, or who, in the opinion of the Board, is guilty of
2 fraud, dishonesty or who is proven to be incompetent. The Board
3 shall have no right or power to determine who shall be
4 officers, directors or employees of any licensee, or their
5 salaries except the Board may, by rule, require that all or any
6 officials or employees in charge of or whose duties relate to
7 the actual running of races be approved by the Board.

8 (k) The Board is vested with the power to appoint delegates
9 to execute any of the powers granted to it under this Section
10 for the purpose of administering this Act and any rules or
11 regulations promulgated in accordance with this Act.

12 (l) The Board is vested with the power to impose civil
13 penalties of up to \$5,000 against an individual and up to
14 \$10,000 against a licensee for each violation of any provision
15 of this Act, any rules adopted by the Board, any order of the
16 Board or any other action which, in the Board's discretion, is
17 a detriment or impediment to horse racing or wagering.
18 Beginning on the date when any organization licensee begins
19 conducting electronic gaming pursuant to an electronic gaming
20 license issued under the Illinois Gambling Act, the power
21 granted to the Board pursuant to this subsection (l) shall
22 authorize the Board to impose penalties of up to \$10,000
23 against an individual and up to \$25,000 against a licensee. All
24 such civil penalties shall be deposited into the Horse Racing
25 Fund.

26 (m) The Board is vested with the power to prescribe a form

1 to be used by licensees as an application for employment for
2 employees of each licensee.

3 (n) The Board shall have the power to issue a license to
4 any county fair, or its agent, authorizing the conduct of the
5 pari-mutuel system of wagering. The Board is vested with the
6 full power to promulgate reasonable rules, regulations and
7 conditions under which all horse race meetings licensed
8 pursuant to this subsection shall be held and conducted,
9 including rules, regulations and conditions for the conduct of
10 the pari-mutuel system of wagering. The rules, regulations and
11 conditions shall provide for the prevention of practices
12 detrimental to the public interest and for the best interests
13 of horse racing, and shall prescribe penalties for violations
14 thereof. Any authority granted the Board under this Act shall
15 extend to its jurisdiction and supervision over county fairs,
16 or their agents, licensed pursuant to this subsection. However,
17 the Board may waive any provision of this Act or its rules or
18 regulations which would otherwise apply to such county fairs or
19 their agents.

20 (o) Whenever the Board is authorized or required by law to
21 consider some aspect of criminal history record information for
22 the purpose of carrying out its statutory powers and
23 responsibilities, then, upon request and payment of fees in
24 conformance with the requirements of Section 2605-400 of the
25 Department of State Police Law (20 ILCS 2605/2605-400), the
26 Department of State Police is authorized to furnish, pursuant

1 to positive identification, such information contained in
2 State files as is necessary to fulfill the request.

3 (p) To insure the convenience, comfort, and wagering
4 accessibility of race track patrons, to provide for the
5 maximization of State revenue, and to generate increases in
6 purse allotments to the horsemen, the Board shall require any
7 licensee to staff the pari-mutuel department with adequate
8 personnel.

9 (Source: P.A. 97-1060, eff. 8-24-12.)

10 (230 ILCS 5/15) (from Ch. 8, par. 37-15)

11 Sec. 15. (a) The Board shall, in its discretion, issue
12 occupation licenses to horse owners, trainers, harness
13 drivers, jockeys, agents, apprentices, grooms, stable foremen,
14 exercise persons, veterinarians, valets, blacksmiths,
15 concessionaires and others designated by the Board whose work,
16 in whole or in part, is conducted upon facilities within the
17 State. Such occupation licenses will be obtained prior to the
18 persons engaging in their vocation upon such facilities. The
19 Board shall not license pari-mutuel clerks, parking
20 attendants, security guards and employees of concessionaires.
21 No occupation license shall be required of any person who works
22 at facilities within this State as a pari-mutuel clerk, parking
23 attendant, security guard or as an employee of a
24 concessionaire. Concessionaires of the Illinois State Fair and
25 DuQuoin State Fair and employees of the Illinois Department of

1 Agriculture shall not be required to obtain an occupation
2 license by the Board.

3 (b) Each application for an occupation license shall be on
4 forms prescribed by the Board. Such license, when issued, shall
5 be for the period ending December 31 of each year, except that
6 the Board in its discretion may grant 3-year licenses. The
7 application shall be accompanied by a fee of not more than \$25
8 per year or, in the case of 3-year occupation license
9 applications, a fee of not more than \$60. Each applicant shall
10 set forth in the application his full name and address, and if
11 he had been issued prior occupation licenses or has been
12 licensed in any other state under any other name, such name,
13 his age, whether or not a permit or license issued to him in
14 any other state has been suspended or revoked and if so whether
15 such suspension or revocation is in effect at the time of the
16 application, and such other information as the Board may
17 require. Fees for registration of stable names shall not exceed
18 \$50.00. Beginning on the date when any organization licensee
19 begins conducting electronic gaming pursuant to an electronic
20 gaming license issued under the Illinois Gambling Act, the fee
21 for registration of stable names shall not exceed \$150, and the
22 application fee for an occupation license shall not exceed \$75,
23 per year or, in the case of a 3-year occupation license
24 application, the fee shall not exceed \$180.

25 (c) The Board may in its discretion refuse an occupation
26 license to any person:

- 1 (1) who has been convicted of a crime;
- 2 (2) who is unqualified to perform the duties required
3 of such applicant;
- 4 (3) who fails to disclose or states falsely any
5 information called for in the application;
- 6 (4) who has been found guilty of a violation of this
7 Act or of the rules and regulations of the Board; or
- 8 (5) whose license or permit has been suspended, revoked
9 or denied for just cause in any other state.
- 10 (d) The Board may suspend or revoke any occupation license:
- 11 (1) for violation of any of the provisions of this Act;
12 or
- 13 (2) for violation of any of the rules or regulations of
14 the Board; or
- 15 (3) for any cause which, if known to the Board, would
16 have justified the Board in refusing to issue such
17 occupation license; or
- 18 (4) for any other just cause.
- 19 (e) Each applicant shall submit his or her fingerprints
20 to the Department of State Police in the form and manner
21 prescribed by the Department of State Police. These
22 fingerprints shall be checked against the fingerprint records
23 now and hereafter filed in the Department of State Police and
24 Federal Bureau of Investigation criminal history records
25 databases. The Department of State Police shall charge a fee
26 for conducting the criminal history records check, which shall

1 be deposited in the State Police Services Fund and shall not
2 exceed the actual cost of the records check. The Department of
3 State Police shall furnish, pursuant to positive
4 identification, records of conviction to the Board. Each
5 applicant for licensure shall submit with his occupation
6 license application, on forms provided by the Board, 2 sets of
7 his fingerprints. All such applicants shall appear in person at
8 the location designated by the Board for the purpose of
9 submitting such sets of fingerprints; however, with the prior
10 approval of a State steward, an applicant may have such sets of
11 fingerprints taken by an official law enforcement agency and
12 submitted to the Board.

13 (f) The Board may, in its discretion, issue an occupation
14 license without submission of fingerprints if an applicant has
15 been duly licensed in another recognized racing jurisdiction
16 after submitting fingerprints that were subjected to a Federal
17 Bureau of Investigation criminal history background check in
18 that jurisdiction.

19 (g) Beginning on the date when any organization licensee
20 begins conducting electronic gaming pursuant to an electronic
21 gaming license issued under the Illinois Gambling Act, the
22 Board may charge each applicant a reasonable non-refundable fee
23 to defray the costs associated with the background
24 investigation conducted by the Board. This fee shall be
25 exclusive of any other fee or fees charged in connection with
26 an application for and, if applicable, the issuance of, an

1 electronic gaming license. If the costs of the investigation
2 exceed the amount of the fee charged, the Board shall
3 immediately notify the applicant of the additional amount owed,
4 payment of which must be submitted to the Board within 7 days
5 after such notification. All information, records, interviews,
6 reports, statements, memoranda, or other data supplied to or
7 used by the Board in the course of its review or investigation
8 of an applicant for a license or renewal under this Act shall
9 be privileged, strictly confidential, and shall be used only
10 for the purpose of evaluating an applicant for a license or a
11 renewal. Such information, records, interviews, reports,
12 statements, memoranda, or other data shall not be admissible as
13 evidence, nor discoverable, in any action of any kind in any
14 court or before any tribunal, board, agency, or person, except
15 for any action deemed necessary by the Board.

16 (Source: P.A. 93-418, eff. 1-1-04.)

17 (230 ILCS 5/18) (from Ch. 8, par. 37-18)

18 Sec. 18. (a) Together with its application, each applicant
19 for racing dates shall deliver to the Board a certified check
20 or bank draft payable to the order of the Board for \$1,000. In
21 the event the applicant applies for racing dates in 2 or 3
22 successive calendar years as provided in subsection (b) of
23 Section 21, the fee shall be \$2,000. Filing fees shall not be
24 refunded in the event the application is denied. Beginning on
25 the date when any organization licensee begins conducting

1 electronic gaming pursuant to an electronic gaming license
2 issued under the Illinois Gambling Act, the application fee for
3 racing dates imposed by this subsection (a) shall be \$10,000
4 and the application fee for racing dates in 2 or 3 successive
5 calendar years as provided in subsection (b) of Section 21
6 shall be \$20,000. All filing fees shall be deposited into the
7 Horse Racing Fund.

8 (b) In addition to the filing fee imposed by subsection (a)
9 ~~of \$1000~~ and the fees provided in subsection (j) of Section 20,
10 each organization licensee shall pay a license fee of \$100 for
11 each racing program on which its daily pari-mutuel handle is
12 \$400,000 or more but less than \$700,000, and a license fee of
13 \$200 for each racing program on which its daily pari-mutuel
14 handle is \$700,000 or more. The additional fees required to be
15 paid under this Section by this amendatory Act of 1982 shall be
16 remitted by the organization licensee to the Illinois Racing
17 Board with each day's graduated privilege tax or pari-mutuel
18 tax and breakage as provided under Section 27. Beginning on the
19 date when any organization licensee begins conducting
20 electronic gaming pursuant to an electronic gaming license
21 issued under the Illinois Gambling Act, the license fee imposed
22 by this subsection (b) shall be \$200 for each racing program on
23 which the organization licensee's daily pari-mutuel handle is
24 \$100,000 or more, but less than \$400,000, and the license fee
25 imposed by this subsection (b) shall be \$400 for each racing
26 program on which the organization licensee's daily pari-mutuel

1 handle is \$400,000 or more.

2 (c) Sections 11-42-1, 11-42-5, and 11-54-1 of the "Illinois
3 Municipal Code," approved May 29, 1961, as now or hereafter
4 amended, shall not apply to any license under this Act.

5 (Source: P.A. 97-1060, eff. 8-24-12.)

6 (230 ILCS 5/19) (from Ch. 8, par. 37-19)

7 Sec. 19. (a) No organization license may be granted to
8 conduct a horse race meeting:

9 (1) except as provided in subsection (c) of Section 21
10 of this Act, to any person at any place within 35 miles of
11 any other place licensed by the Board to hold a race
12 meeting on the same date during the same hours, the mileage
13 measurement used in this subsection (a) shall be certified
14 to the Board by the Bureau of Systems and Services in the
15 Illinois Department of Transportation as the most commonly
16 used public way of vehicular travel;

17 (2) to any person in default in the payment of any
18 obligation or debt due the State under this Act, provided
19 no applicant shall be deemed in default in the payment of
20 any obligation or debt due to the State under this Act as
21 long as there is pending a hearing of any kind relevant to
22 such matter;

23 (3) to any person who has been convicted of the
24 violation of any law of the United States or any State law
25 which provided as all or part of its penalty imprisonment

1 in any penal institution; to any person against whom there
2 is pending a Federal or State criminal charge; to any
3 person who is or has been connected with or engaged in the
4 operation of any illegal business; to any person who does
5 not enjoy a general reputation in his community of being an
6 honest, upright, law-abiding person; provided that none of
7 the matters set forth in this subparagraph (3) shall make
8 any person ineligible to be granted an organization license
9 if the Board determines, based on circumstances of any such
10 case, that the granting of a license would not be
11 detrimental to the interests of horse racing and of the
12 public;

13 (4) to any person who does not at the time of
14 application for the organization license own or have a
15 contract or lease for the possession of a finished race
16 track suitable for the type of racing intended to be held
17 by the applicant and for the accommodation of the public.

18 (b) (Blank) ~~Horse racing on Sunday shall be prohibited~~
19 ~~unless authorized by ordinance or referendum of the~~
20 ~~municipality in which a race track or any of its appurtenances~~
21 ~~or facilities are located, or utilized.~~

22 (c) If any person is ineligible to receive an organization
23 license because of any of the matters set forth in subsection
24 (a) (2) or subsection (a) (3) of this Section, any other or
25 separate person that either (i) controls, directly or
26 indirectly, such ineligible person or (ii) is controlled,

1 directly or indirectly, by such ineligible person or by a
2 person which controls, directly or indirectly, such ineligible
3 person shall also be ineligible.

4 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)

5 (230 ILCS 5/20) (from Ch. 8, par. 37-20)

6 Sec. 20. (a) Any person desiring to conduct a horse race
7 meeting may apply to the Board for an organization license. The
8 application shall be made on a form prescribed and furnished by
9 the Board. The application shall specify:

10 (1) the dates on which it intends to conduct the horse
11 race meeting, which dates shall be provided under Section
12 21;

13 (2) the hours of each racing day between which it
14 intends to hold or conduct horse racing at such meeting;

15 (3) the location where it proposes to conduct the
16 meeting; and

17 (4) any other information the Board may reasonably
18 require.

19 (b) A separate application for an organization license
20 shall be filed for each horse race meeting which such person
21 proposes to hold. Any such application, if made by an
22 individual, or by any individual as trustee, shall be signed
23 and verified under oath by such individual. If the application
24 is made by individuals, then it shall be signed and verified
25 under oath by at least 2 of the individuals; if the application

1 ~~is made by or~~ a partnership, ~~it shall be signed and verified~~
2 ~~under oath by at least 2 of such individuals or members of such~~
3 ~~partnership as the case may be. If made by an association, a~~
4 corporation, a corporate trustee, a limited liability company,
5 or any other entity, it shall be signed by an authorized
6 officer, a partner, a member, or a manager, as the case may be,
7 of the entity ~~the president and attested by the secretary or~~
8 ~~assistant secretary under the seal of such association, trust~~
9 ~~or corporation if it has a seal, and shall also be verified~~
10 ~~under oath by one of the signing officers.~~

11 (c) The application shall specify:

12 (1) the name of the persons, association, trust, or
13 corporation making such application; and

14 (2) the principal ~~post office~~ address of the applicant;

15 (3) if the applicant is a trustee, the names and
16 addresses of the beneficiaries; if the applicant is a
17 corporation, the names and ~~post office~~ addresses of all
18 officers, stockholders and directors; or if such
19 stockholders hold stock as a nominee or fiduciary, the
20 names and ~~post office~~ addresses of the parties ~~these~~
21 persons, partnerships, corporations, or trusts who are the
22 beneficial owners thereof or who are beneficially
23 interested therein; and if the applicant is a partnership,
24 the names and ~~post office~~ addresses of all partners,
25 general or limited; if the applicant is a limited liability
26 company, the names and addresses of the manager and

1 members; and if the applicant is any other entity, the
2 names and addresses of all officers or other authorized
3 persons of the entity ~~corporation, the name of the state of~~
4 ~~its incorporation shall be specified.~~

5 (d) The applicant shall execute and file with the Board a
6 good faith affirmative action plan to recruit, train, and
7 upgrade minorities in all classifications within the
8 association.

9 (e) With such application there shall be delivered to the
10 Board a certified check or bank draft payable to the order of
11 the Board for an amount equal to \$1,000. All applications for
12 the issuance of an organization license shall be filed with the
13 Board before August 1 of the year prior to the year for which
14 application is made and shall be acted upon by the Board at a
15 meeting to be held on such date as shall be fixed by the Board
16 during the last 15 days of September of such prior year. At
17 such meeting, the Board shall announce the award of the racing
18 meets, live racing schedule, and designation of host track to
19 the applicants and its approval or disapproval of each
20 application. No announcement shall be considered binding until
21 a formal order is executed by the Board, which shall be
22 executed no later than October 15 of that prior year. Absent
23 the agreement of the affected organization licensees, the Board
24 shall not grant overlapping race meetings to 2 or more tracks
25 that are within 100 miles of each other to conduct the
26 thoroughbred racing.

1 (e-1) In awarding standardbred racing dates for calendar
2 year 2018 and thereafter, the Board shall award at least 310
3 racing days, and each organization licensee shall average at
4 least 12 races for each racing day awarded. The Board shall
5 have the discretion to allocate those racing days among
6 organization licensees requesting standardbred racing dates.
7 Once awarded by the Board, organization licensees awarded
8 standardbred racing dates shall run at least 3,500 races in
9 total during that calendar year. Standardbred racing conducted
10 in Sangamon County shall not be considered races under this
11 subsection (e-1).

12 (e-2) In awarding racing dates for calendar year 2018 and
13 thereafter, the Board shall award thoroughbred racing days to
14 Cook County organization licensees commensurate with these
15 organization licensees' requirement that they shall run at
16 least 1,950 thoroughbred races in the aggregate, so long as 2
17 organization licensees are conducting electronic gaming
18 operations. Additionally, if the organization licensees that
19 run thoroughbred races in Cook County are conducting electronic
20 gaming operations, the Board shall increase the number of
21 thoroughbred races to be run in Cook County in the aggregate to
22 at least the following:

23 (i) 2,050 races in any year following the most recent
24 preceding complete calendar year when the combined
25 adjusted gross receipts of the electronic gaming licensees
26 operating at Cook County race tracks total in excess of

1 \$200,000,000, but do not exceed \$250,000,000;

2 (ii) 2,125 races in any year following the most recent
3 preceding complete calendar year when the combined
4 adjusted gross receipts of the electronic gaming licensees
5 operating at Cook County race tracks total in excess of
6 \$250,000,000, but do not exceed \$300,000,000;

7 (iii) 2,200 races in any year following the most recent
8 preceding complete calendar year when the combined
9 adjusted gross receipts of the electronic gaming licensees
10 operating at Cook County race tracks total in excess of
11 \$300,000,000, but do not exceed \$350,000,000;

12 (iv) 2,300 races in any year following the most recent
13 preceding complete calendar year when the combined
14 adjusted gross receipts of the electronic gaming licensees
15 operating at Cook County race tracks total in excess of
16 \$350,000,000, but do not exceed \$400,000,000;

17 (v) 2,375 races in any year following the most recent
18 preceding complete calendar year when the combined
19 adjusted gross receipts of the electronic gaming licensees
20 operating at Cook County race tracks total in excess of
21 \$400,000,000, but do not exceed \$450,000,000;

22 (vi) 2,450 races in any year following the most recent
23 preceding complete calendar year when the combined
24 adjusted gross receipts of the electronic gaming licensees
25 operating at Cook County race tracks total in excess of
26 \$450,000,000, but do not exceed \$500,000,000;

1 (vii) 2,550 races in any year following the most recent
2 preceding complete calendar year when the combined
3 adjusted gross receipts of the electronic gaming licensees
4 operating at Cook County race tracks exceeds \$500,000,000.

5 In awarding racing dates under this subsection (e-2), the
6 Board shall have the discretion to allocate those thoroughbred
7 racing dates among these Cook County organization licensees.

8 (e-3) In awarding racing dates for calendar year 2018 and
9 thereafter in connection with a race track in Madison County,
10 the Board shall award racing dates and such organization
11 licensee shall run at least 700 thoroughbred races at the race
12 track in Madison County each year.

13 Notwithstanding Section 7.7 of the Illinois Gambling Act or
14 any provision of this Act other than subsection (e-4.5), for
15 each calendar year for which an electronic gaming licensee
16 located in Madison County requests racing dates resulting in
17 less than 700 live thoroughbred races at its race track
18 facility, the electronic gaming licensee may not conduct
19 electronic gaming for the calendar year of such requested live
20 races.

21 (e-4) Notwithstanding the provisions of Section 7.7 of the
22 Illinois Gambling Act or any provision of this Act other than
23 subsections (e-3) and (e-4.5), for each calendar year for which
24 an electronic gaming licensee requests racing dates for a
25 specific horse breed which results in a number of live races
26 for that specific breed under its organization license that is

1 less than the total number of live races for that specific
2 breed which it conducted in 2011 for standardbred racing and in
3 2016 for thoroughbred racing at its race track facility, the
4 electronic gaming licensee may not conduct electronic gaming
5 for the calendar year of such requested live races.

6 (e-4.5) The Board shall ensure that each organization
7 licensee shall individually run a sufficient number of races
8 per year to qualify for an electronic gaming license under this
9 Act. The General Assembly finds that the minimum live racing
10 guarantees contained in subsections (e-1), (e-2), and (e-3) are
11 in the best interest of the sport of horse racing, and that
12 such guarantees may only be reduced in the limited
13 circumstances described in this subsection. The Board may
14 decrease the number of racing days without affecting an
15 organization licensee's ability to conduct electronic gaming
16 only if the Board determines, after notice and hearing, that:

17 (i) a decrease is necessary to maintain a sufficient
18 number of betting interests per race to ensure the
19 integrity of racing;

20 (ii) there are unsafe track conditions due to weather
21 or acts of God;

22 (iii) there is an agreement between an organization
23 licensee and the breed association that is applicable to
24 the involved live racing guarantee, such association
25 representing either the largest number of thoroughbred
26 owners and trainers or the largest number of standardbred

1 owners, trainers and drivers who race horses at the
2 involved organization licensee's racing meeting, so long
3 as the agreement does not compromise the integrity of the
4 sport of horse racing; or

5 (iv) the horse population or purse levels are
6 insufficient to provide the number of racing opportunities
7 otherwise required in this Act.

8 In decreasing the number of racing dates in accordance with
9 this subsection, the Board shall hold a hearing and shall
10 provide the public and all interested parties notice and an
11 opportunity to be heard. The Board shall accept testimony from
12 all interested parties, including any association representing
13 owners, trainers, jockeys, or drivers who will be affected by
14 the decrease in racing dates. The Board shall provide a written
15 explanation of the reasons for the decrease and the Board's
16 findings. The written explanation shall include a listing and
17 content of all communication between any party and any Illinois
18 Racing Board member or staff that does not take place at a
19 public meeting of the Board.

20 (e-5) In reviewing an application for the purpose of
21 granting an organization license consistent with the best
22 interests of the public and the sport of horse racing, the
23 Board shall consider:

24 (1) the character, reputation, experience, and
25 financial integrity of the applicant and of any other
26 separate person that either:

1 (i) controls the applicant, directly or
2 indirectly, or

3 (ii) is controlled, directly or indirectly, by
4 that applicant or by a person who controls, directly or
5 indirectly, that applicant;

6 (2) the applicant's facilities or proposed facilities
7 for conducting horse racing;

8 (3) the total revenue without regard to Section 32.1 to
9 be derived by the State and horsemen from the applicant's
10 conducting a race meeting;

11 (4) the applicant's good faith affirmative action plan
12 to recruit, train, and upgrade minorities in all employment
13 classifications;

14 (5) the applicant's financial ability to purchase and
15 maintain adequate liability and casualty insurance;

16 (6) the applicant's proposed and prior year's
17 promotional and marketing activities and expenditures of
18 the applicant associated with those activities;

19 (7) an agreement, if any, among organization licensees
20 as provided in subsection (b) of Section 21 of this Act;
21 and

22 (8) the extent to which the applicant exceeds or meets
23 other standards for the issuance of an organization license
24 that the Board shall adopt by rule.

25 In granting organization licenses and allocating dates for
26 horse race meetings, the Board shall have discretion to

1 determine an overall schedule, including required simulcasts
2 of Illinois races by host tracks that will, in its judgment, be
3 conducive to the best interests of the public and the sport of
4 horse racing.

5 (e-10) The Illinois Administrative Procedure Act shall
6 apply to administrative procedures of the Board under this Act
7 for the granting of an organization license, except that (1)
8 notwithstanding the provisions of subsection (b) of Section
9 10-40 of the Illinois Administrative Procedure Act regarding
10 cross-examination, the Board may prescribe rules limiting the
11 right of an applicant or participant in any proceeding to award
12 an organization license to conduct cross-examination of
13 witnesses at that proceeding where that cross-examination
14 would unduly obstruct the timely award of an organization
15 license under subsection (e) of Section 20 of this Act; (2) the
16 provisions of Section 10-45 of the Illinois Administrative
17 Procedure Act regarding proposals for decision are excluded
18 under this Act; (3) notwithstanding the provisions of
19 subsection (a) of Section 10-60 of the Illinois Administrative
20 Procedure Act regarding ex parte communications, the Board may
21 prescribe rules allowing ex parte communications with
22 applicants or participants in a proceeding to award an
23 organization license where conducting those communications
24 would be in the best interest of racing, provided all those
25 communications are made part of the record of that proceeding
26 pursuant to subsection (c) of Section 10-60 of the Illinois

1 Administrative Procedure Act; (4) the provisions of Section 14a
2 of this Act and the rules of the Board promulgated under that
3 Section shall apply instead of the provisions of Article 10 of
4 the Illinois Administrative Procedure Act regarding
5 administrative law judges; and (5) the provisions of subsection
6 (d) of Section 10-65 of the Illinois Administrative Procedure
7 Act that prevent summary suspension of a license pending
8 revocation or other action shall not apply.

9 (f) The Board may allot racing dates to an organization
10 licensee for more than one calendar year but for no more than 3
11 successive calendar years in advance, provided that the Board
12 shall review such allotment for more than one calendar year
13 prior to each year for which such allotment has been made. The
14 granting of an organization license to a person constitutes a
15 privilege to conduct a horse race meeting under the provisions
16 of this Act, and no person granted an organization license
17 shall be deemed to have a vested interest, property right, or
18 future expectation to receive an organization license in any
19 subsequent year as a result of the granting of an organization
20 license. Organization licenses shall be subject to revocation
21 if the organization licensee has violated any provision of this
22 Act or the rules and regulations promulgated under this Act or
23 has been convicted of a crime or has failed to disclose or has
24 stated falsely any information called for in the application
25 for an organization license. Any organization license
26 revocation proceeding shall be in accordance with Section 16

1 regarding suspension and revocation of occupation licenses.

2 (f-5) If, (i) an applicant does not file an acceptance of
3 the racing dates awarded by the Board as required under part
4 (1) of subsection (h) of this Section 20, or (ii) an
5 organization licensee has its license suspended or revoked
6 under this Act, the Board, upon conducting an emergency hearing
7 as provided for in this Act, may reaward on an emergency basis
8 pursuant to rules established by the Board, racing dates not
9 accepted or the racing dates associated with any suspension or
10 revocation period to one or more organization licensees, new
11 applicants, or any combination thereof, upon terms and
12 conditions that the Board determines are in the best interest
13 of racing, provided, the organization licensees or new
14 applicants receiving the awarded racing dates file an
15 acceptance of those reawarded racing dates as required under
16 paragraph (1) of subsection (h) of this Section 20 and comply
17 with the other provisions of this Act. The Illinois
18 Administrative Procedure Act shall not apply to the
19 administrative procedures of the Board in conducting the
20 emergency hearing and the reallocation of racing dates on an
21 emergency basis.

22 (g) (Blank).

23 (h) The Board shall send the applicant a copy of its
24 formally executed order by certified mail addressed to the
25 applicant at the address stated in his application, which
26 notice shall be mailed within 5 days of the date the formal

1 order is executed.

2 Each applicant notified shall, within 10 days after receipt
3 of the final executed order of the Board awarding racing dates:

4 (1) file with the Board an acceptance of such award in
5 the form prescribed by the Board;

6 (2) pay to the Board an additional amount equal to \$110
7 for each racing date awarded; and

8 (3) file with the Board the bonds required in Sections
9 21 and 25 at least 20 days prior to the first day of each
10 race meeting.

11 Upon compliance with the provisions of paragraphs (1), (2), and
12 (3) of this subsection (h), the applicant shall be issued an
13 organization license.

14 If any applicant fails to comply with this Section or fails
15 to pay the organization license fees herein provided, no
16 organization license shall be issued to such applicant.

17 (Source: P.A. 97-333, eff. 8-12-11.)

18 (230 ILCS 5/21) (from Ch. 8, par. 37-21)

19 Sec. 21. (a) Applications for organization licenses must be
20 filed with the Board at a time and place prescribed by the
21 rules and regulations of the Board. The Board shall examine the
22 applications within 21 days after the date allowed for filing
23 with respect to their conformity with this Act and such rules
24 and regulations as may be prescribed by the Board. If any
25 application does not comply with this Act or the rules and

1 regulations prescribed by the Board, such application may be
2 rejected and an organization license refused to the applicant,
3 or the Board may, within 21 days of the receipt of such
4 application, advise the applicant of the deficiencies of the
5 application under the Act or the rules and regulations of the
6 Board, and require the submittal of an amended application
7 within a reasonable time determined by the Board; and upon
8 submittal of the amended application by the applicant, the
9 Board may consider the application consistent with the process
10 described in subsection (e-5) of Section 20 of this Act. If it
11 is found to be in compliance with this Act and the rules and
12 regulations of the Board, the Board may then issue an
13 organization license to such applicant.

14 (b) The Board may exercise discretion in granting racing
15 dates to qualified applicants different from those requested by
16 the applicants in their applications. However, if all eligible
17 applicants for organization licenses whose tracks are located
18 within 100 miles of each other execute and submit to the Board
19 a written agreement among such applicants as to the award of
20 racing dates, including where applicable racing programs, for
21 up to 3 consecutive years, then subject to annual review of
22 each applicant's compliance with Board rules and regulations,
23 provisions of this Act and conditions contained in annual dates
24 orders issued by the Board, the Board may grant such dates and
25 programs to such applicants as so agreed by them if the Board
26 determines that the grant of these racing dates is in the best

1 interests of racing. The Board shall treat any such agreement
2 as the agreement signatories' joint and several application for
3 racing dates during the term of the agreement.

4 (c) Where 2 or more applicants propose to conduct horse
5 race meetings within 35 miles of each other, as certified to
6 the Board under Section 19 (a) (1) of this Act, on conflicting
7 dates, the Board may determine and grant the number of racing
8 days to be awarded to the several applicants in accordance with
9 the provisions of subsection (e-5) of Section 20 of this Act.

10 (d) (Blank).

11 (e) Prior to the issuance of an organization license, the
12 applicant shall file with the Board a bond payable to the State
13 of Illinois in the sum of \$200,000, executed by the applicant
14 and a surety company or companies authorized to do business in
15 this State, and conditioned upon the payment by the
16 organization licensee of all taxes due under Section 27, other
17 monies due and payable under this Act, all purses due and
18 payable, and that the organization licensee will upon
19 presentation of the winning ticket or tickets distribute all
20 sums due to the patrons of pari-mutuel pools. Beginning on the
21 date when any organization licensee begins conducting
22 electronic gaming pursuant to an electronic gaming license
23 issued under the Illinois Gambling Act, the amount of the bond
24 required under this subsection (e) shall be \$500,000.

25 (f) Each organization license shall specify the person to
26 whom it is issued, the dates upon which horse racing is

1 permitted, and the location, place, track, or enclosure where
2 the horse race meeting is to be held.

3 (g) Any person who owns one or more race tracks within the
4 State may seek, in its own name, a separate organization
5 license for each race track.

6 (h) All racing conducted under such organization license is
7 subject to this Act and to the rules and regulations from time
8 to time prescribed by the Board, and every such organization
9 license issued by the Board shall contain a recital to that
10 effect.

11 (i) Each such organization licensee may provide that at
12 least one race per day may be devoted to the racing of quarter
13 horses, appaloosas, arabians, or paints.

14 (j) In acting on applications for organization licenses,
15 the Board shall give weight to an organization license which
16 has implemented a good faith affirmative action effort to
17 recruit, train and upgrade minorities in all classifications
18 within the organization license.

19 (Source: P.A. 90-754, eff. 1-1-99; 91-40, eff. 6-25-99.)

20 (230 ILCS 5/24) (from Ch. 8, par. 37-24)

21 Sec. 24. (a) No license shall be issued to or held by an
22 organization licensee unless all of its officers, directors,
23 and holders of ownership interests of at least 5% are first
24 approved by the Board. The Board shall not give approval of an
25 organization license application to any person who has been

1 convicted of or is under an indictment for a crime of moral
2 turpitude or has violated any provision of the racing law of
3 this State or any rules of the Board.

4 (b) An organization licensee must notify the Board within
5 10 days of any change in the holders of a direct or indirect
6 interest in the ownership of the organization licensee. The
7 Board may, after hearing, revoke the organization license of
8 any person who registers on its books or knowingly permits a
9 direct or indirect interest in the ownership of that person
10 without notifying the Board of the name of the holder in
11 interest within this period.

12 (c) In addition to the provisions of subsection (a) of this
13 Section, no person shall be granted an organization license if
14 any public official of the State or member of his or her family
15 holds any ownership or financial interest, directly or
16 indirectly, in the person.

17 (d) No person which has been granted an organization
18 license to hold a race meeting shall give to any public
19 official or member of his family, directly or indirectly, for
20 or without consideration, any interest in the person. The Board
21 shall, after hearing, revoke the organization license granted
22 to a person which has violated this subsection.

23 (e) (Blank).

24 (f) No organization licensee or concessionaire or officer,
25 director or holder or controller of 5% or more legal or
26 beneficial interest in any organization licensee or concession

1 shall make any sort of gift or contribution that is prohibited
2 under Article 10 of the State Officials and Employees Ethics
3 Act of any kind or pay or give any money or other thing of value
4 to any person who is a public official, or a candidate or
5 nominee for public office if that payment or gift is prohibited
6 under Article 10 of the State Officials and Employees Ethics
7 Act.

8 (Source: P.A. 89-16, eff. 5-30-95.)

9 (230 ILCS 5/25) (from Ch. 8, par. 37-25)

10 Sec. 25. Admission charge; bond; fine.

11 (a) There shall be paid to the Board at such time or times
12 as it shall prescribe, the sum of fifteen cents (15¢) for each
13 person entering the grounds or enclosure of each organization
14 licensee and inter-track wagering licensee upon a ticket of
15 admission except as provided in subsection (g) of Section 27 of
16 this Act. If tickets are issued for more than one day then the
17 sum of fifteen cents (15¢) shall be paid for each person using
18 such ticket on each day that the same shall be used. Provided,
19 however, that no charge shall be made on tickets of admission
20 issued to and in the name of directors, officers, agents or
21 employees of the organization licensee, or inter-track
22 wagering licensee, or to owners, trainers, jockeys, drivers and
23 their employees or to any person or persons entering the
24 grounds or enclosure for the transaction of business in
25 connection with such race meeting. The organization licensee or

1 inter-track wagering licensee may, if it desires, collect such
2 amount from each ticket holder in addition to the amount or
3 amounts charged for such ticket of admission. Beginning on the
4 date when any organization licensee begins conducting
5 electronic gaming pursuant to an electronic gaming license
6 issued under the Illinois Gambling Act, the admission charge
7 imposed by this subsection (a) shall be 40 cents for each
8 person entering the grounds or enclosure of each organization
9 licensee and inter-track wagering licensee upon a ticket of
10 admission, and if such tickets are issued for more than one
11 day, 40 cents shall be paid for each person using such ticket
12 on each day that the same shall be used.

13 (b) Accurate records and books shall at all times be kept
14 and maintained by the organization licensees and inter-track
15 wagering licensees showing the admission tickets issued and
16 used on each racing day and the attendance thereat of each
17 horse racing meeting. The Board or its duly authorized
18 representative or representatives shall at all reasonable
19 times have access to the admission records of any organization
20 licensee and inter-track wagering licensee for the purpose of
21 examining and checking the same and ascertaining whether or not
22 the proper amount has been or is being paid the State of
23 Illinois as herein provided. The Board shall also require,
24 before issuing any license, that the licensee shall execute and
25 deliver to it a bond, payable to the State of Illinois, in such
26 sum as it shall determine, not, however, in excess of fifty

1 thousand dollars (\$50,000), with a surety or sureties to be
2 approved by it, conditioned for the payment of all sums due and
3 payable or collected by it under this Section upon admission
4 fees received for any particular racing meetings. The Board may
5 also from time to time require sworn statements of the number
6 or numbers of such admissions and may prescribe blanks upon
7 which such reports shall be made. Any organization licensee or
8 inter-track wagering licensee failing or refusing to pay the
9 amount found to be due as herein provided, shall be deemed
10 guilty of a business offense and upon conviction shall be
11 punished by a fine of not more than five thousand dollars
12 (\$5,000) in addition to the amount due from such organization
13 licensee or inter-track wagering licensee as herein provided.
14 All fines paid into court by an organization licensee or
15 inter-track wagering licensee found guilty of violating this
16 Section shall be transmitted and paid over by the clerk of the
17 court to the Board. Beginning on the date when any organization
18 licensee begins conducting electronic gaming pursuant to an
19 electronic gaming license issued under the Illinois Gambling
20 Act, any fine imposed pursuant to this subsection (b) shall not
21 exceed \$10,000.

22 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)

23 (230 ILCS 5/26) (from Ch. 8, par. 37-26)

24 Sec. 26. Wagering.

25 (a) Any licensee may conduct and supervise the pari-mutuel

1 system of wagering, as defined in Section 3.12 of this Act, on
2 horse races conducted by an Illinois organization licensee or
3 conducted at a racetrack located in another state or country
4 ~~and televised in Illinois~~ in accordance with subsection (g) of
5 Section 26 of this Act. Subject to the prior consent of the
6 Board, licensees may supplement any pari-mutuel pool in order
7 to guarantee a minimum distribution. Such pari-mutuel method of
8 wagering shall not, under any circumstances if conducted under
9 the provisions of this Act, be held or construed to be
10 unlawful, other statutes of this State to the contrary
11 notwithstanding. Subject to rules for advance wagering
12 promulgated by the Board, any licensee may accept wagers in
13 advance of the day of the race wagered upon occurs.

14 (b) Except for those gaming activities for which a license
15 is obtained and authorized under the Illinois Lottery Law, the
16 Charitable Games Act, the Raffles and Poker Runs Act, or the
17 Illinois Gambling Act, no ~~no~~ other method of betting, pool
18 making, wagering or gambling shall be used or permitted by the
19 licensee. Each licensee may retain, subject to the payment of
20 all applicable taxes and purses, an amount not to exceed 17% of
21 all money wagered under subsection (a) of this Section, except
22 as may otherwise be permitted under this Act.

23 (b-5) An individual may place a wager under the pari-mutuel
24 system from any licensed location authorized under this Act
25 provided that wager is electronically recorded in the manner
26 described in Section 3.12 of this Act. Any wager made

1 electronically by an individual while physically on the
2 premises of a licensee shall be deemed to have been made at the
3 premises of that licensee.

4 (c) Until January 1, 2000, the sum held by any licensee for
5 payment of outstanding pari-mutuel tickets, if unclaimed prior
6 to December 31 of the next year, shall be retained by the
7 licensee for payment of such tickets until that date. Within 10
8 days thereafter, the balance of such sum remaining unclaimed,
9 less any uncashed supplements contributed by such licensee for
10 the purpose of guaranteeing minimum distributions of any
11 pari-mutuel pool, shall be paid to the Illinois Veterans'
12 Rehabilitation Fund of the State treasury, except as provided
13 in subsection (g) of Section 27 of this Act.

14 (c-5) Beginning January 1, 2000, the sum held by any
15 licensee for payment of outstanding pari-mutuel tickets, if
16 unclaimed prior to December 31 of the next year, shall be
17 retained by the licensee for payment of such tickets until that
18 date. Within 10 days thereafter, the balance of such sum
19 remaining unclaimed, less any uncashed supplements contributed
20 by such licensee for the purpose of guaranteeing minimum
21 distributions of any pari-mutuel pool, shall be evenly
22 distributed to the purse account of the organization licensee
23 and the organization licensee.

24 (d) A pari-mutuel ticket shall be honored until December 31
25 of the next calendar year, and the licensee shall pay the same
26 and may charge the amount thereof against unpaid money

1 similarly accumulated on account of pari-mutuel tickets not
2 presented for payment.

3 (e) No licensee shall knowingly permit any minor, other
4 than an employee of such licensee or an owner, trainer, jockey,
5 driver, or employee thereof, to be admitted during a racing
6 program unless accompanied by a parent or guardian, or any
7 minor to be a patron of the pari-mutuel system of wagering
8 conducted or supervised by it. The admission of any
9 unaccompanied minor, other than an employee of the licensee or
10 an owner, trainer, jockey, driver, or employee thereof at a
11 race track is a Class C misdemeanor.

12 (f) Notwithstanding the other provisions of this Act, an
13 organization licensee may contract with an entity in another
14 state or country to permit any legal wagering entity in another
15 state or country to accept wagers solely within such other
16 state or country on races conducted by the organization
17 licensee in this State. Beginning January 1, 2000, these wagers
18 shall not be subject to State taxation. Until January 1, 2000,
19 when the out-of-State entity conducts a pari-mutuel pool
20 separate from the organization licensee, a privilege tax equal
21 to 7 1/2% of all monies received by the organization licensee
22 from entities in other states or countries pursuant to such
23 contracts is imposed on the organization licensee, and such
24 privilege tax shall be remitted to the Department of Revenue
25 within 48 hours of receipt of the moneys from the simulcast.
26 When the out-of-State entity conducts a combined pari-mutuel

1 pool with the organization licensee, the tax shall be 10% of
2 all monies received by the organization licensee with 25% of
3 the receipts from this 10% tax to be distributed to the county
4 in which the race was conducted.

5 An organization licensee may permit one or more of its
6 races to be utilized for pari-mutuel wagering at one or more
7 locations in other states and may transmit audio and visual
8 signals of races the organization licensee conducts to one or
9 more locations outside the State or country and may also permit
10 pari-mutuel pools in other states or countries to be combined
11 with its gross or net wagering pools or with wagering pools
12 established by other states.

13 (g) A host track may accept interstate simulcast wagers on
14 horse races conducted in other states or countries and shall
15 control the number of signals and types of breeds of racing in
16 its simulcast program, subject to the disapproval of the Board.
17 The Board may prohibit a simulcast program only if it finds
18 that the simulcast program is clearly adverse to the integrity
19 of racing. The host track simulcast program shall include the
20 signal of live racing of all organization licensees. All
21 non-host licensees and advance deposit wagering licensees
22 shall carry the signal of and accept wagers on live racing of
23 all organization licensees. Advance deposit wagering licensees
24 shall not be permitted to accept out-of-state wagers on any
25 Illinois signal provided pursuant to this Section without the
26 approval and consent of the organization licensee providing the

1 signal. For one year after August 15, 2014 (the effective date
2 of Public Act 98-968) ~~this amendatory Act of the 98th General~~
3 ~~Assembly~~, non-host licensees may carry the host track simulcast
4 program and shall accept wagers on all races included as part
5 of the simulcast program of horse races conducted at race
6 tracks located within North America upon which wagering is
7 permitted. For a period of one year after August 15, 2014 (the
8 effective date of Public Act 98-968) ~~this amendatory Act of the~~
9 ~~98th General Assembly~~, on horse races conducted at race tracks
10 located outside of North America, non-host licensees may accept
11 wagers on all races included as part of the simulcast program
12 upon which wagering is permitted. Beginning August 15, 2015
13 (one year after the effective date of Public Act 98-968) ~~this~~
14 ~~amendatory Act of the 98th General Assembly~~, non-host licensees
15 may carry the host track simulcast program and shall accept
16 wagers on all races included as part of the simulcast program
17 upon which wagering is permitted. All organization licensees
18 shall provide their live signal to all advance deposit wagering
19 licensees for a simulcast commission fee not to exceed 6% of
20 the advance deposit wagering licensee's Illinois handle on the
21 organization licensee's signal without prior approval by the
22 Board. The Board may adopt rules under which it may permit
23 simulcast commission fees in excess of 6%. The Board shall
24 adopt rules limiting the interstate commission fees charged to
25 an advance deposit wagering licensee. The Board shall adopt
26 rules regarding advance deposit wagering on interstate

1 simulcast races that shall reflect, among other things, the
2 General Assembly's desire to maximize revenues to the State,
3 horsemen purses, and organizational licensees. However,
4 organization licensees providing live signals pursuant to the
5 requirements of this subsection (g) may petition the Board to
6 withhold their live signals from an advance deposit wagering
7 licensee if the organization licensee discovers and the Board
8 finds reputable or credible information that the advance
9 deposit wagering licensee is under investigation by another
10 state or federal governmental agency, the advance deposit
11 wagering licensee's license has been suspended in another
12 state, or the advance deposit wagering licensee's license is in
13 revocation proceedings in another state. The organization
14 licensee's provision of their live signal to an advance deposit
15 wagering licensee under this subsection (g) pertains to wagers
16 placed from within Illinois. Advance deposit wagering
17 licensees may place advance deposit wagering terminals at
18 wagering facilities as a convenience to customers. The advance
19 deposit wagering licensee shall not charge or collect any fee
20 from purses for the placement of the advance deposit wagering
21 terminals. The costs and expenses of the host track and
22 non-host licensees associated with interstate simulcast
23 wagering, other than the interstate commission fee, shall be
24 borne by the host track and all non-host licensees incurring
25 these costs. The interstate commission fee shall not exceed 5%
26 of Illinois handle on the interstate simulcast race or races

1 without prior approval of the Board. The Board shall promulgate
2 rules under which it may permit interstate commission fees in
3 excess of 5%. The interstate commission fee and other fees
4 charged by the sending racetrack, including, but not limited
5 to, satellite decoder fees, shall be uniformly applied to the
6 host track and all non-host licensees.

7 Notwithstanding any other provision of this Act, ~~through~~
8 ~~December 31, 2018,~~ an organization licensee, with the consent
9 of the horsemen association representing the largest number of
10 owners, trainers, jockeys, or standardbred drivers who race
11 horses at that organization licensee's racing meeting, may
12 maintain a system whereby advance deposit wagering may take
13 place or an organization licensee, with the consent of the
14 horsemen association representing the largest number of
15 owners, trainers, jockeys, or standardbred drivers who race
16 horses at that organization licensee's racing meeting, may
17 contract with another person to carry out a system of advance
18 deposit wagering. Such consent may not be unreasonably
19 withheld. Only with respect to an appeal to the Board that
20 consent for an organization licensee that maintains its own
21 advance deposit wagering system is being unreasonably
22 withheld, the Board shall issue a final order within 30 days
23 after initiation of the appeal, and the organization licensee's
24 advance deposit wagering system may remain operational during
25 that 30-day period. The actions of any organization licensee
26 who conducts advance deposit wagering or any person who has a

1 contract with an organization licensee to conduct advance
2 deposit wagering who conducts advance deposit wagering on or
3 after January 1, 2013 and prior to June 7, 2013 (the effective
4 date of Public Act 98-18) ~~this amendatory Act of the 98th~~
5 ~~General Assembly~~ taken in reliance on the changes made to this
6 subsection (g) by Public Act 98-18 ~~this amendatory Act of the~~
7 ~~98th General Assembly~~ are hereby validated, provided payment of
8 all applicable pari-mutuel taxes are remitted to the Board. All
9 advance deposit wagers placed from within Illinois must be
10 placed through a Board-approved advance deposit wagering
11 licensee; no other entity may accept an advance deposit wager
12 from a person within Illinois. All advance deposit wagering is
13 subject to any rules adopted by the Board. The Board may adopt
14 rules necessary to regulate advance deposit wagering through
15 the use of emergency rulemaking in accordance with Section 5-45
16 of the Illinois Administrative Procedure Act. The General
17 Assembly finds that the adoption of rules to regulate advance
18 deposit wagering is deemed an emergency and necessary for the
19 public interest, safety, and welfare. An advance deposit
20 wagering licensee may retain all moneys as agreed to by
21 contract with an organization licensee. Any moneys retained by
22 the organization licensee from advance deposit wagering, not
23 including moneys retained by the advance deposit wagering
24 licensee, shall be paid 50% to the organization licensee's
25 purse account and 50% to the organization licensee. With the
26 exception of any organization licensee that is owned by a

1 publicly traded company that is incorporated in a state other
2 than Illinois and advance deposit wagering licensees under
3 contract with such organization licensees, organization
4 licensees that maintain advance deposit wagering systems and
5 advance deposit wagering licensees that contract with
6 organization licensees shall provide sufficiently detailed
7 monthly accountings to the horsemen association representing
8 the largest number of owners, trainers, jockeys, or
9 standardbred drivers who race horses at that organization
10 licensee's racing meeting so that the horsemen association, as
11 an interested party, can confirm the accuracy of the amounts
12 paid to the purse account at the horsemen association's
13 affiliated organization licensee from advance deposit
14 wagering. If more than one breed races at the same race track
15 facility, then the 50% of the moneys to be paid to an
16 organization licensee's purse account shall be allocated among
17 all organization licensees' purse accounts operating at that
18 race track facility proportionately based on the actual number
19 of host days that the Board grants to that breed at that race
20 track facility in the current calendar year. To the extent any
21 fees from advance deposit wagering conducted in Illinois for
22 wagers in Illinois or other states have been placed in escrow
23 or otherwise withheld from wagers pending a determination of
24 the legality of advance deposit wagering, no action shall be
25 brought to declare such wagers or the disbursement of any fees
26 previously escrowed illegal.

1 (1) Between the hours of 6:30 a.m. and 6:30 p.m. an
2 inter-track ~~intertrack~~ wagering licensee other than the
3 host track may supplement the host track simulcast program
4 with additional simulcast races or race programs, provided
5 that between January 1 and the third Friday in February of
6 any year, inclusive, if no live thoroughbred racing is
7 occurring in Illinois during this period, only
8 thoroughbred races may be used for supplemental interstate
9 simulcast purposes. The Board shall withhold approval for a
10 supplemental interstate simulcast only if it finds that the
11 simulcast is clearly adverse to the integrity of racing. A
12 supplemental interstate simulcast may be transmitted from
13 an inter-track ~~intertrack~~ wagering licensee to its
14 affiliated non-host licensees. The interstate commission
15 fee for a supplemental interstate simulcast shall be paid
16 by the non-host licensee and its affiliated non-host
17 licensees receiving the simulcast.

18 (2) Between the hours of 6:30 p.m. and 6:30 a.m. an
19 inter-track ~~intertrack~~ wagering licensee other than the
20 host track may receive supplemental interstate simulcasts
21 only with the consent of the host track, except when the
22 Board finds that the simulcast is clearly adverse to the
23 integrity of racing. Consent granted under this paragraph
24 (2) to any inter-track ~~intertrack~~ wagering licensee shall
25 be deemed consent to all non-host licensees. The interstate
26 commission fee for the supplemental interstate simulcast

1 shall be paid by all participating non-host licensees.

2 (3) Each licensee conducting interstate simulcast
3 wagering may retain, subject to the payment of all
4 applicable taxes and the purses, an amount not to exceed
5 17% of all money wagered. If any licensee conducts the
6 pari-mutuel system wagering on races conducted at
7 racetracks in another state or country, each such race or
8 race program shall be considered a separate racing day for
9 the purpose of determining the daily handle and computing
10 the privilege tax of that daily handle as provided in
11 subsection (a) of Section 27. Until January 1, 2000, from
12 the sums permitted to be retained pursuant to this
13 subsection, each inter-track ~~intertrack~~ wagering location
14 licensee shall pay 1% of the pari-mutuel handle wagered on
15 simulcast wagering to the Horse Racing Tax Allocation Fund,
16 subject to the provisions of subparagraph (B) of paragraph
17 (11) of subsection (h) of Section 26 of this Act.

18 (4) A licensee who receives an interstate simulcast may
19 combine its gross or net pools with pools at the sending
20 racetracks pursuant to rules established by the Board. All
21 licensees combining their gross pools at a sending
22 racetrack shall adopt the take-out percentages of the
23 sending racetrack. A licensee may also establish a separate
24 pool and takeout structure for wagering purposes on races
25 conducted at race tracks outside of the State of Illinois.
26 The licensee may permit pari-mutuel wagers placed in other

1 states or countries to be combined with its gross or net
2 wagering pools or other wagering pools.

3 (5) After the payment of the interstate commission fee
4 (except for the interstate commission fee on a supplemental
5 interstate simulcast, which shall be paid by the host track
6 and by each non-host licensee through the host-track) and
7 all applicable State and local taxes, except as provided in
8 subsection (g) of Section 27 of this Act, the remainder of
9 moneys retained from simulcast wagering pursuant to this
10 subsection (g), and Section 26.2 shall be divided as
11 follows:

12 (A) For interstate simulcast wagers made at a host
13 track, 50% to the host track and 50% to purses at the
14 host track.

15 (B) For wagers placed on interstate simulcast
16 races, supplemental simulcasts as defined in
17 subparagraphs (1) and (2), and separately pooled races
18 conducted outside of the State of Illinois made at a
19 non-host licensee, 25% to the host track, 25% to the
20 non-host licensee, and 50% to the purses at the host
21 track.

22 (6) Notwithstanding any provision in this Act to the
23 contrary, non-host licensees who derive their licenses
24 from a track located in a county with a population in
25 excess of 230,000 and that borders the Mississippi River
26 may receive supplemental interstate simulcast races at all

1 times subject to Board approval, which shall be withheld
2 only upon a finding that a supplemental interstate
3 simulcast is clearly adverse to the integrity of racing.

4 (7) Notwithstanding any provision of this Act to the
5 contrary, after payment of all applicable State and local
6 taxes and interstate commission fees, non-host licensees
7 who derive their licenses from a track located in a county
8 with a population in excess of 230,000 and that borders the
9 Mississippi River shall retain 50% of the retention from
10 interstate simulcast wagers and shall pay 50% to purses at
11 the track from which the non-host licensee derives its
12 license as follows:

13 (A) Between January 1 and the third Friday in
14 February, inclusive, if no live thoroughbred racing is
15 occurring in Illinois during this period, when the
16 interstate simulcast is a standardbred race, the purse
17 share to its standardbred purse account;

18 (B) Between January 1 and the third Friday in
19 February, inclusive, if no live thoroughbred racing is
20 occurring in Illinois during this period, and the
21 interstate simulcast is a thoroughbred race, the purse
22 share to its interstate simulcast purse pool to be
23 distributed under paragraph (10) of this subsection
24 (g);

25 (C) Between January 1 and the third Friday in
26 February, inclusive, if live thoroughbred racing is

1 occurring in Illinois, between 6:30 a.m. and 6:30 p.m.
2 the purse share from wagers made during this time
3 period to its thoroughbred purse account and between
4 6:30 p.m. and 6:30 a.m. the purse share from wagers
5 made during this time period to its standardbred purse
6 accounts;

7 (D) Between the third Saturday in February and
8 December 31, when the interstate simulcast occurs
9 between the hours of 6:30 a.m. and 6:30 p.m., the purse
10 share to its thoroughbred purse account;

11 (E) Between the third Saturday in February and
12 December 31, when the interstate simulcast occurs
13 between the hours of 6:30 p.m. and 6:30 a.m., the purse
14 share to its standardbred purse account.

15 (7.1) Notwithstanding any other provision of this Act
16 to the contrary, if no standardbred racing is conducted at
17 a racetrack located in Madison County during any calendar
18 year beginning on or after January 1, 2002, all moneys
19 derived by that racetrack from simulcast wagering and
20 inter-track wagering that (1) are to be used for purses and
21 (2) are generated between the hours of 6:30 p.m. and 6:30
22 a.m. during that calendar year shall be paid as follows:

23 (A) If the licensee that conducts horse racing at
24 that racetrack requests from the Board at least as many
25 racing dates as were conducted in calendar year 2000,
26 80% shall be paid to its thoroughbred purse account;

1 and

2 (B) Twenty percent shall be deposited into the
3 Illinois Colt Stakes Purse Distribution Fund and shall
4 be paid to purses for standardbred races for Illinois
5 conceived and foaled horses conducted at any county
6 fairgrounds. The moneys deposited into the Fund
7 pursuant to this subparagraph (B) shall be deposited
8 within 2 weeks after the day they were generated, shall
9 be in addition to and not in lieu of any other moneys
10 paid to standardbred purses under this Act, and shall
11 not be commingled with other moneys paid into that
12 Fund. The moneys deposited pursuant to this
13 subparagraph (B) shall be allocated as provided by the
14 Department of Agriculture, with the advice and
15 assistance of the Illinois Standardbred Breeders Fund
16 Advisory Board.

17 (7.2) Notwithstanding any other provision of this Act
18 to the contrary, if no thoroughbred racing is conducted at
19 a racetrack located in Madison County during any calendar
20 year beginning on or after January 1, 2002, all moneys
21 derived by that racetrack from simulcast wagering and
22 inter-track wagering that (1) are to be used for purses and
23 (2) are generated between the hours of 6:30 a.m. and 6:30
24 p.m. during that calendar year shall be deposited as
25 follows:

26 (A) If the licensee that conducts horse racing at

1 that racetrack requests from the Board at least as many
2 racing dates as were conducted in calendar year 2000,
3 80% shall be deposited into its standardbred purse
4 account; and

5 (B) Twenty percent shall be deposited into the
6 Illinois Colt Stakes Purse Distribution Fund. Moneys
7 deposited into the Illinois Colt Stakes Purse
8 Distribution Fund pursuant to this subparagraph (B)
9 shall be paid to Illinois conceived and foaled
10 thoroughbred breeders' programs and to thoroughbred
11 purses for races conducted at any county fairgrounds
12 for Illinois conceived and foaled horses at the
13 discretion of the Department of Agriculture, with the
14 advice and assistance of the Illinois Thoroughbred
15 Breeders Fund Advisory Board. The moneys deposited
16 into the Illinois Colt Stakes Purse Distribution Fund
17 pursuant to this subparagraph (B) shall be deposited
18 within 2 weeks after the day they were generated, shall
19 be in addition to and not in lieu of any other moneys
20 paid to thoroughbred purses under this Act, and shall
21 not be commingled with other moneys deposited into that
22 Fund.

23 (7.3) If no live standardbred racing is conducted at a
24 racetrack located in Madison County in calendar year 2000
25 or 2001, an organization licensee who is licensed to
26 conduct horse racing at that racetrack shall, before

1 January 1, 2002, pay all moneys derived from simulcast
2 wagering and inter-track wagering in calendar years 2000
3 and 2001 and paid into the licensee's standardbred purse
4 account as follows:

5 (A) Eighty percent to that licensee's thoroughbred
6 purse account to be used for thoroughbred purses; and

7 (B) Twenty percent to the Illinois Colt Stakes
8 Purse Distribution Fund.

9 Failure to make the payment to the Illinois Colt Stakes
10 Purse Distribution Fund before January 1, 2002 shall result
11 in the immediate revocation of the licensee's organization
12 license, inter-track wagering license, and inter-track
13 wagering location license.

14 Moneys paid into the Illinois Colt Stakes Purse
15 Distribution Fund pursuant to this paragraph (7.3) shall be
16 paid to purses for standardbred races for Illinois
17 conceived and foaled horses conducted at any county
18 fairgrounds. Moneys paid into the Illinois Colt Stakes
19 Purse Distribution Fund pursuant to this paragraph (7.3)
20 shall be used as determined by the Department of
21 Agriculture, with the advice and assistance of the Illinois
22 Standardbred Breeders Fund Advisory Board, shall be in
23 addition to and not in lieu of any other moneys paid to
24 standardbred purses under this Act, and shall not be
25 commingled with any other moneys paid into that Fund.

26 (7.4) If live standardbred racing is conducted at a

1 racetrack located in Madison County at any time in calendar
2 year 2001 before the payment required under paragraph (7.3)
3 has been made, the organization licensee who is licensed to
4 conduct racing at that racetrack shall pay all moneys
5 derived by that racetrack from simulcast wagering and
6 inter-track wagering during calendar years 2000 and 2001
7 that (1) are to be used for purses and (2) are generated
8 between the hours of 6:30 p.m. and 6:30 a.m. during 2000 or
9 2001 to the standardbred purse account at that racetrack to
10 be used for standardbred purses.

11 (8) Notwithstanding any provision in this Act to the
12 contrary, an organization licensee from a track located in
13 a county with a population in excess of 230,000 and that
14 borders the Mississippi River and its affiliated non-host
15 licensees shall not be entitled to share in any retention
16 generated on racing, inter-track wagering, or simulcast
17 wagering at any other Illinois wagering facility.

18 (8.1) Notwithstanding any provisions in this Act to the
19 contrary, if 2 organization licensees are conducting
20 standardbred race meetings concurrently between the hours
21 of 6:30 p.m. and 6:30 a.m., after payment of all applicable
22 State and local taxes and interstate commission fees, the
23 remainder of the amount retained from simulcast wagering
24 otherwise attributable to the host track and to host track
25 purses shall be split daily between the 2 organization
26 licensees and the purses at the tracks of the 2

1 organization licensees, respectively, based on each
2 organization licensee's share of the total live handle for
3 that day, provided that this provision shall not apply to
4 any non-host licensee that derives its license from a track
5 located in a county with a population in excess of 230,000
6 and that borders the Mississippi River.

7 (9) (Blank).

8 (10) (Blank).

9 (11) (Blank).

10 (12) The Board shall have authority to compel all host
11 tracks to receive the simulcast of any or all races
12 conducted at the Springfield or DuQuoin State fairgrounds
13 and include all such races as part of their simulcast
14 programs.

15 (13) Notwithstanding any other provision of this Act,
16 in the event that the total Illinois pari-mutuel handle on
17 Illinois horse races at all wagering facilities in any
18 calendar year is less than 75% of the total Illinois
19 pari-mutuel handle on Illinois horse races at all such
20 wagering facilities for calendar year 1994, then each
21 wagering facility that has an annual total Illinois
22 pari-mutuel handle on Illinois horse races that is less
23 than 75% of the total Illinois pari-mutuel handle on
24 Illinois horse races at such wagering facility for calendar
25 year 1994, shall be permitted to receive, from any amount
26 otherwise payable to the purse account at the race track

1 with which the wagering facility is affiliated in the
2 succeeding calendar year, an amount equal to 2% of the
3 differential in total Illinois pari-mutuel handle on
4 Illinois horse races at the wagering facility between that
5 calendar year in question and 1994 provided, however, that
6 a wagering facility shall not be entitled to any such
7 payment until the Board certifies in writing to the
8 wagering facility the amount to which the wagering facility
9 is entitled and a schedule for payment of the amount to the
10 wagering facility, based on: (i) the racing dates awarded
11 to the race track affiliated with the wagering facility
12 during the succeeding year; (ii) the sums available or
13 anticipated to be available in the purse account of the
14 race track affiliated with the wagering facility for purses
15 during the succeeding year; and (iii) the need to ensure
16 reasonable purse levels during the payment period. The
17 Board's certification shall be provided no later than
18 January 31 of the succeeding year. In the event a wagering
19 facility entitled to a payment under this paragraph (13) is
20 affiliated with a race track that maintains purse accounts
21 for both standardbred and thoroughbred racing, the amount
22 to be paid to the wagering facility shall be divided
23 between each purse account pro rata, based on the amount of
24 Illinois handle on Illinois standardbred and thoroughbred
25 racing respectively at the wagering facility during the
26 previous calendar year. Annually, the General Assembly

1 shall appropriate sufficient funds from the General
2 Revenue Fund to the Department of Agriculture for payment
3 into the thoroughbred and standardbred horse racing purse
4 accounts at Illinois pari-mutuel tracks. The amount paid to
5 each purse account shall be the amount certified by the
6 Illinois Racing Board in January to be transferred from
7 each account to each eligible racing facility in accordance
8 with the provisions of this Section. Beginning in the
9 calendar year in which an organization licensee that is
10 eligible to receive payment under this paragraph (13)
11 begins to receive funds from electronic gaming, the amount
12 of the payment due to all wagering facilities licensed
13 under that organization licensee under this paragraph (13)
14 shall be the amount certified by the Board in January of
15 that year. An organization licensee and its related
16 wagering facilities shall no longer be able to receive
17 payments under this paragraph (13) beginning in the year
18 subsequent to the first year in which the organization
19 licensee begins to receive funds from electronic gaming.

20 (h) The Board may approve and license the conduct of
21 inter-track wagering and simulcast wagering by inter-track
22 wagering licensees and inter-track wagering location licensees
23 subject to the following terms and conditions:

24 (1) Any person licensed to conduct a race meeting (i)
25 at a track where 60 or more days of racing were conducted
26 during the immediately preceding calendar year or where

1 over the 5 immediately preceding calendar years an average
2 of 30 or more days of racing were conducted annually may be
3 issued an inter-track wagering license; (ii) at a track
4 located in a county that is bounded by the Mississippi
5 River, which has a population of less than 150,000
6 according to the 1990 decennial census, and an average of
7 at least 60 days of racing per year between 1985 and 1993
8 may be issued an inter-track wagering license; or (iii) at
9 a track located in Madison County that conducted at least
10 100 days of live racing during the immediately preceding
11 calendar year may be issued an inter-track wagering
12 license, unless a lesser schedule of live racing is the
13 result of (A) weather, unsafe track conditions, or other
14 acts of God; (B) an agreement between the organization
15 licensee and the associations representing the largest
16 number of owners, trainers, jockeys, or standardbred
17 drivers who race horses at that organization licensee's
18 racing meeting; or (C) a finding by the Board of
19 extraordinary circumstances and that it was in the best
20 interest of the public and the sport to conduct fewer than
21 100 days of live racing. Any such person having operating
22 control of the racing facility may receive inter-track
23 wagering location licenses. An eligible race track located
24 in a county that has a population of more than 230,000 and
25 that is bounded by the Mississippi River may establish up
26 to 9 inter-track wagering locations, ~~and~~ and an eligible race

1 track located in Stickney Township in Cook County may
2 establish up to 16 inter-track wagering locations, and an
3 eligible race track located in Palatine Township in Cook
4 County may establish up to 18 inter-track wagering
5 locations. An application for said license shall be filed
6 with the Board prior to such dates as may be fixed by the
7 Board. With an application for an inter-track wagering
8 location license there shall be delivered to the Board a
9 certified check or bank draft payable to the order of the
10 Board for an amount equal to \$500. The application shall be
11 on forms prescribed and furnished by the Board. The
12 application shall comply with all other rules, regulations
13 and conditions imposed by the Board in connection
14 therewith.

15 (2) The Board shall examine the applications with
16 respect to their conformity with this Act and the rules and
17 regulations imposed by the Board. If found to be in
18 compliance with the Act and rules and regulations of the
19 Board, the Board may then issue a license to conduct
20 inter-track wagering and simulcast wagering to such
21 applicant. All such applications shall be acted upon by the
22 Board at a meeting to be held on such date as may be fixed
23 by the Board.

24 (3) In granting licenses to conduct inter-track
25 wagering and simulcast wagering, the Board shall give due
26 consideration to the best interests of the public, of horse

1 racing, and of maximizing revenue to the State.

2 (4) Prior to the issuance of a license to conduct
3 inter-track wagering and simulcast wagering, the applicant
4 shall file with the Board a bond payable to the State of
5 Illinois in the sum of \$50,000, executed by the applicant
6 and a surety company or companies authorized to do business
7 in this State, and conditioned upon (i) the payment by the
8 licensee of all taxes due under Section 27 or 27.1 and any
9 other monies due and payable under this Act, and (ii)
10 distribution by the licensee, upon presentation of the
11 winning ticket or tickets, of all sums payable to the
12 patrons of pari-mutuel pools.

13 (5) Each license to conduct inter-track wagering and
14 simulcast wagering shall specify the person to whom it is
15 issued, the dates on which such wagering is permitted, and
16 the track or location where the wagering is to be
17 conducted.

18 (6) All wagering under such license is subject to this
19 Act and to the rules and regulations from time to time
20 prescribed by the Board, and every such license issued by
21 the Board shall contain a recital to that effect.

22 (7) An inter-track wagering licensee or inter-track
23 wagering location licensee may accept wagers at the track
24 or location where it is licensed, or as otherwise provided
25 under this Act.

26 (8) Inter-track wagering or simulcast wagering shall

1 not be conducted at any track less than 4 ~~5~~ miles from a
2 track at which a racing meeting is in progress.

3 (8.1) Inter-track wagering location licensees who
4 derive their licenses from a particular organization
5 licensee shall conduct inter-track wagering and simulcast
6 wagering only at locations that are within 160 miles of
7 that race track where the particular organization licensee
8 is licensed to conduct racing. However, inter-track
9 wagering and simulcast wagering shall not be conducted by
10 those licensees at any location within 5 miles of any race
11 track at which a horse race meeting has been licensed in
12 the current year, unless the person having operating
13 control of such race track has given its written consent to
14 such inter-track wagering location licensees, which
15 consent must be filed with the Board at or prior to the
16 time application is made. In the case of any inter-track
17 wagering location licensee initially licensed after
18 December 31, 2013, inter-track wagering and simulcast
19 wagering shall not be conducted by those inter-track
20 wagering location licensees that are located outside the
21 City of Chicago at any location within 8 miles of any race
22 track at which a horse race meeting has been licensed in
23 the current year, unless the person having operating
24 control of such race track has given its written consent to
25 such inter-track wagering location licensees, which
26 consent must be filed with the Board at or prior to the

1 time application is made.

2 (8.2) Inter-track wagering or simulcast wagering shall
3 not be conducted by an inter-track wagering location
4 licensee at any location within 500 feet of an existing
5 church, an ~~or~~ existing elementary or secondary public
6 school, or an existing elementary or secondary private
7 school registered with or recognized by the State Board of
8 Education ~~school~~, nor within 500 feet of the residences of
9 more than 50 registered voters without receiving written
10 permission from a majority of the registered voters at such
11 residences. Such written permission statements shall be
12 filed with the Board. The distance of 500 feet shall be
13 measured to the nearest part of any building used for
14 worship services, education programs, residential
15 purposes, or conducting inter-track wagering by an
16 inter-track wagering location licensee, and not to
17 property boundaries. However, inter-track wagering or
18 simulcast wagering may be conducted at a site within 500
19 feet of a church, school or residences of 50 or more
20 registered voters if such church, school or residences have
21 been erected or established, or such voters have been
22 registered, after the Board issues the original
23 inter-track wagering location license at the site in
24 question. Inter-track wagering location licensees may
25 conduct inter-track wagering and simulcast wagering only
26 in areas that are zoned for commercial or manufacturing

1 purposes or in areas for which a special use has been
2 approved by the local zoning authority. However, no license
3 to conduct inter-track wagering and simulcast wagering
4 shall be granted by the Board with respect to any
5 inter-track wagering location within the jurisdiction of
6 any local zoning authority which has, by ordinance or by
7 resolution, prohibited the establishment of an inter-track
8 wagering location within its jurisdiction. However,
9 inter-track wagering and simulcast wagering may be
10 conducted at a site if such ordinance or resolution is
11 enacted after the Board licenses the original inter-track
12 wagering location licensee for the site in question.

13 (9) (Blank).

14 (10) An inter-track wagering licensee or an
15 inter-track wagering location licensee may retain, subject
16 to the payment of the privilege taxes and the purses, an
17 amount not to exceed 17% of all money wagered. Each program
18 of racing conducted by each inter-track wagering licensee
19 or inter-track wagering location licensee shall be
20 considered a separate racing day for the purpose of
21 determining the daily handle and computing the privilege
22 tax or pari-mutuel tax on such daily handle as provided in
23 Section 27.

24 (10.1) Except as provided in subsection (g) of Section
25 27 of this Act, inter-track wagering location licensees
26 shall pay 1% of the pari-mutuel handle at each location to

1 the municipality in which such location is situated and 1%
2 of the pari-mutuel handle at each location to the county in
3 which such location is situated. In the event that an
4 inter-track wagering location licensee is situated in an
5 unincorporated area of a county, such licensee shall pay 2%
6 of the pari-mutuel handle from such location to such
7 county.

8 (10.2) Notwithstanding any other provision of this
9 Act, with respect to inter-track ~~inter-track~~ wagering at a
10 race track located in a county that has a population of
11 more than 230,000 and that is bounded by the Mississippi
12 River ("the first race track"), or at a facility operated
13 by an inter-track wagering licensee or inter-track
14 wagering location licensee that derives its license from
15 the organization licensee that operates the first race
16 track, on races conducted at the first race track or on
17 races conducted at another Illinois race track and
18 simultaneously televised to the first race track or to a
19 facility operated by an inter-track wagering licensee or
20 inter-track wagering location licensee that derives its
21 license from the organization licensee that operates the
22 first race track, those moneys shall be allocated as
23 follows:

24 (A) That portion of all moneys wagered on
25 standardbred racing that is required under this Act to
26 be paid to purses shall be paid to purses for

1 standardbred races.

2 (B) That portion of all moneys wagered on
3 thoroughbred racing that is required under this Act to
4 be paid to purses shall be paid to purses for
5 thoroughbred races.

6 (11) (A) After payment of the privilege or pari-mutuel
7 tax, any other applicable taxes, and the costs and expenses
8 in connection with the gathering, transmission, and
9 dissemination of all data necessary to the conduct of
10 inter-track wagering, the remainder of the monies retained
11 under either Section 26 or Section 26.2 of this Act by the
12 inter-track wagering licensee on inter-track wagering
13 shall be allocated with 50% to be split between the 2
14 participating licensees and 50% to purses, except that an
15 inter-track ~~intertrack~~ wagering licensee that derives its
16 license from a track located in a county with a population
17 in excess of 230,000 and that borders the Mississippi River
18 shall not divide any remaining retention with the Illinois
19 organization licensee that provides the race or races, and
20 an inter-track ~~intertrack~~ wagering licensee that accepts
21 wagers on races conducted by an organization licensee that
22 conducts a race meet in a county with a population in
23 excess of 230,000 and that borders the Mississippi River
24 shall not divide any remaining retention with that
25 organization licensee.

26 (B) From the sums permitted to be retained pursuant to

1 this Act each inter-track wagering location licensee shall
2 pay (i) the privilege or pari-mutuel tax to the State; (ii)
3 4.75% of the pari-mutuel handle on inter-track ~~intertrack~~
4 wagering at such location on races as purses, except that
5 an inter-track ~~intertrack~~ wagering location licensee that
6 derives its license from a track located in a county with a
7 population in excess of 230,000 and that borders the
8 Mississippi River shall retain all purse moneys for its own
9 purse account consistent with distribution set forth in
10 this subsection (h), and inter-track ~~intertrack~~ wagering
11 location licensees that accept wagers on races conducted by
12 an organization licensee located in a county with a
13 population in excess of 230,000 and that borders the
14 Mississippi River shall distribute all purse moneys to
15 purses at the operating host track; (iii) until January 1,
16 2000, except as provided in subsection (g) of Section 27 of
17 this Act, 1% of the pari-mutuel handle wagered on
18 inter-track wagering and simulcast wagering at each
19 inter-track wagering location licensee facility to the
20 Horse Racing Tax Allocation Fund, provided that, to the
21 extent the total amount collected and distributed to the
22 Horse Racing Tax Allocation Fund under this subsection (h)
23 during any calendar year exceeds the amount collected and
24 distributed to the Horse Racing Tax Allocation Fund during
25 calendar year 1994, that excess amount shall be
26 redistributed (I) to all inter-track wagering location

1 licensees, based on each licensee's pro-rata share of the
2 total handle from inter-track wagering and simulcast
3 wagering for all inter-track wagering location licensees
4 during the calendar year in which this provision is
5 applicable; then (II) the amounts redistributed to each
6 inter-track wagering location licensee as described in
7 subpart (I) shall be further redistributed as provided in
8 subparagraph (B) of paragraph (5) of subsection (g) of this
9 Section 26 provided first, that the shares of those
10 amounts, which are to be redistributed to the host track or
11 to purses at the host track under subparagraph (B) of
12 paragraph (5) of subsection (g) of this Section 26 shall be
13 redistributed based on each host track's pro rata share of
14 the total inter-track wagering and simulcast wagering
15 handle at all host tracks during the calendar year in
16 question, and second, that any amounts redistributed as
17 described in part (I) to an inter-track wagering location
18 licensee that accepts wagers on races conducted by an
19 organization licensee that conducts a race meet in a county
20 with a population in excess of 230,000 and that borders the
21 Mississippi River shall be further redistributed as
22 provided in subparagraphs (D) and (E) of paragraph (7) of
23 subsection (g) of this Section 26, with the portion of that
24 further redistribution allocated to purses at that
25 organization licensee to be divided between standardbred
26 purses and thoroughbred purses based on the amounts

1 otherwise allocated to purses at that organization
2 licensee during the calendar year in question; and (iv) 8%
3 of the pari-mutuel handle on inter-track wagering wagered
4 at such location to satisfy all costs and expenses of
5 conducting its wagering. The remainder of the monies
6 retained by the inter-track wagering location licensee
7 shall be allocated 40% to the location licensee and 60% to
8 the organization licensee which provides the Illinois
9 races to the location, except that an inter-track
10 ~~intertrack~~ wagering location licensee that derives its
11 license from a track located in a county with a population
12 in excess of 230,000 and that borders the Mississippi River
13 shall not divide any remaining retention with the
14 organization licensee that provides the race or races and
15 an inter-track ~~intertrack~~ wagering location licensee that
16 accepts wagers on races conducted by an organization
17 licensee that conducts a race meet in a county with a
18 population in excess of 230,000 and that borders the
19 Mississippi River shall not divide any remaining retention
20 with the organization licensee. Notwithstanding the
21 provisions of clauses (ii) and (iv) of this paragraph, in
22 the case of the additional inter-track wagering location
23 licenses authorized under paragraph (1) of this subsection
24 (h) by Public Act 87-110 ~~this amendatory Act of 1991~~, those
25 licensees shall pay the following amounts as purses: during
26 the first 12 months the licensee is in operation, 5.25% of

1 the pari-mutuel handle wagered at the location on races;
2 during the second 12 months, 5.25%; during the third 12
3 months, 5.75%; during the fourth 12 months, 6.25%; and
4 during the fifth 12 months and thereafter, 6.75%. The
5 following amounts shall be retained by the licensee to
6 satisfy all costs and expenses of conducting its wagering:
7 during the first 12 months the licensee is in operation,
8 8.25% of the pari-mutuel handle wagered at the location;
9 during the second 12 months, 8.25%; during the third 12
10 months, 7.75%; during the fourth 12 months, 7.25%; and
11 during the fifth 12 months and thereafter, 6.75%. For
12 additional inter-track ~~intertrack~~ wagering location
13 licensees authorized under Public Act 89-16 ~~this~~
14 ~~amendatory Act of 1995~~, purses for the first 12 months the
15 licensee is in operation shall be 5.75% of the pari-mutuel
16 wagered at the location, purses for the second 12 months
17 the licensee is in operation shall be 6.25%, and purses
18 thereafter shall be 6.75%. For additional inter-track
19 ~~intertrack~~ location licensees authorized under Public Act
20 89-16 ~~this amendatory Act of 1995~~, the licensee shall be
21 allowed to retain to satisfy all costs and expenses: 7.75%
22 of the pari-mutuel handle wagered at the location during
23 its first 12 months of operation, 7.25% during its second
24 12 months of operation, and 6.75% thereafter.

25 (C) There is hereby created the Horse Racing Tax
26 Allocation Fund which shall remain in existence until

1 December 31, 1999. Moneys remaining in the Fund after
2 December 31, 1999 shall be paid into the General Revenue
3 Fund. Until January 1, 2000, all monies paid into the Horse
4 Racing Tax Allocation Fund pursuant to this paragraph (11)
5 by inter-track wagering location licensees located in park
6 districts of 500,000 population or less, or in a
7 municipality that is not included within any park district
8 but is included within a conservation district and is the
9 county seat of a county that (i) is contiguous to the state
10 of Indiana and (ii) has a 1990 population of 88,257
11 according to the United States Bureau of the Census, and
12 operating on May 1, 1994 shall be allocated by
13 appropriation as follows:

14 Two-sevenths to the Department of Agriculture.
15 Fifty percent of this two-sevenths shall be used to
16 promote the Illinois horse racing and breeding
17 industry, and shall be distributed by the Department of
18 Agriculture upon the advice of a 9-member committee
19 appointed by the Governor consisting of the following
20 members: the Director of Agriculture, who shall serve
21 as chairman; 2 representatives of organization
22 licensees conducting thoroughbred race meetings in
23 this State, recommended by those licensees; 2
24 representatives of organization licensees conducting
25 standardbred race meetings in this State, recommended
26 by those licensees; a representative of the Illinois

1 Thoroughbred Breeders and Owners Foundation,
2 recommended by that Foundation; a representative of
3 the Illinois Standardbred Owners and Breeders
4 Association, recommended by that Association; a
5 representative of the Horsemen's Benevolent and
6 Protective Association or any successor organization
7 thereto established in Illinois comprised of the
8 largest number of owners and trainers, recommended by
9 that Association or that successor organization; and a
10 representative of the Illinois Harness Horsemen's
11 Association, recommended by that Association.
12 Committee members shall serve for terms of 2 years,
13 commencing January 1 of each even-numbered year. If a
14 representative of any of the above-named entities has
15 not been recommended by January 1 of any even-numbered
16 year, the Governor shall appoint a committee member to
17 fill that position. Committee members shall receive no
18 compensation for their services as members but shall be
19 reimbursed for all actual and necessary expenses and
20 disbursements incurred in the performance of their
21 official duties. The remaining 50% of this
22 two-sevenths shall be distributed to county fairs for
23 premiums and rehabilitation as set forth in the
24 Agricultural Fair Act;

25 Four-sevenths to park districts or municipalities
26 that do not have a park district of 500,000 population

1 or less for museum purposes (if an inter-track wagering
2 location licensee is located in such a park district)
3 or to conservation districts for museum purposes (if an
4 inter-track wagering location licensee is located in a
5 municipality that is not included within any park
6 district but is included within a conservation
7 district and is the county seat of a county that (i) is
8 contiguous to the state of Indiana and (ii) has a 1990
9 population of 88,257 according to the United States
10 Bureau of the Census, except that if the conservation
11 district does not maintain a museum, the monies shall
12 be allocated equally between the county and the
13 municipality in which the inter-track wagering
14 location licensee is located for general purposes) or
15 to a municipal recreation board for park purposes (if
16 an inter-track wagering location licensee is located
17 in a municipality that is not included within any park
18 district and park maintenance is the function of the
19 municipal recreation board and the municipality has a
20 1990 population of 9,302 according to the United States
21 Bureau of the Census); provided that the monies are
22 distributed to each park district or conservation
23 district or municipality that does not have a park
24 district in an amount equal to four-sevenths of the
25 amount collected by each inter-track wagering location
26 licensee within the park district or conservation

1 district or municipality for the Fund. Monies that were
2 paid into the Horse Racing Tax Allocation Fund before
3 August 9, 1991 (the effective date of Public Act
4 87-110) ~~this amendatory Act of 1991~~ by an inter-track
5 wagering location licensee located in a municipality
6 that is not included within any park district but is
7 included within a conservation district as provided in
8 this paragraph shall, as soon as practicable after
9 August 9, 1991 (the effective date of Public Act
10 87-110) ~~this amendatory Act of 1991~~, be allocated and
11 paid to that conservation district as provided in this
12 paragraph. Any park district or municipality not
13 maintaining a museum may deposit the monies in the
14 corporate fund of the park district or municipality
15 where the inter-track wagering location is located, to
16 be used for general purposes; and

17 One-seventh to the Agricultural Premium Fund to be
18 used for distribution to agricultural home economics
19 extension councils in accordance with "An Act in
20 relation to additional support and finances for the
21 Agricultural and Home Economic Extension Councils in
22 the several counties of this State and making an
23 appropriation therefor", approved July 24, 1967.

24 Until January 1, 2000, all other monies paid into the
25 Horse Racing Tax Allocation Fund pursuant to this paragraph
26 (11) shall be allocated by appropriation as follows:

1 Two-sevenths to the Department of Agriculture.
2 Fifty percent of this two-sevenths shall be used to
3 promote the Illinois horse racing and breeding
4 industry, and shall be distributed by the Department of
5 Agriculture upon the advice of a 9-member committee
6 appointed by the Governor consisting of the following
7 members: the Director of Agriculture, who shall serve
8 as chairman; 2 representatives of organization
9 licensees conducting thoroughbred race meetings in
10 this State, recommended by those licensees; 2
11 representatives of organization licensees conducting
12 standardbred race meetings in this State, recommended
13 by those licensees; a representative of the Illinois
14 Thoroughbred Breeders and Owners Foundation,
15 recommended by that Foundation; a representative of
16 the Illinois Standardbred Owners and Breeders
17 Association, recommended by that Association; a
18 representative of the Horsemen's Benevolent and
19 Protective Association or any successor organization
20 thereto established in Illinois comprised of the
21 largest number of owners and trainers, recommended by
22 that Association or that successor organization; and a
23 representative of the Illinois Harness Horsemen's
24 Association, recommended by that Association.
25 Committee members shall serve for terms of 2 years,
26 commencing January 1 of each even-numbered year. If a

1 representative of any of the above-named entities has
2 not been recommended by January 1 of any even-numbered
3 year, the Governor shall appoint a committee member to
4 fill that position. Committee members shall receive no
5 compensation for their services as members but shall be
6 reimbursed for all actual and necessary expenses and
7 disbursements incurred in the performance of their
8 official duties. The remaining 50% of this
9 two-sevenths shall be distributed to county fairs for
10 premiums and rehabilitation as set forth in the
11 Agricultural Fair Act;

12 Four-sevenths to museums and aquariums located in
13 park districts of over 500,000 population; provided
14 that the monies are distributed in accordance with the
15 previous year's distribution of the maintenance tax
16 for such museums and aquariums as provided in Section 2
17 of the Park District Aquarium and Museum Act; and

18 One-seventh to the Agricultural Premium Fund to be
19 used for distribution to agricultural home economics
20 extension councils in accordance with "An Act in
21 relation to additional support and finances for the
22 Agricultural and Home Economic Extension Councils in
23 the several counties of this State and making an
24 appropriation therefor", approved July 24, 1967. This
25 subparagraph (C) shall be inoperative and of no force
26 and effect on and after January 1, 2000.

1 (D) Except as provided in paragraph (11) of this
2 subsection (h), with respect to purse allocation from
3 inter-track ~~intertrack~~ wagering, the monies so
4 retained shall be divided as follows:

5 (i) If the inter-track wagering licensee,
6 except an inter-track ~~intertrack~~ wagering licensee
7 that derives its license from an organization
8 licensee located in a county with a population in
9 excess of 230,000 and bounded by the Mississippi
10 River, is not conducting its own race meeting
11 during the same dates, then the entire purse
12 allocation shall be to purses at the track where
13 the races wagered on are being conducted.

14 (ii) If the inter-track wagering licensee,
15 except an inter-track ~~intertrack~~ wagering licensee
16 that derives its license from an organization
17 licensee located in a county with a population in
18 excess of 230,000 and bounded by the Mississippi
19 River, is also conducting its own race meeting
20 during the same dates, then the purse allocation
21 shall be as follows: 50% to purses at the track
22 where the races wagered on are being conducted; 50%
23 to purses at the track where the inter-track
24 wagering licensee is accepting such wagers.

25 (iii) If the inter-track wagering is being
26 conducted by an inter-track wagering location

1 licensee, except an inter-track ~~intertrack~~
2 wagering location licensee that derives its
3 license from an organization licensee located in a
4 county with a population in excess of 230,000 and
5 bounded by the Mississippi River, the entire purse
6 allocation for Illinois races shall be to purses at
7 the track where the race meeting being wagered on
8 is being held.

9 (12) The Board shall have all powers necessary and
10 proper to fully supervise and control the conduct of
11 inter-track wagering and simulcast wagering by inter-track
12 wagering licensees and inter-track wagering location
13 licensees, including, but not limited to the following:

14 (A) The Board is vested with power to promulgate
15 reasonable rules and regulations for the purpose of
16 administering the conduct of this wagering and to
17 prescribe reasonable rules, regulations and conditions
18 under which such wagering shall be held and conducted.
19 Such rules and regulations are to provide for the
20 prevention of practices detrimental to the public
21 interest and for the best interests of said wagering
22 and to impose penalties for violations thereof.

23 (B) The Board, and any person or persons to whom it
24 delegates this power, is vested with the power to enter
25 the facilities of any licensee to determine whether
26 there has been compliance with the provisions of this

1 Act and the rules and regulations relating to the
2 conduct of such wagering.

3 (C) The Board, and any person or persons to whom it
4 delegates this power, may eject or exclude from any
5 licensee's facilities, any person whose conduct or
6 reputation is such that his presence on such premises
7 may, in the opinion of the Board, call into the
8 question the honesty and integrity of, or interfere
9 with the orderly conduct of such wagering; provided,
10 however, that no person shall be excluded or ejected
11 from such premises solely on the grounds of race,
12 color, creed, national origin, ancestry, or sex.

13 (D) (Blank).

14 (E) The Board is vested with the power to appoint
15 delegates to execute any of the powers granted to it
16 under this Section for the purpose of administering
17 this wagering and any rules and regulations
18 promulgated in accordance with this Act.

19 (F) The Board shall name and appoint a State
20 director of this wagering who shall be a representative
21 of the Board and whose duty it shall be to supervise
22 the conduct of inter-track wagering as may be provided
23 for by the rules and regulations of the Board; such
24 rules and regulation shall specify the method of
25 appointment and the Director's powers, authority and
26 duties.

1 (G) The Board is vested with the power to impose
2 civil penalties of up to \$5,000 against individuals and
3 up to \$10,000 against licensees for each violation of
4 any provision of this Act relating to the conduct of
5 this wagering, any rules adopted by the Board, any
6 order of the Board or any other action which in the
7 Board's discretion, is a detriment or impediment to
8 such wagering.

9 (13) The Department of Agriculture may enter into
10 agreements with licensees authorizing such licensees to
11 conduct inter-track wagering on races to be held at the
12 licensed race meetings conducted by the Department of
13 Agriculture. Such agreement shall specify the races of the
14 Department of Agriculture's licensed race meeting upon
15 which the licensees will conduct wagering. In the event
16 that a licensee conducts inter-track pari-mutuel wagering
17 on races from the Illinois State Fair or DuQuoin State Fair
18 which are in addition to the licensee's previously approved
19 racing program, those races shall be considered a separate
20 racing day for the purpose of determining the daily handle
21 and computing the privilege or pari-mutuel tax on that
22 daily handle as provided in Sections 27 and 27.1. Such
23 agreements shall be approved by the Board before such
24 wagering may be conducted. In determining whether to grant
25 approval, the Board shall give due consideration to the
26 best interests of the public and of horse racing. The

1 provisions of paragraphs (1), (8), (8.1), and (8.2) of
2 subsection (h) of this Section which are not specified in
3 this paragraph (13) shall not apply to licensed race
4 meetings conducted by the Department of Agriculture at the
5 Illinois State Fair in Sangamon County or the DuQuoin State
6 Fair in Perry County, or to any wagering conducted on those
7 race meetings.

8 (14) An inter-track wagering location license
9 authorized by the Board in 2016 that is owned and operated
10 by a race track in Rock Island County shall be transferred
11 to a commonly owned race track in Cook County on August 12,
12 2016 (the effective date of Public Act 99-757) ~~this~~
13 ~~amendatory Act of the 99th General Assembly~~. The licensee
14 shall retain its status in relation to purse distribution
15 under paragraph (11) of this subsection (h) following the
16 transfer to the new entity. The pari-mutuel tax credit
17 under Section 32.1 shall not be applied toward any
18 pari-mutuel tax obligation of the inter-track wagering
19 location licensee of the license that is transferred under
20 this paragraph (14).

21 (i) Notwithstanding the other provisions of this Act, the
22 conduct of wagering at wagering facilities is authorized on all
23 days, except as limited by subsection (b) of Section 19 of this
24 Act.

25 (Source: P.A. 98-18, eff. 6-7-13; 98-624, eff. 1-29-14; 98-968,
26 eff. 8-15-14; 99-756, eff. 8-12-16; 99-757, eff. 8-12-16;

1 revised 9-14-16.)

2 (230 ILCS 5/26.8)

3 Sec. 26.8. Beginning on February 1, 2014 ~~and through~~
4 ~~December 31, 2018~~, each wagering licensee may impose a
5 surcharge of up to 0.5% on winning wagers and winnings from
6 wagers. The surcharge shall be deducted from winnings prior to
7 payout. All amounts collected from the imposition of this
8 surcharge shall be evenly distributed to the organization
9 licensee and the purse account of the organization licensee
10 with which the licensee is affiliated. The amounts distributed
11 under this Section shall be in addition to the amounts paid
12 pursuant to paragraph (10) of subsection (h) of Section 26,
13 Section 26.3, Section 26.4, Section 26.5, and Section 26.7.

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

15 (230 ILCS 5/26.9)

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

1 the Quarter Horse Purse Fund and all remaining amounts into the
2 Horse Racing Fund.

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

4 (230 ILCS 5/27) (from Ch. 8, par. 37-27)

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

22 In addition, every organization licensee, except as
23 provided in Section 27.1 of this Act, which conducts multiple
24 wagering shall pay, until January 1, 2000, as a privilege tax
25 on multiple wagers an amount equal to 1.25% of all moneys

1 wagered each day on such multiple wagers, plus an additional
2 amount equal to 3.5% of the amount wagered each day on any
3 other multiple wager which involves a single betting interest
4 on 3 or more horses. The licensee shall remit the amount of
5 such taxes to the Department of Revenue within 48 hours after
6 the close of the racing day on which it is assessed or within
7 such other time as the Board prescribes.

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

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

1 pari-mutuel tax imposed on advance deposit wagering shall be
2 deposited into the Standardbred Purse Fund, which shall be
3 created as a non-appropriated trust fund administered by the
4 Board, for grants to the standardbred organization licensees
5 for payment of purses for standardbred horse races conducted by
6 the organization licensee. Thoroughbred organization licensees
7 may petition the Board to conduct quarter horse racing and
8 receive purse grants from the Quarter Horse Purse Fund. The
9 Board shall have complete discretion in distributing the
10 Quarter Horse Purse Fund to the petitioning organization
11 licensees. Beginning on July 26, 2010 (the effective date of
12 Public Act 96-1287), a pari-mutuel tax at the rate of 0.75% of
13 the daily pari-mutuel handle is imposed at a pari-mutuel
14 facility whose license is derived from a track located in a
15 county that borders the Mississippi River and conducted live
16 racing in the previous year. The pari-mutuel tax imposed by
17 this subsection (a-5) shall be remitted to the Department of
18 Revenue within 48 hours after the close of the racing day upon
19 which it is assessed or within such other time as the Board
20 prescribes.

21 (a-10) Beginning on the date when an organization licensee
22 begins conducting electronic gaming pursuant to an electronic
23 gaming license, the following pari-mutuel tax is imposed upon
24 an organization licensee on Illinois races at the licensee's
25 race track:

26 1.5% of the pari-mutuel handle at or below the average

1 daily pari-mutuel handle for 2011.

2 2% of the pari-mutuel handle above the average daily
3 pari-mutuel handle for 2011 up to 125% of the average daily
4 pari-mutuel handle for 2011.

5 2.5% of the pari-mutuel handle 125% or more above the
6 average daily pari-mutuel handle for 2011 up to 150% of the
7 average daily pari-mutuel handle for 2011.

8 3% of the pari-mutuel handle 150% or more above the
9 average daily pari-mutuel handle for 2011 up to 175% of the
10 average daily pari-mutuel handle for 2011.

11 3.5% of the pari-mutuel handle 175% or more above the
12 average daily pari-mutuel handle for 2011.

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

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

23 (c) Licensees shall at all times keep accurate books and
24 records of all monies wagered on each day of a race meeting and
25 of the taxes paid to the Department of Revenue under the
26 provisions of this Section. The Board or its duly authorized

1 representative or representatives shall at all reasonable
2 times have access to such records for the purpose of examining
3 and checking the same and ascertaining whether the proper
4 amount of taxes is being paid as provided. The Board shall
5 require verified reports and a statement of the total of all
6 monies wagered daily at each wagering facility upon which the
7 taxes are assessed and may prescribe forms upon which such
8 reports and statement shall be made.

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

1 ~~transmitted and paid over by the Clerk of the Court to the~~
2 ~~Board.~~

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

6 (f) No other license fee, privilege tax, excise tax or
7 racing fee shall be assessed or collected from any such
8 licensee by units of local government except as provided in
9 paragraph 10.1 of subsection (h) and subsection (f) of Section
10 26 of this Act. However, any municipality that has a Board
11 licensed horse race meeting at a race track wholly within its
12 corporate boundaries or a township that has a Board licensed
13 horse race meeting at a race track wholly within the
14 unincorporated area of the township may charge a local
15 amusement tax not to exceed 10¢ per admission to such horse
16 race meeting by the enactment of an ordinance. However, any
17 municipality or county that has a Board licensed inter-track
18 wagering location facility wholly within its corporate
19 boundaries may each impose an admission fee not to exceed \$1.00
20 per admission to such inter-track wagering location facility,
21 so that a total of not more than \$2.00 per admission may be
22 imposed. Except as provided in subparagraph (g) of Section 27
23 of this Act, the inter-track wagering location licensee shall
24 collect any and all such fees and ~~within 48 hours~~ remit the
25 fees to the Board as the Board prescribes, which shall,
26 pursuant to rule, cause the fees to be distributed to the

1 county or municipality.

2 (g) Notwithstanding any provision in this Act to the
3 contrary, if in any calendar year the total taxes and fees from
4 wagering on live racing and from inter-track wagering required
5 to be collected from licensees and distributed under this Act
6 to all State and local governmental authorities exceeds the
7 amount of such taxes and fees distributed to each State and
8 local governmental authority to which each State and local
9 governmental authority was entitled under this Act for calendar
10 year 1994, then the first \$11 million of that excess amount
11 shall be allocated at the earliest possible date for
12 distribution as purse money for the succeeding calendar year.
13 Upon reaching the 1994 level, and until the excess amount of
14 taxes and fees exceeds \$11 million, the Board shall direct all
15 licensees to cease paying the subject taxes and fees and the
16 Board shall direct all licensees to allocate any such excess
17 amount for purses as follows:

18 (i) the excess amount shall be initially divided
19 between thoroughbred and standardbred purses based on the
20 thoroughbred's and standardbred's respective percentages
21 of total Illinois live wagering in calendar year 1994;

22 (ii) each thoroughbred and standardbred organization
23 licensee issued an organization licensee in that
24 succeeding allocation year shall be allocated an amount
25 equal to the product of its percentage of total Illinois
26 live thoroughbred or standardbred wagering in calendar

1 year 1994 (the total to be determined based on the sum of
2 1994 on-track wagering for all organization licensees
3 issued organization licenses in both the allocation year
4 and the preceding year) multiplied by the total amount
5 allocated for standardbred or thoroughbred purses,
6 provided that the first \$1,500,000 of the amount allocated
7 to standardbred purses under item (i) shall be allocated to
8 the Department of Agriculture to be expended with the
9 assistance and advice of the Illinois Standardbred
10 Breeders Funds Advisory Board for the purposes listed in
11 subsection (g) of Section 31 of this Act, before the amount
12 allocated to standardbred purses under item (i) is
13 allocated to standardbred organization licensees in the
14 succeeding allocation year.

15 To the extent the excess amount of taxes and fees to be
16 collected and distributed to State and local governmental
17 authorities exceeds \$11 million, that excess amount shall be
18 collected and distributed to State and local authorities as
19 provided for under this Act.

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

22 (230 ILCS 5/30) (from Ch. 8, par. 37-30)

23 Sec. 30. (a) The General Assembly declares that it is the
24 policy of this State to encourage the breeding of thoroughbred
25 horses in this State and the ownership of such horses by

1 residents of this State in order to provide for: sufficient
2 numbers of high quality thoroughbred horses to participate in
3 thoroughbred racing meetings in this State, and to establish
4 and preserve the agricultural and commercial benefits of such
5 breeding and racing industries to the State of Illinois. It is
6 the intent of the General Assembly to further this policy by
7 the provisions of this Act.

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

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

23 (d) There is hereby created a special fund of the State
24 Treasury to be known as the Illinois Thoroughbred Breeders
25 Fund.

26 Beginning on the effective date of this amendatory Act of

1 the 100th General Assembly, the Illinois Thoroughbred Breeders
2 Fund shall become a non-appropriated trust fund held separately
3 from State moneys. Expenditures from this Fund shall no longer
4 be subject to appropriation.

5 Except as provided in subsection (g) of Section 27 of this
6 Act, 8.5% of all the monies received by the State as privilege
7 taxes on Thoroughbred racing meetings shall be paid into the
8 Illinois Thoroughbred Breeders Fund.

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

15 (e) The Illinois Thoroughbred Breeders Fund shall be
16 administered by the Department of Agriculture with the advice
17 and assistance of the Advisory Board created in subsection (f)
18 of this Section.

19 (f) The Illinois Thoroughbred Breeders Fund Advisory Board
20 shall consist of the Director of the Department of Agriculture,
21 who shall serve as Chairman; a member of the Illinois Racing
22 Board, designated by it; 2 representatives of the organization
23 licensees conducting thoroughbred racing meetings, recommended
24 by them; 2 representatives of the Illinois Thoroughbred
25 Breeders and Owners Foundation, recommended by it; one
26 representative ~~and 2 representatives~~ of the Horsemen's

1 Benevolent Protective Association; and one representative from
2 the Illinois Thoroughbred Horsemen's Association ~~or any~~
3 ~~successor organization established in Illinois comprised of~~
4 ~~the largest number of owners and trainers, recommended by it,~~
5 ~~with one representative of the Horsemen's Benevolent and~~
6 ~~Protective Association to come from its Illinois Division, and~~
7 ~~one from its Chicago Division.~~ Advisory Board members shall
8 serve for 2 years commencing January 1 of each odd numbered
9 year. If representatives of the organization licensees
10 conducting thoroughbred racing meetings, the Illinois
11 Thoroughbred Breeders and Owners Foundation, ~~and~~ the
12 Horsemen's Benevolent Protection Association, and the Illinois
13 Thoroughbred Horsemen's Association have not been recommended
14 by January 1, of each odd numbered year, the Director of the
15 Department of Agriculture shall make an appointment for the
16 organization failing to so recommend a member of the Advisory
17 Board. Advisory Board members shall receive no compensation for
18 their services as members but shall be reimbursed for all
19 actual and necessary expenses and disbursements incurred in the
20 execution of their official duties.

21 (g) ~~No monies shall be expended from the Illinois~~
22 ~~Thoroughbred Breeders Fund except as appropriated by the~~
23 ~~General Assembly.~~ Monies expended ~~appropriated~~ from the
24 Illinois Thoroughbred Breeders Fund shall be expended by the
25 Department of Agriculture, with the advice and assistance of
26 the Illinois Thoroughbred Breeders Fund Advisory Board, for the

1 following purposes only:

2 (1) To provide purse supplements to owners of horses
3 participating in races limited to Illinois conceived and
4 foaled and Illinois foaled horses. Any such purse
5 supplements shall not be included in and shall be paid in
6 addition to any purses, stakes, or breeders' awards offered
7 by each organization licensee as determined by agreement
8 between such organization licensee and an organization
9 representing the horsemen. No monies from the Illinois
10 Thoroughbred Breeders Fund shall be used to provide purse
11 supplements for claiming races in which the minimum
12 claiming price is less than \$7,500.

13 (2) To provide stakes and awards to be paid to the
14 owners of the winning horses in certain races limited to
15 Illinois conceived and foaled and Illinois foaled horses
16 designated as stakes races.

17 (2.5) To provide an award to the owner or owners of an
18 Illinois conceived and foaled or Illinois foaled horse that
19 wins a maiden special weight, an allowance, overnight
20 handicap race, or claiming race with claiming price of
21 \$10,000 or more providing the race is not restricted to
22 Illinois conceived and foaled or Illinois foaled horses.
23 Awards shall also be provided to the owner or owners of
24 Illinois conceived and foaled and Illinois foaled horses
25 that place second or third in those races. To the extent
26 that additional moneys are required to pay the minimum

1 additional awards of 40% of the purse the horse earns for
2 placing first, second or third in those races for Illinois
3 foaled horses and of 60% of the purse the horse earns for
4 placing first, second or third in those races for Illinois
5 conceived and foaled horses, those moneys shall be provided
6 from the purse account at the track where earned.

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

21 (4) To provide \$75,000 annually for purses to be
22 distributed to county fairs that provide for the running of
23 races during each county fair exclusively for the
24 thoroughbreds conceived and foaled in Illinois. The
25 conditions of the races shall be developed by the county
26 fair association and reviewed by the Department with the

1 advice and assistance of the Illinois Thoroughbred
2 Breeders Fund Advisory Board. There shall be no wagering of
3 any kind on the running of Illinois conceived and foaled
4 races at county fairs.

5 (4.1) To provide purse money for an Illinois stallion
6 stakes program.

7 (5) No less than 90% ~~80%~~ of all monies appropriated
8 from the Illinois Thoroughbred Breeders Fund shall be
9 expended for the purposes in (1), (2), (2.5), (3), (4),
10 (4.1), and (5) as shown above.

11 (6) To provide for educational programs regarding the
12 thoroughbred breeding industry.

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

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

17 (9) To provide for dissemination of public information
18 designed to promote the breeding of thoroughbred horses in
19 Illinois.

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

22 (h) The Illinois Thoroughbred Breeders Fund is not subject
23 to administrative charges or chargebacks, including, but not
24 limited to, those authorized under Section 8h of the State
25 Finance Act. ~~Whenever the Governor finds that the amount in the~~
26 ~~Illinois Thoroughbred Breeders Fund is more than the total of~~

1 ~~the outstanding appropriations from such fund, the Governor~~
2 ~~shall notify the State Comptroller and the State Treasurer of~~
3 ~~such fact. The Comptroller and the State Treasurer, upon~~
4 ~~receipt of such notification, shall transfer such excess amount~~
5 ~~from the Illinois Thoroughbred Breeders Fund to the General~~
6 ~~Revenue Fund.~~

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

1 conceived and foaled horse, or both, shall be paid 30% from the
2 organization licensee's account and 70% from the purse account
3 as follows: 20% to the breeder of the winning horse and 1 1/2%
4 to the organization representing thoroughbred breeders and
5 owners whose representatives serves on the Illinois
6 Thoroughbred Breeders Fund Advisory Board for verifying the
7 amounts of breeders' awards earned, assuring their
8 distribution in accordance with this Act, and servicing and
9 promoting the Illinois Thoroughbred racing industry. A sum
10 ~~equal to 12 1/2% of the first prize money of every purse won by~~
11 ~~an Illinois foaled or an Illinois conceived and foaled horse in~~
12 ~~racess not limited to Illinois foaled horses or Illinois~~
13 ~~conceived and foaled horses, or both, shall be paid by the~~
14 ~~organization licensee conducting the horse race meeting. Such~~
15 ~~sum shall be paid from the organization licensee's share of the~~
16 ~~money wagered as follows: 11 1/2% to the breeder of the winning~~
17 ~~horse and 1% to the organization representing thoroughbred~~
18 ~~breeders and owners whose representative serves on the Illinois~~
19 ~~Thoroughbred Breeders Fund Advisory Board for verifying the~~
20 ~~amounts of breeders' awards earned, assuring their~~
21 ~~distribution in accordance with this Act, and servicing and~~
22 ~~promoting the Illinois thoroughbred horse racing industry. The~~
23 organization representing thoroughbred breeders and owners
24 shall cause all expenditures of monies received under this
25 subsection (i) to be audited at least annually by a registered
26 public accountant. The organization shall file copies of each

1 annual audit with the Racing Board, the Clerk of the House of
2 Representatives and the Secretary of the Senate, and shall make
3 copies of each annual audit available to the public upon
4 request and upon payment of the reasonable cost of photocopying
5 the requested number of copies. Such payments shall not reduce
6 any award to the owner of the horse or reduce the taxes payable
7 under this Act. Upon completion of its racing meet, each
8 organization licensee shall deliver to the organization
9 representing thoroughbred breeders and owners whose
10 representative serves on the Illinois Thoroughbred Breeders
11 Fund Advisory Board a listing of all the Illinois foaled and
12 the Illinois conceived and foaled horses which won breeders'
13 awards and the amount of such breeders' awards under this
14 subsection to verify accuracy of payments and assure proper
15 distribution of breeders' awards in accordance with the
16 provisions of this Act. Such payments shall be delivered by the
17 organization licensee within 30 days of the end of each race
18 meeting.

19 (j) A sum equal to 13% of the first prize money won in
20 every race limited to Illinois foaled horses or Illinois
21 conceived and foaled horses, or both, shall be paid in the
22 following manner by the organization licensee conducting the
23 horse race meeting, 50% from the organization licensee's share
24 of the money wagered and 50% from the purse account as follows:
25 11 1/2% to the breeders of the horses in each such race which
26 are the official first, second, third, and fourth finishers and

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

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

1 ~~number of copies.~~

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

4 (1) 60% of such sum shall be paid to the breeder of the
5 horse which finishes in the official first position;

6 (2) 20% of such sum shall be paid to the breeder of the
7 horse which finishes in the official second position;

8 (3) 15% of such sum shall be paid to the breeder of the
9 horse which finishes in the official third position; and

10 (4) 5% of such sum shall be paid to the breeder of the
11 horse which finishes in the official fourth position.

12 Such payments shall not reduce any award to the owners of a
13 horse or reduce the taxes payable under this Act. Upon
14 completion of its racing meet, each organization licensee shall
15 deliver to the organization representing thoroughbred breeders
16 and owners whose representative serves on the Illinois
17 Thoroughbred Breeders Fund Advisory Board a listing of all the
18 Illinois foaled and the Illinois conceived and foaled horses
19 which won breeders' awards and the amount of such breeders'
20 awards in accordance with the provisions of this Act. Such
21 payments shall be delivered by the organization licensee within
22 30 days of the end of each race meeting.

23 (k) The term "breeder", as used herein, means the owner of
24 the mare at the time the foal is dropped. An "Illinois foaled
25 horse" is a foal dropped by a mare which enters this State on
26 or before December 1, in the year in which the horse is bred,

1 provided the mare remains continuously in this State until its
2 foal is born. An "Illinois foaled horse" also means a foal born
3 of a mare in the same year as the mare enters this State on or
4 before March 1, and remains in this State at least 30 days
5 after foaling, is bred back during the season of the foaling to
6 an Illinois Registered Stallion (unless a veterinarian
7 certifies that the mare should not be bred for health reasons),
8 and is not bred to a stallion standing in any other state
9 during the season of foaling. An "Illinois foaled horse" also
10 means a foal born in Illinois of a mare purchased at public
11 auction subsequent to the mare entering this State on or before
12 March 1 ~~prior to February 1~~ of the foaling year providing the
13 mare is owned solely by one or more Illinois residents or an
14 Illinois entity that is entirely owned by one or more Illinois
15 residents.

16 (1) The Department of Agriculture shall, by rule, with the
17 advice and assistance of the Illinois Thoroughbred Breeders
18 Fund Advisory Board:

19 (1) Qualify stallions for Illinois breeding; such
20 stallions to stand for service within the State of Illinois
21 at the time of a foal's conception. Such stallion must not
22 stand for service at any place outside the State of
23 Illinois during the calendar year in which the foal is
24 conceived. The Department of Agriculture may assess and
25 collect an application fee of up to \$500 ~~fees~~ for the
26 registration of Illinois-eligible stallions. All fees

1 collected are to be held in trust accounts for the purposes
2 set forth in this Act and in accordance with Section 205-15
3 of the Department of Agriculture Law ~~paid into the Illinois~~
4 ~~Thoroughbred Breeders Fund.~~

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

21 (m) The Department of Agriculture, with the advice and
22 assistance of the Illinois Thoroughbred Breeders Fund Advisory
23 Board, shall provide that certain races limited to Illinois
24 conceived and foaled and Illinois foaled horses be stakes races
25 and determine the total amount of stakes and awards to be paid
26 to the owners of the winning horses in such races.

1 In determining the stakes races and the amount of awards
2 for such races, the Department of Agriculture shall consider
3 factors, including but not limited to, the amount of money
4 appropriated for the Illinois Thoroughbred Breeders Fund
5 program, organization licensees' contributions, availability
6 of stakes caliber horses as demonstrated by past performances,
7 whether the race can be coordinated into the proposed racing
8 dates within organization licensees' racing dates, opportunity
9 for colts and fillies and various age groups to race, public
10 wagering on such races, and the previous racing schedule.

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

24 (o) (Blank).

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

1 (230 ILCS 5/30.5)

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

3 (a) The General Assembly declares that it is the policy of
4 this State to encourage the breeding of racing quarter horses
5 in this State and the ownership of such horses by residents of
6 this State in order to provide for sufficient numbers of high
7 quality racing quarter horses in this State and to establish
8 and preserve the agricultural and commercial benefits of such
9 breeding and racing industries to the State of Illinois. It is
10 the intent of the General Assembly to further this policy by
11 the provisions of this Act.

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

23 (c) The Illinois Racing Quarter Horse Breeders Fund shall
24 be administered by the Department of Agriculture with the
25 advice and assistance of the Advisory Board created in
26 subsection (d) of this Section.

1 (d) The Illinois Racing Quarter Horse Breeders Fund
2 Advisory Board shall consist of the Director of the Department
3 of Agriculture, who shall serve as Chairman; a member of the
4 Illinois Racing Board, designated by it; one representative of
5 the organization licensees conducting pari-mutuel quarter
6 horse racing meetings, recommended by them; 2 representatives
7 of the Illinois Running Quarter Horse Association, recommended
8 by it; and the Superintendent of Fairs and Promotions from the
9 Department of Agriculture. Advisory Board members shall serve
10 for 2 years commencing January 1 of each odd numbered year. If
11 representatives have not been recommended by January 1 of each
12 odd numbered year, the Director of the Department of
13 Agriculture may make an appointment for the organization
14 failing to so recommend a member of the Advisory Board.
15 Advisory Board members shall receive no compensation for their
16 services as members but may be reimbursed for all actual and
17 necessary expenses and disbursements incurred in the execution
18 of their official duties.

19 (e) ~~Moneys in No moneys shall be expended from the Illinois~~
20 ~~Racing Quarter Horse Breeders Fund except as appropriated by~~
21 ~~the General Assembly. Moneys appropriated from the Illinois~~
22 Racing Quarter Horse Breeders Fund shall be expended by the
23 Department of Agriculture, with the advice and assistance of
24 the Illinois Racing Quarter Horse Breeders Fund Advisory Board,
25 for the following purposes only:

26 (1) To provide stakes and awards to be paid to the

1 owners of the winning horses in certain races. This
2 provision is limited to Illinois conceived and foaled
3 horses.

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

8 (3) To provide purse money for an Illinois stallion
9 stakes program.

10 (4) To provide for purses to be distributed for the
11 running of races during the Illinois State Fair and the
12 DuQuoin State Fair exclusively for quarter horses
13 conceived and foaled in Illinois.

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

17 (6) To provide for purses to be distributed for running
18 races exclusively for quarter horses conceived and foaled
19 in Illinois at locations in Illinois determined by the
20 Department of Agriculture with advice and consent of the
21 Illinois Racing Quarter Horse Breeders Fund Advisory
22 Board.

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

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

3 (9) To provide for dissemination of public information
4 designed to promote the breeding of racing quarter horses
5 in Illinois.

6 (10) To provide for expenses incurred in the
7 administration of the Illinois Racing Quarter Horse
8 Breeders Fund.

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

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

21 (2) Provide for the registration of Illinois conceived
22 and foaled horses. No such horse shall compete in the races
23 limited to Illinois conceived and foaled horses unless it
24 is registered with the Department of Agriculture. The
25 Department of Agriculture may prescribe such forms as are
26 necessary to determine the eligibility of such horses. The

1 Department of Agriculture may assess and collect
2 application fees for the registration of Illinois-eligible
3 foals. All fees collected are to be paid into the Illinois
4 Racing Quarter Horse Breeders Fund. No person shall
5 knowingly prepare or cause preparation of an application
6 for registration of such foals that contains false
7 information.

8 (g) The Department of Agriculture, with the advice and
9 assistance of the Illinois Racing Quarter Horse Breeders Fund
10 Advisory Board, shall provide that certain races limited to
11 Illinois conceived and foaled be stakes races and determine the
12 total amount of stakes and awards to be paid to the owners of
13 the winning horses in such races.

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

15 (230 ILCS 5/31) (from Ch. 8, par. 37-31)

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

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

8 (b-5) Organization licensees, not including the Illinois
9 State Fair or the DuQuoin State Fair, shall provide stake races
10 and early closer races for Illinois conceived and foaled horses
11 so that purses distributed for such races shall be no less than
12 17% of total purses distributed for harness racing in that
13 calendar year in addition to any stakes payments and starting
14 fees contributed by horse owners.

15 (b-10) Each organization licensee conducting a harness
16 racing meeting pursuant to this Act shall provide an owner
17 award to be paid from the purse account equal to 25% of the
18 amount earned by Illinois conceived and foaled horses in races
19 that are not restricted to Illinois conceived and foaled
20 horses. The owner awards shall not be paid on races below the
21 \$10,000 claiming class.

22 (c) Conditions of races under subsection (b) shall be
23 commensurate with past performance, quality and class of
24 Illinois conceived and foaled horses available. If, however,
25 sufficient competition cannot be had among horses of that class
26 on any day, the races may, with consent of the Board, be

1 eliminated for that day and substitute races provided.

2 (d) There is hereby created a special fund of the State
3 Treasury to be known as the Illinois Standardbred Breeders
4 Fund.

5 During the calendar year 1981, and each year thereafter,
6 except as provided in subsection (g) of Section 27 of this Act,
7 eight and one-half per cent of all the monies received by the
8 State as privilege taxes on harness racing meetings shall be
9 paid into the Illinois Standardbred Breeders Fund.

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

14 (f) The Illinois Standardbred Breeders Fund Advisory Board
15 is hereby created. The Advisory Board shall consist of the
16 Director of the Department of Agriculture, who shall serve as
17 Chairman; the Superintendent of the Illinois State Fair; a
18 member of the Illinois Racing Board, designated by it; a
19 representative of the largest association of Illinois
20 standardbred owners and breeders, recommended by it; a
21 representative of a statewide association representing
22 agricultural fairs in Illinois, recommended by it, such
23 representative to be from a fair at which Illinois conceived
24 and foaled racing is conducted; a representative of the
25 organization licensees conducting harness racing meetings,
26 recommended by them; a representative of the Breeder's

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

24 (g) No monies shall be expended from the Illinois
25 Standardbred Breeders Fund except as appropriated by the
26 General Assembly. Monies appropriated from the Illinois

1 Standardbred Breeders Fund shall be expended by the Department
2 of Agriculture, with the assistance and advice of the Illinois
3 Standardbred Breeders Fund Advisory Board for the following
4 purposes only:

5 1. To provide purses for races limited to Illinois
6 conceived and foaled horses at the State Fair and the
7 DuQuoin State Fair.

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

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

13 4. No less than 75% of all monies in the Illinois
14 Standardbred Breeders Fund shall be expended for purses in
15 1, 2 and 3 as shown above.

16 5. In the discretion of the Department of Agriculture
17 to provide awards to harness breeders of Illinois conceived
18 and foaled horses which win races conducted by organization
19 licensees conducting harness racing meetings. A breeder is
20 the owner of a mare at the time of conception. No more than
21 10% of all monies appropriated from the Illinois
22 Standardbred Breeders Fund shall be expended for such
23 harness breeders awards. No more than 25% of the amount
24 expended for harness breeders awards shall be expended for
25 expenses incurred in the administration of such harness
26 breeders awards.

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

3 7. To pay the expenses incurred in the administration
4 of the Illinois Standardbred Breeders Fund.

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

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

12 10. To pay up to \$100,000 annually for distribution to
13 Illinois county fairs to supplement premiums offered in
14 junior classes.

15 11. To pay up to \$100,000 annually for division and
16 equal distribution to the animal sciences department of
17 each Illinois public university system engaged in equine
18 research and education on or before the effective date of
19 this amendatory Act of the 100th General Assembly for
20 equine research and education.

21 (h) (Blank) ~~Whenever the Governor finds that the amount in~~
22 ~~the Illinois Standardbred Breeders Fund is more than the total~~
23 ~~of the outstanding appropriations from such fund, the Governor~~
24 ~~shall notify the State Comptroller and the State Treasurer of~~
25 ~~such fact. The Comptroller and the State Treasurer, upon~~
26 ~~receipt of such notification, shall transfer such excess amount~~

1 ~~from the Illinois Standardbred Breeders Fund to the General~~
2 ~~Revenue Fund.~~

3 (i) A sum equal to 13% ~~12-1/2%~~ of the first prize money of
4 the gross every purse won by an Illinois conceived and foaled
5 horse shall be paid 50% by the organization licensee conducting
6 the horse race meeting to the breeder of such winning horse
7 from the organization licensee's account and 50% from the purse
8 account of the licensee ~~share of the money wagered~~. Such
9 payment shall not reduce any award to the owner of the horse or
10 reduce the taxes payable under this Act. Such payment shall be
11 delivered by the organization licensee at the end of each
12 quarter ~~race meeting~~.

13 (j) The Department of Agriculture shall, by rule, with the
14 assistance and advice of the Illinois Standardbred Breeders
15 Fund Advisory Board:

16 1. Qualify stallions for Illinois Standardbred
17 Breeders Fund breeding; ~~such stallion shall be owned by a~~
18 ~~resident of the State of Illinois or by an Illinois~~
19 ~~corporation all of whose shareholders, directors, officers~~
20 ~~and incorporators are residents of the State of Illinois.~~

21 Such stallion shall stand for service at and within the
22 State of Illinois at the time of a foal's conception, and
23 such stallion must not stand for service at any place, ~~nor~~
24 ~~may semen from such stallion be transported,~~ outside the
25 State of Illinois during that calendar year in which the
26 foal is conceived ~~and that the owner of the stallion was~~

1 ~~for the 12 months prior, a resident of Illinois. Foals~~
2 ~~conceived outside the State of Illinois from shipped semen~~
3 ~~from a stallion qualified for breeders' awards under this~~
4 ~~Section are not eligible to participate in the Illinois~~
5 ~~conceived and foaled program. The articles of agreement of~~
6 ~~any partnership, joint venture, limited partnership,~~
7 ~~syndicate, association or corporation and any bylaws and~~
8 ~~stock certificates must contain a restriction that~~
9 ~~provides that the ownership or transfer of interest by any~~
10 ~~one of the persons a party to the agreement can only be~~
11 ~~made to a person who qualifies as an Illinois resident.~~

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

1 requirements are met. The stallion must be qualified for
2 Illinois Standardbred Breeders Fund breeding at the time of
3 conception and the mare must be inseminated within the
4 State of Illinois. The foal must be dropped in Illinois and
5 properly registered with the Department of Agriculture in
6 accordance with this Act.

7 3. Provide that at least a 5 day racing program shall
8 be conducted at the State Fair each year, which program
9 shall include at least the following races limited to
10 Illinois conceived and foaled horses: (a) a two year old
11 Trot and Pace, and Filly Division of each; (b) a three year
12 old Trot and Pace, and Filly Division of each; (c) an aged
13 Trot and Pace, and Mare Division of each.

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

1 5. Provide for the registration with the Department of
2 Agriculture of Colt Associations or county fairs desiring
3 to sponsor races at county fairs.

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

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

22 (1) All races held at county fairs and the State Fair which
23 receive funds from the Illinois Standardbred Breeders Fund
24 shall be conducted in accordance with the rules of the United
25 States Trotting Association unless otherwise modified by the
26 Department of Agriculture.

1 (m) At all standardbred race meetings held or conducted
2 under authority of a license granted by the Board, and at all
3 standardbred races held at county fairs which are approved by
4 the Department of Agriculture or at the Illinois or DuQuoin
5 State Fairs, no one shall jog, train, warm up or drive a
6 standardbred horse unless he or she is wearing a protective
7 safety helmet, with the chin strap fastened and in place, which
8 meets the standards and requirements as set forth in the 1984
9 Standard for Protective Headgear for Use in Harness Racing and
10 Other Equestrian Sports published by the Snell Memorial
11 Foundation, or any standards and requirements for headgear the
12 Illinois Racing Board may approve. Any other standards and
13 requirements so approved by the Board shall equal or exceed
14 those published by the Snell Memorial Foundation. Any
15 equestrian helmet bearing the Snell label shall be deemed to
16 have met those standards and requirements.

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

18 (230 ILCS 5/32.1)

19 Sec. 32.1. Pari-mutuel tax credit; statewide racetrack
20 real estate equalization.

21 (a) In order to encourage new investment in Illinois
22 racetrack facilities and mitigate differing real estate tax
23 burdens among all racetracks, the licensees affiliated or
24 associated with each racetrack that has been awarded live
25 racing dates in the current year shall receive an immediate

1 pari-mutuel tax credit in an amount equal to the greater of (i)
2 50% of the amount of the real estate taxes paid in the prior
3 year attributable to that racetrack, or (ii) the amount by
4 which the real estate taxes paid in the prior year attributable
5 to that racetrack exceeds 60% of the average real estate taxes
6 paid in the prior year for all racetracks awarded live horse
7 racing meets in the current year.

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

26 (b) After the end of the 7-year period beginning on January

1 1 of the calendar year immediately following the effective date
2 of this amendatory Act of the 100th General Assembly, the
3 organization licensee shall be ineligible to receive a tax
4 credit under this Section.

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

6 (230 ILCS 5/34.3 new)

7 Sec. 34.3. Drug testing. The Illinois Racing Board and the
8 Department of Agriculture shall jointly establish a program for
9 the purpose of conducting drug testing of horses at county
10 fairs and shall adopt any rules necessary for enforcement of
11 the program. The rules shall include appropriate penalties for
12 violations.

13 (230 ILCS 5/36) (from Ch. 8, par. 37-36)

14 Sec. 36. (a) Whoever administers or conspires to administer
15 to any horse a hypnotic, narcotic, stimulant, depressant or any
16 chemical substance which may affect the speed of a horse at any
17 time in any race where the purse or any part of the purse is
18 made of money authorized by any Section of this Act, except
19 those chemical substances permitted by ruling of the Board,
20 internally, externally or by hypodermic method in a race or
21 prior thereto, or whoever knowingly enters a horse in any race
22 within a period of 24 hours after any hypnotic, narcotic,
23 stimulant, depressant or any other chemical substance which may
24 affect the speed of a horse at any time, except those chemical

1 substances permitted by ruling of the Board, has been
2 administered to such horse either internally or externally or
3 by hypodermic method for the purpose of increasing or retarding
4 the speed of such horse shall be guilty of a Class 4 felony.
5 The Board shall suspend or revoke such violator's license.

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

8 (c) The term "narcotic" as used in this Section includes
9 opium and all its alkaloids, salts, preparations and
10 derivatives, cocaine and all its salts, preparations and
11 derivatives and substitutes.

12 (d) The provisions of this Section 36 and the treatment
13 authorized herein apply to horses entered in and competing in
14 race meetings as defined in Section 3.07 of this Act and to
15 horses entered in and competing at any county fair.

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

17 (230 ILCS 5/40) (from Ch. 8, par. 37-40)

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

23 (b) The Director of Agriculture or his or her authorized
24 representative shall impose the following monetary penalties
25 and hold administrative hearings as required for failure to

1 submit the following applications, lists, or reports within the
2 time period, date or manner required by statute or rule or for
3 removing a foal from Illinois prior to inspection:

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

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

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

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

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

14 (A) if a list or report is submitted no more than
15 30 days late, \$50;

16 (B) if a list or report is submitted no more than
17 60 days late, \$150; or

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

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

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

26 (B) if a report is submitted no more than 90 days

1 late, \$150;

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

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

7 (4) late filing of application for foal eligibility
8 certificate:

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

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

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

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

18 (5) failure to report the intent to remove a foal from
19 Illinois prior to inspection, identification and
20 certification by a Department of Agriculture investigator,
21 \$50; and

22 (6) if a list or report of mares bred is incomplete,
23 \$50 per mare not included on the list or report.

24 Any person upon whom monetary penalties are imposed under
25 this Section 3 times within a 5-year ~~5-year~~ period shall have
26 any further monetary penalties imposed at double the amounts

1 set forth above. All monies assessed and collected for
2 violations relating to thoroughbreds shall be paid into the
3 Illinois Thoroughbred Breeders Fund. All monies assessed and
4 collected for violations relating to standardbreds shall be
5 paid into the Illinois Standardbred Breeders Fund.

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

7 (230 ILCS 5/54.75)

8 Sec. 54.75. Horse Racing Equity Trust Fund.

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

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

20 (1) Sixty percent of all moneys distributed under this
21 subsection shall be distributed to organization licensees
22 to be distributed at their race meetings as purses.
23 Fifty-seven percent of the amount distributed under this
24 paragraph (1) shall be distributed for thoroughbred race
25 meetings and 43% shall be distributed for standardbred race

1 meetings. Within each breed, moneys shall be allocated to
2 each organization licensee's purse fund in accordance with
3 the ratio between the purses generated for that breed by
4 that licensee during the prior calendar year and the total
5 purses generated throughout the State for that breed during
6 the prior calendar year by licensees in the current
7 calendar year.

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

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

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

26 The moneys received by an organization licensee

1 under this paragraph (2) shall be used by each
2 organization licensee to improve, maintain, market,
3 and otherwise operate its racing facilities to conduct
4 live racing, which shall include backstretch services
5 and capital improvements related to live racing and the
6 backstretch. Any organization licensees sharing common
7 ownership may pool the moneys received and spent at all
8 racing facilities commonly owned in order to meet these
9 requirements.

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

14 (c) The Board shall monitor organization licensees to
15 ensure that moneys paid to organization licensees under this
16 Section are distributed by the organization licensees as
17 provided in subsection (b).

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

19 (230 ILCS 5/56 new)

20 Sec. 56. Electronic gaming.

21 (a) A person, firm, corporation, or limited liability
22 company having operating control of a race track may apply to
23 the Gaming Board for an electronic gaming license. An
24 electronic gaming license shall authorize its holder to conduct
25 electronic gaming on the grounds of the race track controlled

1 by the licensee's race track. Only one electronic gaming
2 license may be awarded for any race track. A holder of an
3 electronic gaming license shall be subject to the Illinois
4 Gambling Act and rules of the Illinois Gaming Board concerning
5 electronic gaming. If the person, firm, corporation, or limited
6 liability company having operating control of a race track is
7 found by the Illinois Gaming Board to be unsuitable for an
8 electronic gaming license under the Illinois Gambling Act and
9 rules of the Gaming Board, that person, firm, corporation, or
10 limited liability company shall not be granted an electronic
11 gaming license. Each license shall specify the number of gaming
12 positions that its holder may operate.

13 An electronic gaming licensee may not permit persons under
14 21 years of age to be present in its electronic gaming
15 facility, but the licensee may accept wagers on live racing and
16 inter-track wagers at its electronic gaming facility.

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

25 (1) Amounts shall be paid to the purse account at the
26 track at which the organization licensee is conducting

1 racine equal to the following:

2 12.75% of annual adjusted gross receipts up to and
3 including \$75,000,000;

4 20% of annual adjusted gross receipts in excess of
5 \$75,000,000 but not exceeding \$100,000,000;

6 26.5% of annual adjusted gross receipts in excess
7 of \$100,000,000 but not exceeding \$125,000,000; and

8 20.5% of annual adjusted gross receipts in excess
9 of \$125,000,000.

10 (2) The remainder shall be retained by the electronic
11 gaming licensee.

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

22 Annually, from the purse account of an organization
23 licensee racing thoroughbred horses in this State, except for
24 in Madison County, an amount equal to 12% of the electronic
25 gaming receipts placed into the purse accounts shall be paid to
26 the Illinois Thoroughbred Breeders Fund and shall be used for

1 owner awards; a stallion program pursuant to paragraph (3) of
2 subsection (g) of Section 30 of this Act; and Illinois
3 conceived and foaled stakes races pursuant to paragraph (2) of
4 subsection (g) of Section 30 of this Act, as specifically
5 designated by the horsemen's association representing the
6 largest number of owners and trainers who race at the
7 organization licensee's race meetings.

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

20 Annually, from the purse account of an organization
21 licensee conducting thoroughbred races at a race track in
22 Madison County, an amount equal to 1% of the electronic gaming
23 receipts distributed to purses per subsection (b) of this
24 Section 56 shall be paid as follows: 0.33 1/3% to Southern
25 Illinois University Department of Animal Sciences for equine
26 research and education, an amount equal to 0.33 1/3% of the

1 electronic gaming receipts shall be used to operate laundry
2 facilities or a kitchen for backstretch workers at that race
3 track, and an amount equal to 0.33 1/3% of the electronic
4 gaming receipts shall be paid to R.A.C.E., Inc., a 501(c)(3)
5 non-profit organization that cares for injured and unwanted
6 horses that race at that race track.

7 Annually, from the purse account of organization licensees
8 conducting thoroughbred races at race tracks in Cook County,
9 \$100,000 shall be paid for division and equal distribution to
10 the animal sciences department of each Illinois public
11 university system engaged in equine research and education on
12 or before the effective date of this amendatory Act of the
13 100th General Assembly for equine research and education.

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

24 Section 90-40. The Riverboat Gambling Act is amended by
25 changing Sections 1, 2, 3, 4, 5, 5.1, 6, 7, 7.3, 7.5, 8, 9, 11,

1 11.1, 12, 13, 14, 15, 16, 17, 17.1, 18, 18.1, 19, 20, 21, 23,
2 and 24 and by adding Sections 5.3, 7.7, 7.8, 7.9, 7.10, 7.11,
3 7.12, and 7.13 as follows:

4 (230 ILCS 10/1) (from Ch. 120, par. 2401)

5 Sec. 1. Short title. This Act shall be known and may be
6 cited as the Illinois Riverboat Gambling Act.

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

8 (230 ILCS 10/2) (from Ch. 120, par. 2402)

9 Sec. 2. Legislative Intent.

10 (a) This Act is intended to benefit the people of the State
11 of Illinois by assisting economic development, ~~and~~ promoting
12 Illinois tourism, ~~and by~~ increasing the amount of revenues
13 available to the State to assist and support education, and to
14 defray State expenses, including unpaid bills.

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

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

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

6 (230 ILCS 10/3) (from Ch. 120, par. 2403)

7 Sec. 3. ~~Riverboat~~ Gambling Authorized.

8 (a) Riverboat and casino gambling operations and
9 electronic gaming operations ~~and the system of wagering~~
10 ~~incorporated therein~~, as defined in this Act, are hereby
11 authorized to the extent that they are carried out in
12 accordance with the provisions of this Act.

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

23 (c) Riverboat gambling conducted pursuant to this Act may
24 be authorized upon any water within the State of Illinois or
25 any water other than Lake Michigan which constitutes a boundary

1 of the State of Illinois. Notwithstanding any provision in this
2 subsection (c) to the contrary, a licensee that receives its
3 license pursuant to subsection (e-5) of Section 7 may conduct
4 riverboat gambling on Lake Michigan from a home dock located on
5 Lake Michigan subject to any limitations contained in Section
6 7. Notwithstanding any provision in this subsection (c) to the
7 contrary, a licensee may conduct gambling at its home dock
8 facility as provided in Sections 7 and 11. A licensee may
9 conduct riverboat gambling authorized under this Act
10 regardless of whether it conducts excursion cruises. A licensee
11 may permit the continuous ingress and egress of passengers for
12 the purpose of gambling.

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

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

18 (230 ILCS 10/4) (from Ch. 120, par. 2404)

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

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

21 ~~(b)~~ "Occupational license" means a license issued by the
22 Board to a person or entity to perform an occupation which the
23 Board has identified as requiring a license to engage in
24 riverboat gambling, casino gambling, or electronic gaming in
25 Illinois.

1 ~~(e)~~ "Gambling game" includes, but is not limited to,
2 baccarat, twenty-one, poker, craps, slot machine, video game of
3 chance, roulette wheel, klondike table, punchboard, faro
4 layout, keno layout, numbers ticket, push card, jar ticket, or
5 pull tab which is authorized by the Board as a wagering device
6 under this Act.

7 ~~(d)~~ "Riverboat" means a self-propelled excursion boat, a
8 permanently moored barge, or permanently moored barges that are
9 permanently fixed together to operate as one vessel, on which
10 lawful gambling is authorized and licensed as provided in this
11 Act.

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

22 (1) may utilize spinning reels or video displays or
23 both;

24 (2) may or may not dispense coins, tickets, or tokens
25 to winning patrons;

26 (3) may use an electronic credit system for receiving

1 wagers and making payouts; and

2 (4) may simulate a table game.

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

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

8 ~~(f)~~ "Dock" means the location where a riverboat moors for
9 the purpose of embarking passengers for and disembarking
10 passengers from the riverboat.

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

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

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

19 ~~(j)~~ ~~(Blank)~~.

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

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

1 2003.

2 "Table game" means a live gaming apparatus upon which
3 gaming is conducted or that determines an outcome that is the
4 object of a wager, including, but not limited to, baccarat,
5 twenty-one, blackjack, poker, craps, roulette wheel, klondike
6 table, punchboard, faro layout, keno layout, numbers ticket,
7 push card, jar ticket, pull tab, or other similar games that
8 are authorized by the Board as a wagering device under this
9 Act. "Table game" does not include slot machines or video games
10 of chance.

11 ~~(m)~~ The terms "minority person", "female", and "person with
12 a disability" shall have the same meaning as defined in Section
13 2 of the Business Enterprise for Minorities, Females, and
14 Persons with Disabilities Act.

15 "Authority" means the Chicago Casino Development
16 Authority.

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

19 "Owners license" means a license to conduct riverboat or
20 casino gambling operations, but does not include an electronic
21 gaming license.

22 "Licensed owner" means a person who holds an owners
23 license.

24 "Electronic gaming" means slot machine gambling or
25 gambling with table games positioned within an electronic
26 gaming facility as defined in the Illinois Gambling Act, as

1 defined in this Act, or defined by the Board that is conducted
2 at a race track pursuant to an electronic gaming license.

3 "Electronic gaming facility" means the area where the Board
4 has authorized electronic gaming at a race track of an
5 organization licensee under the Illinois Horse Racing Act of
6 1975 that holds an electronic gaming license.

7 "Electronic gaming license" means a license issued by the
8 Board under Section 7.7 of this Act authorizing electronic
9 gaming at an electronic gaming facility.

10 "Electronic gaming licensee" means an entity that holds an
11 electronic gaming license.

12 "Organization licensee" means an entity authorized by the
13 Illinois Racing Board to conduct pari-mutuel wagering in
14 accordance with the Illinois Horse Racing Act of 1975. With
15 respect only to electronic gaming, "organization licensee"
16 includes the authorization for electronic gaming created under
17 subsection (a) of Section 56 of the Illinois Horse Racing Act
18 of 1975.

19 "Casino operator license" means the license held by the
20 person or entity selected by the Authority to manage and
21 operate a riverboat or casino within the geographic area of the
22 authorized municipality pursuant to this Act and the Chicago
23 Casino Development Authority Act.

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

1 Sec. 5. Gaming Board.

2 (a) (1) There is hereby established the Illinois Gaming
3 Board, which shall have the powers and duties specified in this
4 Act and in the Chicago Casino Development Authority Act, and
5 all other powers necessary and proper to fully and effectively
6 execute this Act for the purpose of administering, regulating,
7 and enforcing the system of riverboat and casino gambling and
8 electronic gaming established by this Act and by the Chicago
9 Casino Development Authority Act. Its jurisdiction shall
10 extend under this Act and the Chicago Casino Development
11 Authority Act to every person, association, corporation,
12 partnership and trust involved in riverboat and casino gambling
13 operations and electronic gaming in the State of Illinois.

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

22 On and after the effective date of this amendatory Act of
23 the 100th General Assembly, new appointees to the Board must
24 include the following:

25 (A) One member who has received, at a minimum, a
26 bachelor's degree from an accredited school and at least 10

1 years of verifiable training and experience in the fields
2 of investigation and law enforcement.

3 (B) One member who is a certified public accountant
4 with experience in auditing and with knowledge of complex
5 corporate structures and transactions.

6 (C) One member who has 5 years' experience as a
7 principal, senior officer, or director of a company or
8 business with either material responsibility for the daily
9 operations and management of the overall company or
10 business or material responsibility for the policy making
11 of the company or business.

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

14 Notwithstanding any provision of this subsection (a), the
15 requirements of subparagraphs (A) through (D) of this paragraph
16 (2) shall not apply to any person reappointed pursuant to
17 paragraph (3).

18 No more than 3 members of the Board may be from the same
19 political party. The Board should reflect the ethnic, cultural,
20 and geographic diversity of the State. No Board member shall,
21 within a period of one year immediately preceding nomination,
22 have been employed or received compensation or fees for
23 services from a person or entity, or its parent or affiliate,
24 that has engaged in business with the Board, a licensee, or a
25 licensee under the Illinois Horse Racing Act of 1975. Board
26 members must publicly disclose all prior affiliations with

1 gaming interests, including any compensation, fees, bonuses,
2 salaries, and other reimbursement received from a person or
3 entity, or its parent or affiliate, that has engaged in
4 business with the Board, a licensee, or a licensee under the
5 Illinois Horse Racing Act of 1975. This disclosure must be made
6 within 30 days after nomination but prior to confirmation by
7 the Senate and must be made available to the members of the
8 Senate. At least one member shall be experienced in law
9 enforcement and criminal investigation, at least one member
10 shall be a certified public accountant experienced in
11 accounting and auditing, and at least one member shall be a
12 lawyer licensed to practice law in Illinois.

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

26 (4) Each member of the Board shall receive \$300 for each

1 day the Board meets and for each day the member conducts any
2 hearing pursuant to this Act. Each member of the Board shall
3 also be reimbursed for all actual and necessary expenses and
4 disbursements incurred in the execution of official duties.

5 (5) No person shall be appointed a member of the Board or
6 continue to be a member of the Board who is, or whose spouse,
7 child or parent is, a member of the board of directors of, or a
8 person financially interested in, any gambling operation
9 subject to the jurisdiction of this Board, or any race track,
10 race meeting, racing association or the operations thereof
11 subject to the jurisdiction of the Illinois Racing Board. No
12 Board member shall hold any other public office. No person
13 shall be a member of the Board who is not of good moral
14 character or who has been convicted of, or is under indictment
15 for, a felony under the laws of Illinois or any other state, or
16 the United States.

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

1 service functions.

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

5 (7) Before entering upon the discharge of the duties of his
6 office, each member of the Board shall take an oath that he
7 will faithfully execute the duties of his office according to
8 the laws of the State and the rules and regulations adopted
9 therewith and shall give bond to the State of Illinois,
10 approved by the Governor, in the sum of \$25,000. Every such
11 bond, when duly executed and approved, shall be recorded in the
12 office of the Secretary of State. Whenever the Governor
13 determines that the bond of any member of the Board has become
14 or is likely to become invalid or insufficient, he shall
15 require such member forthwith to renew his bond, which is to be
16 approved by the Governor. Any member of the Board who fails to
17 take oath and give bond within 30 days from the date of his
18 appointment, or who fails to renew his bond within 30 days
19 after it is demanded by the Governor, shall be guilty of
20 neglect of duty and may be removed by the Governor. The cost of
21 any bond given by any member of the Board under this Section
22 shall be taken to be a part of the necessary expenses of the
23 Board.

24 (7.5) For the examination of all mechanical,
25 electromechanical, or electronic table games, slot machines,
26 slot accounting systems, and other electronic gaming equipment

1 for compliance with this Act, the Board may utilize the
2 services of one or more independent outside testing
3 laboratories that have been accredited by a national
4 accreditation body and that, in the judgment of the Board, are
5 qualified to perform such examinations.

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

25 (9) An Administrator shall perform any and all duties that
26 the Board shall assign him. The salary of the Administrator

1 shall be determined by the Board and, in addition, he shall be
2 reimbursed for all actual and necessary expenses incurred by
3 him in discharge of his official duties. The Administrator
4 shall keep records of all proceedings of the Board and shall
5 preserve all records, books, documents and other papers
6 belonging to the Board or entrusted to its care. The
7 Administrator shall devote his full time to the duties of the
8 office and shall not hold any other office or employment.

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

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

25 (2) To conduct all hearings pertaining to civil
26 violations of this Act or rules and regulations promulgated

1 hereunder;

2 (3) To promulgate such rules and regulations as in its
3 judgment may be necessary to protect or enhance the
4 credibility and integrity of gambling operations
5 authorized by this Act and the regulatory process
6 hereunder;

7 (4) To provide for the establishment and collection of
8 all license and registration fees and taxes imposed by this
9 Act and the rules and regulations issued pursuant hereto.
10 All such fees and taxes shall be deposited into the State
11 Gaming Fund;

12 (5) To provide for the levy and collection of penalties
13 and fines for the violation of provisions of this Act and
14 the rules and regulations promulgated hereunder. All such
15 fines and penalties shall be deposited into the Education
16 Assistance Fund, created by Public Act 86-0018, of the
17 State of Illinois;

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

26 (7) To review and rule upon any complaint by a licensee

1 regarding any investigative procedures of the State which
2 are unnecessarily disruptive of gambling operations. The
3 need to inspect and investigate shall be presumed at all
4 times. The disruption of a licensee's operations shall be
5 proved by clear and convincing evidence, and establish
6 that: (A) the procedures had no reasonable law enforcement
7 purposes, and (B) the procedures were so disruptive as to
8 unreasonably inhibit gambling operations;

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

1 shall have all powers and rights granted to the Board in
2 this Act. The record made at the time of the hearing shall
3 be reviewed by the Board, or a majority thereof, and the
4 findings and decision of the majority of the Board shall
5 constitute the order of the Board in such case;

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

10 (10) To file a written annual report with the Governor
11 on or before March 1 each year and such additional reports
12 as the Governor may request. The annual report shall
13 include a statement of receipts and disbursements by the
14 Board, actions taken by the Board, and any additional
15 information and recommendations which the Board may deem
16 valuable or which the Governor may request;

17 (11) (Blank);

18 (12) (Blank);

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

21 (13.1) To assume responsibility for the administration
22 and enforcement of operations at electronic gaming
23 facilities pursuant to this Act and the Illinois Horse
24 Racing Act of 1975;

25 (13.2) To assume responsibility for the administration
26 and enforcement of gambling operations at the Chicago

1 Casino Development Authority's casino pursuant to this Act
2 and the Chicago Casino Development Authority Act; and

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

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

22 (c) The Board shall have jurisdiction over and shall
23 supervise all gambling operations governed by this Act and the
24 Chicago Casino Development Authority Act. The Board shall have
25 all powers necessary and proper to fully and effectively
26 execute the provisions of this Act and the Chicago Casino

1 Development Authority Act, including, but not limited to, the
2 following:

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

7 (2) To have jurisdiction and supervision over all
8 ~~riverboat~~ gambling operations authorized under this Act
9 and the Chicago Casino Development Authority Act ~~in this~~
10 ~~State~~ and all persons in places ~~on riverboats~~ where
11 gambling operations are conducted.

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

1 and to impose penalties for violations thereof.

2 (4) To enter the office, riverboats, casinos,
3 electronic gaming facilities, and other facilities, or
4 other places of business of a licensee, where evidence of
5 the compliance or noncompliance with the provisions of this
6 Act and the Chicago Casino Development Authority Act is
7 likely to be found.

8 (5) To investigate alleged violations of this Act, the
9 Chicago Casino Development Authority Act, or the rules of
10 the Board and to take appropriate disciplinary action
11 against a licensee or a holder of an occupational license
12 for a violation, or institute appropriate legal action for
13 enforcement, or both.

14 (6) To adopt standards for the licensing of all persons
15 and entities under this Act and the Chicago Casino
16 Development Authority Act, as well as for electronic or
17 mechanical gambling games, and to establish fees for such
18 licenses.

19 (7) To adopt appropriate standards for all electronic
20 gaming facilities, riverboats, casinos, and other
21 facilities authorized under this Act and the Chicago Casino
22 Development Authority Act.

23 (8) To require that the records, including financial or
24 other statements of any licensee under this Act and the
25 Chicago Casino Development Authority Act, shall be kept in
26 such manner as prescribed by the Board and that any such

1 licensee involved in the ownership or management of
2 gambling operations submit to the Board an annual balance
3 sheet and profit and loss statement, list of the
4 stockholders or other persons having a 1% or greater
5 beneficial interest in the gambling activities of each
6 licensee, and any other information the Board deems
7 necessary in order to effectively administer this Act and
8 the Chicago Casino Development Authority Act and all rules,
9 regulations, orders and final decisions promulgated under
10 this Act and the Chicago Casino Development Authority Act.

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

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

23 (11) To revoke or suspend licenses, other than the
24 license issued to the Chicago Casino Development
25 Authority, as the Board may see fit and in compliance with
26 applicable laws of the State regarding administrative

1 procedures, and to review applications for the renewal of
2 licenses. The Board may suspend an owners license (other
3 than the license issued to the Chicago Casino Development
4 Authority), electronic gaming license, or casino operator
5 license, without notice or hearing upon a determination
6 that the safety or health of patrons or employees is
7 jeopardized by continuing a gambling operation conducted
8 under that license ~~riverboat's operation~~. The suspension
9 may remain in effect until the Board determines that the
10 cause for suspension has been abated. The Board may revoke
11 ~~an~~ the owners license (other than the license issued to the
12 Chicago Casino Development Authority), electronic gaming
13 license, or casino operator license upon a determination
14 that the licensee ~~owner~~ has not made satisfactory progress
15 toward abating the hazard.

16 (12) To eject or exclude or authorize the ejection or
17 exclusion of, any person from ~~riverboat~~ gambling
18 facilities where that ~~such~~ person is in violation of this
19 Act or the Chicago Casino Development Authority Act, rules
20 and regulations thereunder, or final orders of the Board,
21 or where such person's conduct or reputation is such that
22 his or her presence within the ~~riverboat~~ gambling
23 facilities may, in the opinion of the Board, call into
24 question the honesty and integrity of the gambling
25 operations or interfere with the orderly conduct thereof;
26 provided that the propriety of such ejection or exclusion

1 is subject to subsequent hearing by the Board.

2 (13) To require all licensees of gambling operations to
3 utilize a cashless wagering system whereby all players'
4 money is converted to tokens, electronic cards, or chips
5 which shall be used only for wagering in the gambling
6 establishment.

7 (14) (Blank).

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

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

26 (17) To establish minimum levels of insurance to be

1 maintained by licensees.

2 (18) To authorize a licensee to sell or serve alcoholic
3 liquors, wine or beer as defined in the Liquor Control Act
4 of 1934 on board a riverboat or in a casino and to have
5 exclusive authority to establish the hours for sale and
6 consumption of alcoholic liquor on board a riverboat or in
7 a casino, notwithstanding any provision of the Liquor
8 Control Act of 1934 or any local ordinance, and regardless
9 of whether the riverboat makes excursions. The
10 establishment of the hours for sale and consumption of
11 alcoholic liquor on board a riverboat or in a casino is an
12 exclusive power and function of the State. A home rule unit
13 may not establish the hours for sale and consumption of
14 alcoholic liquor on board a riverboat or in a casino. This
15 subdivision (18) amendatory Act of 1991 is a denial and
16 limitation of home rule powers and functions under
17 subsection (h) of Section 6 of Article VII of the Illinois
18 Constitution.

19 (19) After consultation with the U.S. Army Corps of
20 Engineers, to establish binding emergency orders upon the
21 concurrence of a majority of the members of the Board
22 regarding the navigability of water, relative to
23 excursions, in the event of extreme weather conditions,
24 acts of God or other extreme circumstances.

25 (20) To delegate the execution of any of its powers
26 under this Act or the Chicago Casino Development Authority

1 Act for the purpose of administering and enforcing this
2 Act, the Chicago Casino Development Authority Act, and the
3 ~~its~~ rules adopted by the Board under both Acts ~~and~~
4 ~~regulations hereunder.~~

5 (20.5) To approve any contract entered into on its
6 behalf.

7 (20.6) To appoint investigators to conduct
8 investigations, searches, seizures, arrests, and other
9 duties imposed under this Act, as deemed necessary by the
10 Board. These investigators have and may exercise all of the
11 rights and powers of peace officers, provided that these
12 powers shall be limited to offenses or violations occurring
13 or committed in a casino, in an electronic gaming facility,
14 or on a riverboat or dock, as defined in subsections (d)
15 and (f) of Section 4, or as otherwise provided by this Act,
16 the Chicago Casino Development Authority Act, or any other
17 law.

18 (20.7) To contract with the Department of State Police
19 for the use of trained and qualified State police officers
20 and with the Department of Revenue for the use of trained
21 and qualified Department of Revenue investigators to
22 conduct investigations, searches, seizures, arrests, and
23 other duties imposed under this Act or the Chicago Casino
24 Development Authority Act and to exercise all of the rights
25 and powers of peace officers, provided that the powers of
26 Department of Revenue investigators under this subdivision

1 (20.7) shall be limited to offenses or violations occurring
2 or committed in a casino, in an electronic gaming facility,
3 or on a riverboat or dock, as defined in subsections (d)
4 and (f) of Section 4, or as otherwise provided by this Act
5 or any other law. In the event the Department of State
6 Police or the Department of Revenue is unable to fill
7 contracted police or investigative positions, the Board
8 may appoint investigators to fill those positions pursuant
9 to subdivision (20.6).

10 (21) To adopt rules concerning the conduct of
11 electronic gaming.

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

26 (23) To supervise and regulate the Chicago Casino

1 Development Authority in accordance with the Chicago
2 Casino Development Authority Act and the provisions of this
3 Act.

4 (24) ~~(21)~~ To take any other action as may be reasonable
5 or appropriate to enforce this Act, the Chicago Casino
6 Development Authority Act, and the rules adopted by the
7 Board under both Acts ~~and regulations hereunder.~~

8 All Board powers enumerated in this Section in relation to
9 licensees shall apply equally to the holder of any casino
10 management contract entered into pursuant to the Chicago Casino
11 Development Authority Act.

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

20 (e) The Board must authorize to each investigator and to
21 any other employee of the Board exercising the powers of a
22 peace officer a distinct badge that, on its face, (i) clearly
23 states that the badge is authorized by the Board and (ii)
24 contains a unique identifying number. No other badge shall be
25 authorized by the Board.

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

1 (230 ILCS 10/5.1) (from Ch. 120, par. 2405.1)

2 Sec. 5.1. Disclosure of records.

3 (a) Notwithstanding any applicable statutory provision to
4 the contrary, the Board shall, on written request from any
5 person, provide information furnished by an applicant or
6 licensee concerning the applicant or licensee, his products,
7 services or gambling enterprises and his business holdings, as
8 follows:

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

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

1 (3) An identification of any business, including, if
2 applicable, the state of incorporation or registration, in
3 which an applicant or licensee or an applicant's or
4 licensee's spouse or children has an equity interest of
5 more than 1%. If an applicant or licensee is a corporation,
6 partnership or other business entity, the applicant or
7 licensee shall identify any other corporation, partnership
8 or business entity in which it has an equity interest of 1%
9 or more, including, if applicable, the state of
10 incorporation or registration. This information need not
11 be provided by a corporation, partnership or other business
12 entity that has a pending registration statement filed with
13 the Securities and Exchange Commission.

14 (4) Whether an applicant or licensee has been indicted,
15 convicted, pleaded guilty or nolo contendere, or forfeited
16 bail concerning any criminal offense under the laws of any
17 jurisdiction, either felony or misdemeanor (except for
18 traffic violations), including the date, the name and
19 location of the court, arresting agency and prosecuting
20 agency, the case number, the offense, the disposition and
21 the location and length of incarceration.

22 (5) Whether an applicant or licensee has had any
23 license or certificate issued by a licensing authority in
24 Illinois or any other jurisdiction denied, restricted,
25 suspended, revoked or not renewed and a statement
26 describing the facts and circumstances concerning the

1 denial, restriction, suspension, revocation or
2 non-renewal, including the licensing authority, the date
3 each such action was taken, and the reason for each such
4 action.

5 (6) Whether an applicant or licensee has ever filed or
6 had filed against it a proceeding in bankruptcy or has ever
7 been involved in any formal process to adjust, defer,
8 suspend or otherwise work out the payment of any debt
9 including the date of filing, the name and location of the
10 court, the case and number of the disposition.

11 (7) Whether an applicant or licensee has filed, or been
12 served with a complaint or other notice filed with any
13 public body, regarding the delinquency in the payment of,
14 or a dispute over the filings concerning the payment of,
15 any tax required under federal, State or local law,
16 including the amount, type of tax, the taxing agency and
17 time periods involved.

18 (8) A statement listing the names and titles of all
19 public officials or officers of any unit of government, and
20 relatives of said public officials or officers who,
21 directly or indirectly, own any financial interest in, have
22 any beneficial interest in, are the creditors of or hold
23 any debt instrument issued by, or hold or have any interest
24 in any contractual or service relationship with, an
25 applicant or licensee.

26 (9) Whether an applicant or licensee has made, directly

1 or indirectly, any political contribution, or any loans,
2 donations or other payments, to any candidate or office
3 holder, within 5 years from the date of filing the
4 application, including the amount and the method of
5 payment.

6 (10) The name and business telephone number of the
7 counsel representing an applicant or licensee in matters
8 before the Board.

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

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

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

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

26 (2) Whenever the Board finds an applicant for an

1 owner's license unsuitable for licensing, a copy of the
2 written letter outlining the reasons for the denial.

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

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

8 (1) Section 7 of the Freedom of Information Act; or

9 (2) The statutes, rules, regulations or
10 intergovernmental agreements of any jurisdiction.

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

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

15 (230 ILCS 10/5.3 new)

16 Sec. 5.3. Ethical conduct.

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

21 (b) Officials and employees of the corporate authority of a
22 host community shall not use or attempt to use his or her
23 official position to secure or attempt to secure any privilege,
24 advantage, favor, or influence for himself or herself or
25 others.

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

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

23 (e) Officials and employees of the corporate authority of a
24 host community shall not, during the period that the person is
25 an official or employee of the corporate authority or for a
26 period of 2 years immediately after leaving such office,

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

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

24 (g) A spouse, child, or parent of an official or employee
25 of the corporate authority of a host community may not accept
26 any gift, gratuity, service, compensation, travel, lodging, or

1 thing of value, with the exception of unsolicited items of an
2 incidental nature, from any person, corporation, or entity
3 doing business with the riverboat or casino that is located in
4 the host community.

5 (h) A spouse, child, or parent of an official or employee
6 of the corporate authority of a host community may not, during
7 the period that the person is an official of the corporate
8 authority or for a period of 2 years immediately after leaving
9 such office or employment, knowingly accept employment or
10 receive compensation or fees for services from a person or
11 entity, or its parent or affiliate, that has engaged in
12 business with the riverboat or casino that is located in the
13 host community that resulted in contracts with an aggregate
14 value of at least \$25,000 or if that official or employee has
15 made a decision that directly applied to the person or entity,
16 or its parent or affiliate.

17 (i) Officials and employees of the corporate authority of a
18 host community shall not attempt, in any way, to influence any
19 person or entity doing business with the riverboat or casino
20 that is located in the host community or any officer, agent, or
21 employee thereof to hire or contract with any person or entity
22 for any compensated work.

23 (j) Any communication between an official of the corporate
24 authority of a host community and any applicant for an owners
25 license in the host community, or an officer, director, or
26 employee of a riverboat or casino in the host community,

1 concerning any matter relating in any way to gaming shall be
2 disclosed to the Board. Such disclosure shall be in writing by
3 the official within 30 days after the communication and shall
4 be filed with the Board. Disclosure must consist of the date of
5 the communication, the identity and job title of the person
6 with whom the communication was made, a brief summary of the
7 communication, the action requested or recommended, all
8 responses made, the identity and job title of the person making
9 the response, and any other pertinent information. Public
10 disclosure of the written summary provided to the Board and the
11 Gaming Board shall be subject to the exemptions provided under
12 the Freedom of Information Act.

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

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

25 (l) For purposes of this Section, "host community" or "host
26 municipality" means a unit of local government that contains a

1 riverboat or casino within its borders, but does not include
2 the City of Chicago or the Chicago Casino Development
3 Authority.

4 (230 ILCS 10/6) (from Ch. 120, par. 2406)

5 Sec. 6. Application for Owners License.

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

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

4 (1) The history and success of the applicant and each
5 person and entity disclosed under subsection (c) of this
6 Section in developing tourism facilities ancillary to
7 gaming, if applicable.

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

14 (3) The projected number of jobs that would be created
15 if the license is granted and the projected number of new
16 employees at the proposed facility where gambling is to be
17 conducted by the applicant.

18 (4) The record, if any, of the applicant and its
19 developer in meeting commitments to local agencies,
20 community-based organizations, and employees at other
21 locations where the applicant or its developer has
22 performed similar functions as they would perform if the
23 applicant were granted a license.

24 (5) Identification of adverse effects that might be
25 caused by the proposed facility where gambling is to be
26 conducted by the applicant, including the costs of meeting

1 increased demand for public health care, child care, public
2 transportation, affordable housing, and social services,
3 and a plan to mitigate those adverse effects.

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

6 (A) federal, state, and local discrimination, wage
7 and hour, disability, and occupational and
8 environmental health and safety laws; and

9 (B) state and local labor relations and employment
10 laws.

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

13 (8) A plan concerning the utilization of
14 minority-owned and female-owned businesses and concerning
15 the hiring of minorities and females.

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

19 (b) Applicants shall submit with their application all
20 documents, resolutions, and letters of support from the
21 governing body that represents the municipality or county
22 wherein the licensee will be located ~~dock~~.

23 (c) Each applicant shall disclose the identity of every
24 person or entity ~~, association, trust or corporation~~ having a
25 greater than 1% direct or indirect pecuniary interest in the
26 ~~riverboat~~ gambling operation with respect to which the license

1 is sought. If the disclosed entity is a trust, the application
2 shall disclose the names and addresses of all ~~the~~
3 beneficiaries; if a corporation, the names and addresses of all
4 stockholders and directors; if a partnership, the names and
5 addresses of all partners, both general and limited.

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

1 fee shall be deposited into the Gaming Facilities Fee Revenue
2 Fund.

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

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

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

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

20 (230 ILCS 10/7) (from Ch. 120, par. 2407)

21 Sec. 7. Owners Licenses.

22 (a) The Board shall issue owners licenses to persons or
23 entities, ~~, firms or corporations~~ which apply for such licenses
24 upon payment to the Board of the non-refundable license fee as
25 provided in subsection (e) or (e-5) ~~set by the Board, upon~~

1 ~~payment of a \$25,000 license fee for the first year of~~
2 ~~operation and a \$5,000 license fee for each succeeding year and~~
3 upon a determination by the Board that the applicant is
4 eligible for an owners license pursuant to this Act, the
5 Chicago Casino Development Authority Act, and the rules of the
6 Board. From the effective date of this amendatory Act of the
7 95th General Assembly until (i) 3 years after the effective
8 date of this amendatory Act of the 95th General Assembly, (ii)
9 the date any organization licensee begins to operate a slot
10 machine or video game of chance under the Illinois Horse Racing
11 Act of 1975 or this Act, (iii) the date that payments begin
12 under subsection (c-5) of Section 13 of the Act, ~~or~~ (iv) the
13 wagering tax imposed under Section 13 of this Act is increased
14 by law to reflect a tax rate that is at least as stringent or
15 more stringent than the tax rate contained in subsection (a-3)
16 of Section 13, or (v) when an owners licensee holding a license
17 issued pursuant to Section 7.1 of this Act begins conducting
18 gaming, whichever occurs first, as a condition of licensure and
19 as an alternative source of payment for those funds payable
20 under subsection (c-5) of Section 13 of this ~~the Riverboat~~
21 ~~Gambling~~ Act, any owners licensee that holds or receives its
22 owners license on or after the effective date of this
23 amendatory Act of the 94th General Assembly, other than an
24 owners licensee operating a riverboat with adjusted gross
25 receipts in calendar year 2004 of less than \$200,000,000, must
26 pay into the Horse Racing Equity Trust Fund, in addition to any

1 other payments required under this Act, an amount equal to 3%
2 of the adjusted gross receipts received by the owners licensee.
3 The payments required under this Section shall be made by the
4 owners licensee to the State Treasurer no later than 3:00
5 o'clock p.m. of the day after the day when the adjusted gross
6 receipts were received by the owners licensee. A person, ~~firm~~
7 or entity ~~corporation~~ is ineligible to receive an owners
8 license if:

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

11 (2) the person has been convicted of any violation of
12 Article 28 of the Criminal Code of 1961 or the Criminal
13 Code of 2012, or substantially similar laws of any other
14 jurisdiction;

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

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

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

22 (6) the entity ~~firm or corporation~~ employs a person
23 defined in (1), (2), (3) or (4) who participates in the
24 management or operation of gambling operations authorized
25 under this Act or the Chicago Casino Development Authority
26 Act;

1 (7) (blank); or

2 (8) a license of the person or entity, ~~firm or~~
3 ~~corporation~~ issued under this Act or the Chicago Casino
4 Development Authority Act, or a license to own or operate
5 gambling facilities in any other jurisdiction, has been
6 revoked.

7 The Board is expressly prohibited from making changes to
8 the requirement that licensees make payment into the Horse
9 Racing Equity Trust Fund without the express authority of the
10 Illinois General Assembly and making any other rule to
11 implement or interpret this amendatory Act of the 95th General
12 Assembly. For the purposes of this paragraph, "rules" is given
13 the meaning given to that term in Section 1-70 of the Illinois
14 Administrative Procedure Act.

15 (a-1) Upon approval of the members of the Chicago Casino
16 Development Board, the Chicago Casino Development Authority's
17 executive director, and the Chicago casino operator licensee,
18 the Board shall issue an owners license to the Chicago Casino
19 Development Authority that authorizes the conduct of gambling
20 operations in a casino located in the City of Chicago.

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

24 (1) the character, reputation, experience and
25 financial integrity of the applicants and of any other or
26 separate person that either:

1 (A) controls, directly or indirectly, such
2 applicant, or

3 (B) is controlled, directly or indirectly, by such
4 applicant or by a person which controls, directly or
5 indirectly, such applicant;

6 (2) the facilities or proposed facilities for the
7 conduct of ~~riverboat~~ gambling;

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

10 (4) the extent to which the ownership of the applicant
11 reflects the diversity of the State by including minority
12 persons, females, and persons with a disability and the
13 good faith affirmative action plan of each applicant to
14 recruit, train and upgrade minority persons, females, and
15 persons with a disability in all employment
16 classifications;

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

19 (6) whether the applicant has adequate capitalization
20 to provide and maintain, for the duration of a license, a
21 riverboat or casino;

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

25 (8) ~~the~~ the amount of the applicant's license bid;~~;~~

26 (9) the extent to which the applicant or the proposed

1 host municipality plans to enter into revenue sharing
2 agreements with communities other than the host
3 municipality; and

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

7 (c) Each owners license shall specify the place where the
8 casino ~~riverboats~~ shall operate or the riverboat shall operate
9 and dock.

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

12 (e) In addition to any licenses authorized under subsection
13 (e-5) of this Section, the ~~The~~ Board may issue up to 10
14 licenses authorizing the holders of such licenses to own
15 riverboats. In the application for an owners license, the
16 applicant shall state the dock at which the riverboat is based
17 and the water on which the riverboat will be located. The Board
18 shall issue 5 licenses to become effective not earlier than
19 January 1, 1991. Three of such licenses shall authorize
20 riverboat gambling on the Mississippi River, or, with approval
21 by the municipality in which the riverboat was docked on August
22 7, 2003 and with Board approval, be authorized to relocate to a
23 new location, in a municipality that (1) borders on the
24 Mississippi River or is within 5 miles of the city limits of a
25 municipality that borders on the Mississippi River and (2), on
26 August 7, 2003, had a riverboat conducting riverboat gambling

1 operations pursuant to a license issued under this Act; one of
2 which shall authorize riverboat gambling from a home dock in
3 the city of East St. Louis. One other license shall authorize
4 riverboat gambling on the Illinois River in Tazewell County or,
5 with Board approval, shall authorize the riverboat to relocate
6 to a new location that is no more than 10 miles away from its
7 original location, in a municipality that borders on the
8 Illinois River or is within 5 miles of the city limits of a
9 municipality that borders on the Illinois River ~~south of~~
10 ~~Marshall County~~. The Board shall issue one additional license
11 to become effective not earlier than March 1, 1992, which shall
12 authorize riverboat gambling on the Des Plaines River in Will
13 County. The Board may issue 4 additional licenses to become
14 effective not earlier than March 1, 1992. In determining the
15 water upon which riverboats will operate, the Board shall
16 consider the economic benefit which riverboat gambling confers
17 on the State, and shall seek to assure that all regions of the
18 State share in the economic benefits of riverboat gambling.

19 In granting all licenses, the Board may give favorable
20 consideration to economically depressed areas of the State, to
21 applicants presenting plans which provide for significant
22 economic development over a large geographic area, and to
23 applicants who currently operate non-gambling riverboats in
24 Illinois. The Board shall review all applications for owners
25 licenses, and shall inform each applicant of the Board's
26 decision. The Board may grant an owners license to an applicant

1 that has not submitted the highest license bid, but if it does
2 not select the highest bidder, the Board shall issue a written
3 decision explaining why another applicant was selected and
4 identifying the factors set forth in this Section that favored
5 the winning bidder. The fee for issuance or renewal of a
6 license pursuant to this subsection (e) shall be \$100,000.

7 (e-5) In addition to licenses authorized under subsection
8 (e) of this Section:

9 (1) the Board shall issue one owners license
10 authorizing the conduct of casino gambling in the City of
11 Chicago;

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

14 (3) the Board may issue one owners license authorizing
15 the conduct of riverboat gambling located in one of the
16 following municipalities in Lake County: Park City, North
17 Chicago, or Waukegan;

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

20 (5) the Board may issue one owners license authorizing
21 the conduct of riverboat gambling in a municipality that is
22 wholly or partially located in one of the following
23 townships of Cook County: Bloom, Bremen, Calumet, Rich,
24 Thornton, or Worth Township; and

25 (6) the Board may issue one owners license authorizing
26 the conduct of riverboat gambling in the unincorporated

1 area of Williamson County adjacent to the Big Muddy River.

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

16 The Board shall consider issuing a license pursuant to
17 paragraphs (2) through (6) of this subsection only after the
18 corporate authority of the municipality or the county board of
19 the county in which the riverboat shall be located has
20 certified to the Board the following:

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

23 (ii) that the applicant and the corporate authority or
24 county board have mutually agreed on the permanent location
25 of the riverboat;

26 (iii) that the applicant and the corporate authority or

1 county board have mutually agreed on the temporary location
2 of the riverboat;

3 (iv) that the applicant and the corporate authority or
4 the county board have mutually agreed on the percentage of
5 revenues that will be shared with the municipality or
6 county, if any; and

7 (v) that the applicant and the corporate authority or
8 county board have mutually agreed on any zoning, licensing,
9 public health, or other issues that are within the
10 jurisdiction of the municipality or county.

11 At least 7 days before the corporate authority of a
12 municipality or county board of the county submits a
13 certification to the Board concerning items (i) through (v) of
14 this subsection, it shall hold a public hearing to discuss
15 items (i) through (v), as well as any other details concerning
16 the proposed riverboat in the municipality or county. The
17 corporate authority or county board must subsequently
18 memorialize the details concerning the proposed riverboat in a
19 resolution that must be adopted by a majority of the corporate
20 authority or county board before any certification is sent to
21 the Board. The Board shall not alter, amend, change, or
22 otherwise interfere with any agreement between the applicant
23 and the corporate authority of the municipality or county board
24 of the county regarding the location of any temporary or
25 permanent facility.

26 In addition, prior to the Board issuing the owners license

1 authorized under paragraph (4) of subsection (e-5), an impact
2 study shall be completed to determine what location in the city
3 will provide the greater impact to the region, including the
4 creation of jobs and the generation of tax revenue.

5 (e-10) The licenses authorized under subsection (e-5) of
6 this Section shall be issued within 12 months after the date
7 the license application is submitted. If the Board does not
8 issue the licenses within that time period, then the Board
9 shall give a written explanation to the applicant as to why it
10 has not reached a determination and when it reasonably expects
11 to make a determination. The fee for the issuance or renewal of
12 a license issued pursuant to this subsection (e-10) shall be
13 \$100,000. Additionally, a licensee located outside of Cook
14 County shall pay a minimum initial fee of \$17,500 per gaming
15 position, and a licensee located in Cook County shall pay a
16 minimum initial fee of \$30,000 per gaming position. The initial
17 fees payable under this subsection (e-10) shall be deposited
18 into the Gaming Facilities Fee Revenue Fund.

19 (e-15) Each licensee of a license authorized under
20 subsection (e-5) of this Section shall make a reconciliation
21 payment 3 years after the date the licensee begins operating in
22 an amount equal to 75% of the adjusted gross receipts for the
23 most lucrative 12-month period of operations, minus an amount
24 equal to the initial payment per gaming position paid by the
25 specific licensee. If this calculation results in a negative
26 amount, then the licensee is not entitled to any reimbursement

1 of fees previously paid. This reconciliation payment may be
2 made in installments over a period of no more than 2 years,
3 subject to Board approval. Any installment payments shall
4 include an annual market interest rate as determined by the
5 Board. All payments by licensees under this subsection (e-15)
6 shall be deposited into the Gaming Facilities Fee Revenue Fund.

7 (e-20) In addition to any other revocation powers granted
8 to the Board under this Act, the Board may revoke the owners
9 license of a licensee, other than the Chicago Casino
10 Development Authority, which fails to begin conducting
11 gambling within 15 months of receipt of the Board's approval of
12 the application if the Board determines that license revocation
13 is in the best interests of the State.

14 (f) The first 10 owners licenses issued under this Act
15 shall permit the holder to own up to 2 riverboats and equipment
16 thereon for a period of 3 years after the effective date of the
17 license. Holders of the first 10 owners licenses must pay the
18 annual license fee for each of the 3 years during which they
19 are authorized to own riverboats.

20 (g) Upon the termination, expiration, or revocation of each
21 of the first 10 licenses, which shall be issued for a 3 year
22 period, all licenses are renewable annually upon payment of the
23 fee and a determination by the Board that the licensee
24 continues to meet all of the requirements of this Act and the
25 Board's rules. However, for licenses renewed on or after May 1,
26 1998, including casino operator licenses, renewal shall be for

1 a period of 4 years, unless the Board sets a shorter period.
2 Notwithstanding any provision in this subsection (g) to the
3 contrary, any license that is awarded to the Chicago Casino
4 Development Authority shall not expire, but it shall be subject
5 to the provisions of this Act and the rules of the Board.

6 (h) An owners license, except for an owners license issued
7 under subsection (e-5) of this Section, shall entitle the
8 licensee to own up to 2 riverboats.

9 An owners licensee of a casino or riverboat that is located
10 in the City of Chicago pursuant to paragraph (1) of subsection
11 (e-5) of this Section shall limit the number of gaming
12 positions to 4,000 for such owner. An owners licensee
13 authorized under paragraphs (2) through (5) of subsection (e-5)
14 of this Section shall limit the number of gaming positions to
15 1,600 for any such owners license, except as further provided
16 in subsection (h-10) of this Section. An owners licensee
17 authorized under paragraph (6) of subsection (e-5) of this
18 Section ~~A licensee~~ shall limit the number of gaming positions
19 ~~gambling participants~~ to 1,200 for ~~any~~ such owner. The initial
20 fee for each gaming position obtained on or after the effective
21 date of this amendatory Act of the 100th General Assembly shall
22 be a minimum of \$17,500 for licensees not located in Cook
23 County and a minimum of \$30,000 for licensees located in Cook
24 County, in addition to the reconciliation payment, as set forth
25 in subsections (e-15) or (h-5) of this Section ~~owners license.~~

26 Each owners licensee shall reserve its gaming positions

1 within 90 days after issuance of its owners license. The Board
2 may grant an extension to this 90-day period, provided that the
3 owners licensee submits a written request and explanation as to
4 why it is unable to reserve its positions within the 90-day
5 period.

6 A licensee may operate both of its riverboats concurrently,
7 provided that the total number of gaming positions ~~gambling~~
8 ~~participants~~ on both riverboats does not exceed the limit
9 established pursuant to this subsection and subsection (h-10)
10 of this Section 1,200. Riverboats licensed to operate on the
11 Mississippi River and the Illinois River south of Marshall
12 County shall have an authorized capacity of at least 500
13 persons. Any other riverboat licensed under this Act shall have
14 an authorized capacity of at least 400 persons.

15 (h-5) An owners licensee who conducted gambling operations
16 prior to January 1, 2012 and purchases positions pursuant to
17 subsection (h-10) of this Section on or after the effective
18 date of this amendatory Act of the 100th General Assembly must
19 pay a minimum initial fee of \$17,500 per gaming position if the
20 licensee is located outside Cook County and a minimum initial
21 fee of \$30,000 per gaming position if the licensee is located
22 in Cook County, as stated in subsection (h) of this Section.
23 These initial fees shall be deposited into the Gaming
24 Facilities Fee Revenue Fund. Additionally, that owners
25 licensee shall make a reconciliation payment 3 years after any
26 additional gaming positions obtained pursuant to subsection

1 (h-10) begin operating in an amount equal to 75% of the owners
2 licensee's average gross receipts for the most lucrative
3 12-month period of operations minus an amount equal to the
4 initial fee that the owners licensee paid per additional gaming
5 position. For purposes of this subsection (h-5), "average gross
6 receipts" means (i) the increase in adjusted gross receipts for
7 the most lucrative 12-month period of operations over the
8 adjusted gross receipts for 2017, multiplied by (ii) the
9 percentage derived by dividing the number of additional gaming
10 positions that an owners licensee had obtained pursuant to
11 subsection (h-10) by the total number of gaming positions
12 operated by the owners licensee. If this calculation results in
13 a negative amount, then the owners licensee is not entitled to
14 any reimbursement of fees previously paid. This reconciliation
15 payment may be made in installments over a period of no more
16 than 2 years, subject to Board approval. Any installment
17 payments shall include an annual market interest rate as
18 determined by the Board. These reconciliation payments shall be
19 deposited into the Gaming Facilities Fee Revenue Fund.

20 (h-10) For owners licensees authorized under paragraphs
21 (2) through (5) of subsection (e-5) of this Section, the
22 application for such new owners licenses shall ask the
23 applicants to stipulate in their applications the number of
24 gaming positions each applicant would like to reserve, up to
25 1,600 gaming positions. Once the last winning applicant for
26 each of these owners licenses has been selected by the Board,

1 the Board shall publish the number of gaming positions reserved
2 and unreserved by each winning applicant, shall accept requests
3 for additional gaming positions from any winning applicants or
4 owners licensee who initially reserved 1,600 gaming positions,
5 and shall allocate expeditiously the unreserved gaming
6 positions to such requesting winning applicants or owners
7 licensees in a manner to maximize revenue to the State;
8 provided, however, that no owners licensee (other than the
9 Chicago Casino Development Authority) shall obtain more than
10 2,000 positions total. The Board may allocate any such unused
11 gaming positions through a competitive bidding process
12 pursuant to Section 7.5 of this Act.

13 In the event that not all of the unreserved gaming
14 positions described in the first and second paragraphs of this
15 subsection (h-10) were requested by owners licensees and
16 applicants, then until there are no longer unreserved gaming
17 positions, the Board periodically shall govern a process to
18 allocate the unreserved gaming positions in a manner to
19 maximize revenue to the State.

20 Unreserved gaming positions retained from and allocated to
21 owners licensees by the Board pursuant to this subsection
22 (h-10) shall not be allocated to electronic gaming licensees
23 pursuant to subsection (e) of Section 7.7 of this Act.

24 (i) A licensed owner is authorized to apply to the Board
25 for and, if approved therefor, to receive all licenses from the
26 Board necessary for the operation of a riverboat or a casino,

1 including a liquor license, a license to prepare and serve food
2 for human consumption, and other necessary licenses. All use,
3 occupation and excise taxes which apply to the sale of food and
4 beverages in this State and all taxes imposed on the sale or
5 use of tangible personal property apply to such sales aboard
6 the riverboat or in the casino.

7 (j) The Board may issue or re-issue a license authorizing a
8 riverboat to dock in a municipality or approve a relocation
9 under Section 11.2 only if, prior to the issuance or
10 re-issuance of the license or approval, the governing body of
11 the municipality in which the riverboat will dock has by a
12 majority vote approved the docking of riverboats in the
13 municipality. The Board may issue or re-issue a license
14 authorizing a riverboat to dock in areas of a county outside
15 any municipality or approve a relocation under Section 11.2
16 only if, prior to the issuance or re-issuance of the license or
17 approval, the governing body of the county has by a majority
18 vote approved of the docking of riverboats within such areas.

19 (k) An owners licensee may conduct land-based gambling
20 operations upon approval by the Board.

21 (l) An owners licensee may conduct gaming at a temporary
22 facility pending the construction of a permanent facility or
23 the remodeling or relocation of an existing facility to
24 accommodate gaming participants for up to 24 months after the
25 temporary facility begins to conduct gaming. Upon request by an
26 owners licensee and upon a showing of good cause by the owners

1 licensee, the Board shall extend the period during which the
2 licensee may conduct gaming at a temporary facility by up to 12
3 months. The Board shall make rules concerning the conduct of
4 gaming from temporary facilities.

5 (Source: P.A. 96-1392, eff. 1-1-11; 97-1150, eff. 1-25-13.)

6 (230 ILCS 10/7.3)

7 Sec. 7.3. State conduct of gambling operations.

8 (a) If, after reviewing each application for a re-issued
9 license, the Board determines that the highest prospective
10 total revenue to the State would be derived from State conduct
11 of the gambling operation in lieu of re-issuing the license,
12 the Board shall inform each applicant of its decision. The
13 Board shall thereafter have the authority, without obtaining an
14 owners license, to conduct casino or riverboat gambling
15 operations as previously authorized by the terminated,
16 expired, revoked, or nonrenewed license through a licensed
17 manager selected pursuant to an open and competitive bidding
18 process as set forth in Section 7.5 and as provided in Section
19 7.4.

20 (b) The Board may locate any casino or riverboat on which a
21 gambling operation is conducted by the State in any home dock
22 or other location authorized by Section 3(c) upon receipt of
23 approval from a majority vote of the governing body of the
24 municipality or county, as the case may be, in which the
25 riverboat will dock.

1 (c) The Board shall have jurisdiction over and shall
2 supervise all gambling operations conducted by the State
3 provided for in this Act and the Chicago Casino Development
4 Authority Act and shall have all powers necessary and proper to
5 fully and effectively execute the provisions of this Act and
6 the Chicago Casino Development Authority Act relating to
7 gambling operations conducted by the State.

8 (d) The maximum number of owners licenses authorized under
9 Section 7 ~~7(e)~~ shall be reduced by one for each instance in
10 which the Board authorizes the State to conduct a casino or
11 riverboat gambling operation under subsection (a) in lieu of
12 re-issuing a license to an applicant under Section 7.1.

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

14 (230 ILCS 10/7.5)

15 Sec. 7.5. Competitive Bidding. When the Board determines
16 that (i) it will re-issue an owners license pursuant to an open
17 and competitive bidding process, as set forth in Section 7.1,
18 (ii) ~~or that~~ it will issue a managers license pursuant to an
19 open and competitive bidding process, as set forth in Section
20 7.4, (iii) it will issue an owners license pursuant to an open
21 and competitive bidding process, as set forth in Section 7.12,
22 or (iv) it will allocate unused gaming positions pursuant to an
23 open and competitive bidding process, as set forth in
24 subsection (h-10) of Section 7, the open and competitive
25 bidding process shall adhere to the following procedures:

1 (1) The Board shall make applications for owners and
2 managers licenses available to the public and allow a
3 reasonable time for applicants to submit applications to the
4 Board.

5 (2) During the filing period for owners or managers license
6 applications, the Board may retain the services of an
7 investment banking firm to assist the Board in conducting the
8 open and competitive bidding process.

9 (3) After receiving all of the bid proposals, the Board
10 shall open all of the proposals in a public forum and disclose
11 the prospective owners or managers names, venture partners, if
12 any, and, in the case of applicants for owners licenses, the
13 locations of the proposed development sites.

14 (4) The Board shall summarize the terms of the proposals
15 and may make this summary available to the public.

16 (5) The Board shall evaluate the proposals within a
17 reasonable time and select no more than 3 final applicants to
18 make presentations of their proposals to the Board.

19 (6) The final applicants shall make their presentations to
20 the Board on the same day during an open session of the Board.

21 (7) As soon as practicable after the public presentations
22 by the final applicants, the Board, in its discretion, may
23 conduct further negotiations among the 3 final applicants.
24 During such negotiations, each final applicant may increase its
25 license bid or otherwise enhance its bid proposal. At the
26 conclusion of such negotiations, the Board shall select the

1 winning proposal. In the case of negotiations for an owners
2 license, the Board may, at the conclusion of such negotiations,
3 make the determination allowed under Section 7.3(a).

4 (8) Upon selection of a winning bid, the Board shall
5 evaluate the winning bid within a reasonable period of time for
6 licensee suitability in accordance with all applicable
7 statutory and regulatory criteria.

8 (9) If the winning bidder is unable or otherwise fails to
9 consummate the transaction, (including if the Board determines
10 that the winning bidder does not satisfy the suitability
11 requirements), the Board may, on the same criteria, select from
12 the remaining bidders or make the determination allowed under
13 Section 7.3(a).

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

15 (230 ILCS 10/7.7 new)

16 Sec. 7.7. Electronic gaming.

17 (a) The General Assembly finds that the horse racing and
18 riverboat gambling industries share many similarities and
19 collectively comprise the bulk of the State's gaming industry.
20 One feature common to both industries is that each is highly
21 regulated by the State of Illinois. The General Assembly
22 further finds, however, that despite their shared features each
23 industry is distinct from the other in that horse racing is and
24 continues to be intimately tied to Illinois' agricultural
25 economy and is, at its core, a spectator sport. This

1 distinction requires the General Assembly to utilize different
2 methods to regulate and promote the horse racing industry
3 throughout the State. The General Assembly finds that in order
4 to promote live horse racing as a spectator sport in Illinois
5 and the agricultural economy of this State, it is necessary to
6 allow electronic gaming at Illinois race tracks as an ancillary
7 use given the success of other states in increasing live racing
8 purse accounts and improving the quality of horses
9 participating in horse race meetings.

10 (b) The Illinois Gaming Board shall award one electronic
11 gaming license to each person or entity having operating
12 control of a race track that applies under Section 56 of the
13 Illinois Horse Racing Act of 1975, subject to the application
14 and eligibility requirements of this Section. Within 60 days
15 after the effective date of this amendatory Act of the 100th
16 General Assembly, a person or entity having operating control
17 of a race track may submit an application for an electronic
18 gaming license. The application shall be made on such forms as
19 provided by the Board and shall contain such information as the
20 Board prescribes, including, but not limited to, the identity
21 of any race track at which electronic gaming will be conducted,
22 detailed information regarding the ownership and management of
23 the applicant, and detailed personal information regarding the
24 applicant. The application shall specify the number of gaming
25 positions the applicant intends to use and the place where the
26 electronic gaming facility will operate. A person who knowingly

1 makes a false statement on an application is guilty of a Class
2 A misdemeanor.

3 Each applicant shall disclose the identity of every person
4 or entity having a direct or indirect pecuniary interest
5 greater than 1% in any race track with respect to which the
6 license is sought. If the disclosed entity is a corporation,
7 the applicant shall disclose the names and addresses of all
8 stockholders and directors. If the disclosed entity is a
9 limited liability company, the applicant shall disclose the
10 names and addresses of all members and managers. If the
11 disclosed entity is a partnership, the applicant shall disclose
12 the names and addresses of all partners, both general and
13 limited. If the disclosed entity is a trust, the applicant
14 shall disclose the names and addresses of all beneficiaries.

15 An application shall be filed and considered in accordance
16 with the rules of the Board. Each application for an electronic
17 gaming license shall include a non-refundable application fee
18 of \$100,000. In addition, a non-refundable fee of \$50,000 shall
19 be paid at the time of filing to defray the costs associated
20 with background investigations conducted by the Board. If the
21 costs of the background investigation exceed \$50,000, the
22 applicant shall pay the additional amount to the Board within 7
23 days after a request by the Board. If the costs of the
24 investigation are less than \$50,000, the applicant shall
25 receive a refund of the remaining amount. All information,
26 records, interviews, reports, statements, memoranda, or other

1 data supplied to or used by the Board in the course of this
2 review or investigation of an applicant for an electronic
3 gaming license under this Act shall be privileged and strictly
4 confidential and shall be used only for the purpose of
5 evaluating an applicant for an electronic gaming license or a
6 renewal. Such information, records, interviews, reports,
7 statements, memoranda, or other data shall not be admissible as
8 evidence nor discoverable in any action of any kind in any
9 court or before any tribunal, board, agency or person, except
10 for any action deemed necessary by the Board. The application
11 fee shall be deposited into the Gaming Facilities Fee Revenue
12 Fund.

13 Each applicant shall submit with his or her application, on
14 forms provided by the Board, 2 sets of his or her fingerprints.
15 The Board shall charge each applicant a fee set by the
16 Department of State Police to defray the costs associated with
17 the search and classification of fingerprints obtained by the
18 Board with respect to the applicant's application. This fee
19 shall be paid into the State Police Services Fund.

20 (c) The Board shall determine within 120 days after
21 receiving an application for an electronic gaming license
22 whether to grant an electronic gaming license to the applicant.
23 If the Board does not make a determination within that time
24 period, then the Board shall give a written explanation to the
25 applicant as to why it has not reached a determination and when
26 it reasonably expects to make a determination.

1 The electronic gaming licensee shall purchase up to the
2 amount of electronic gaming positions authorized under this Act
3 within 120 days after receiving its electronic gaming license.
4 If an electronic gaming licensee is prepared to purchase the
5 electronic gaming positions, but is temporarily prohibited
6 from doing so by order of a court of competent jurisdiction or
7 the Board, then the 120-day period is tolled until a resolution
8 is reached.

9 An electronic gaming license shall authorize its holder to
10 conduct gaming under this Act at its racetracks on the same
11 days of the year and hours of the day that owner licenses are
12 allowed to operate under approval of the Board.

13 A license to conduct electronic gaming and any renewal of
14 an electronic gaming license shall authorize electronic gaming
15 for a period of 4 years. The fee for the issuance or renewal of
16 an electronic gaming license shall be \$100,000.

17 (d) To be eligible to conduct electronic gaming, a person
18 or entity having operating control of a race track must (i)
19 obtain an electronic gaming license, (ii) hold an organization
20 license under the Illinois Horse Racing Act of 1975, (iii) hold
21 an inter-track wagering license, (iv) pay an initial fee of
22 \$30,000 per gaming position from electronic gaming licensees
23 where electronic gaming is conducted in Cook County and \$17,500
24 for electronic gaming licensees where electronic gaming is
25 located outside of Cook County before beginning to conduct
26 electronic gaming plus make the reconciliation payment

1 required under subsection (i), (v) conduct at least 240 live
2 races at each track per year or for a licensee that is only
3 authorized 350 gaming positions pursuant to subsection (d) of
4 Section 7.7 of this Act, have a fully operational facility
5 running at least 96 live races over a period of at least 15
6 days per year until such time as the total number of gaming
7 positions is increased to 900, (vi) meet the requirements of
8 subsection (a) of Section 56 of the Illinois Horse Racing Act
9 of 1975, (vii) for organization licensees conducting
10 standardbred race meetings that had an open backstretch in
11 2009, keep backstretch barns and dormitories open and
12 operational year-round unless a lesser schedule is mutually
13 agreed to by the organization licensee and the horsemen's
14 association racing at that organization licensee's race
15 meeting, (viii) for organization licensees conducting
16 thoroughbred race meetings, the organization licensee must
17 maintain accident medical expense liability insurance coverage
18 of \$1,000,000 for jockeys, and (ix) meet all other requirements
19 of this Act that apply to owners licensees. Only those persons
20 or entities (or its successors or assigns) that had operating
21 control of a race track and held an inter-track wagering
22 license authorized by the Illinois Racing Board in 2009 are
23 eligible.

24 An electronic gaming licensee may enter into a joint
25 venture with a licensed owner to own, manage, conduct, or
26 otherwise operate the electronic gaming licensee's electronic

1 gaming facilities, unless the electronic gaming licensee has a
2 parent company or other affiliated company that is, directly or
3 indirectly, wholly owned by a parent company that is also
4 licensed to conduct electronic gaming, casino gaming, or their
5 equivalent in another state.

6 All payments by licensees under this subsection (c) shall
7 be deposited into the Gaming Facilities Fee Revenue Fund.

8 (e) A person or entity is ineligible to receive an
9 electronic gaming license if:

10 (1) the person or entity has been convicted of a felony
11 under the laws of this State, any other state, or the
12 United States, including a conviction under the Racketeer
13 Influenced and Corrupt Organizations Act;

14 (2) the person or entity has been convicted of any
15 violation of Article 28 of the Criminal Code of 2012, or
16 substantially similar laws of any other jurisdiction;

17 (3) the person or entity has submitted an application
18 for a license under this Act that contains false
19 information;

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

21 (5) a person defined in (1), (2), (3), or (4) of this
22 subsection (e) is an officer, director, or managerial
23 employee of the entity;

24 (6) the person or entity employs a person defined in
25 (1), (2), (3), or (4) of this subsection (e) who
26 participates in the management or operation of gambling

1 operations authorized under this Act; or

2 (7) a license of the person or entity issued under this
3 Act or a license to own or operate gambling facilities in
4 any other jurisdiction has been revoked.

5 (f) The Board may approve electronic gaming positions
6 statewide as provided in this Section. The authority to operate
7 electronic gaming positions under this Section shall be
8 allocated as follows: up to 1,200 gaming positions for any
9 electronic gaming licensee in Cook County whose electronic
10 gaming license originates with an organization licensee that
11 conducted live racing in calendar year 2016; up to 900 gaming
12 positions for any electronic gaming licensee outside of Cook
13 County whose electronic gaming license originates with an
14 organization licensee that conducted live racing in calendar
15 year 2016; and up to 350 gaming positions for any electronic
16 gaming licensee whose electronic gaming license originates
17 with an organization licensee that did not conduct live racing
18 in calendar year 2010, which shall increase to 900 gaming
19 positions in the calendar year following the year in which the
20 electronic gaming licensee conducts 96 live races.

21 (g) Each applicant for an electronic gaming license shall
22 specify in its application for licensure the number of gaming
23 positions it will operate, up to the applicable limitation set
24 forth in subsection (f) of this Section. Any unreserved gaming
25 positions that are not specified shall be forfeited and
26 retained by the Board. For the purposes of this subsection (g),

1 an electronic gaming licensee that did not conduct live racing
2 in 2010 may reserve up to 900 positions and shall not be
3 penalized under this Section for not operating those positions
4 until it meets the requirements of subsection (f) of this
5 Section, but such licensee shall not request unreserved gaming
6 positions under this subsection (g) until its 900 positions are
7 all operational.

8 Thereafter, the Board shall publish the number of
9 unreserved electronic gaming positions and shall accept
10 requests for additional positions from any electronic gaming
11 licensee that initially reserved all of the positions that were
12 offered. The Board shall allocate expeditiously the unreserved
13 electronic gaming positions to requesting electronic gaming
14 licensees in a manner that maximizes revenue to the State. The
15 Board may allocate any such unused electronic gaming positions
16 pursuant to an open and competitive bidding process, as
17 provided under Section 7.5 of this Act. This process shall
18 continue until all unreserved gaming positions have been
19 purchased. All positions obtained pursuant to this process and
20 all positions the electronic gaming licensee specified it would
21 operate in its application must be in operation within 18
22 months after they were obtained or the electronic gaming
23 licensee forfeits the right to operate those positions, but is
24 not entitled to a refund of any fees paid. The Board may, after
25 holding a public hearing, grant extensions so long as the
26 electronic gaming licensee is working in good faith to make the

1 positions operational. The extension may be for a period of 6
2 months. If, after the period of the extension, the electronic
3 gaming licensee has not made the positions operational, then
4 another public hearing must be held by the Board before it may
5 grant another extension.

6 Unreserved gaming positions retained from and allocated to
7 electronic gaming licensees by the Board pursuant to this
8 subsection (g) shall not be allocated to owners licensees
9 pursuant to subsection (h-10) of Section 7 of this Act.

10 For the purpose of this subsection (g), the unreserved
11 gaming positions for each electronic gaming licensee shall be
12 the applicable limitation set forth in subsection (f) of this
13 Section, less the number of reserved gaming positions by such
14 electronic gaming licensee, and the total unreserved gaming
15 positions shall be the aggregate of the unreserved gaming
16 positions for all electronic gaming licensees.

17 (h) Subject to the approval of the Illinois Gaming Board,
18 an electronic gaming licensee may make modification or
19 additions to any existing buildings and structures to comply
20 with the requirements of this Act. The Illinois Gaming Board
21 shall make its decision after consulting with the Illinois
22 Racing Board. In no case, however, shall the Illinois Gaming
23 Board approve any modification or addition that alters the
24 grounds of the organization licensee such that the act of live
25 racing is an ancillary activity to electronic gaming.
26 Electronic gaming may take place in existing structures where

1 inter-track wagering is conducted at the race track or a
2 facility within 300 yards of the race track in accordance with
3 the provisions of this Act and the Illinois Horse Racing Act of
4 1975.

5 (i) An electronic gaming licensee may conduct electronic
6 gaming at a temporary facility pending the construction of a
7 permanent facility or the remodeling or relocation of an
8 existing facility to accommodate electronic gaming
9 participants for up to 24 months after the temporary facility
10 begins to conduct electronic gaming. Upon request by an
11 electronic gaming licensee and upon a showing of good cause by
12 the electronic gaming licensee, the Board shall extend the
13 period during which the licensee may conduct electronic gaming
14 at a temporary facility by up to 12 months. The Board shall
15 make rules concerning the conduct of electronic gaming from
16 temporary facilities.

17 Electronic gaming may take place in existing structures
18 where inter-track wagering is conducted at the race track or a
19 facility within 300 yards of the race track in accordance with
20 the provisions of this Act and the Illinois Horse Racing Act of
21 1975.

22 (j) The Illinois Gaming Board must adopt emergency rules in
23 accordance with Section 5-45 of the Illinois Administrative
24 Procedure Act as necessary to ensure compliance with the
25 provisions of this amendatory Act of the 100th General Assembly
26 concerning electronic gaming. The adoption of emergency rules

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

3 (k) Each electronic gaming licensee who obtains electronic
4 gaming positions must make a reconciliation payment 3 years
5 after the date the electronic gaming licensee begins operating
6 the positions in an amount equal to 75% of the difference
7 between its adjusted gross receipts from electronic gaming and
8 amounts paid to its purse accounts pursuant to item (1) of
9 subsection (b) of Section 56 of the Illinois Horse Racing Act
10 of 1975 for the 12-month period for which such difference was
11 the largest, minus an amount equal to the initial per position
12 fee paid by the electronic gaming licensee. If this calculation
13 results in a negative amount, then the electronic gaming
14 licensee is not entitled to any reimbursement of fees
15 previously paid. This reconciliation payment may be made in
16 installments over a period of no more than 2 years, subject to
17 Board approval. Any installment payments shall include an
18 annual market interest rate as determined by the Board.

19 All payments by licensees under this subsection (i) shall
20 be deposited into the Gaming Facilities Fee Revenue Fund.

21 (l) As soon as practical after a request is made by the
22 Illinois Gaming Board, to minimize duplicate submissions by the
23 applicant, the Illinois Racing Board must provide information
24 on an applicant for an electronic gaming license to the
25 Illinois Gaming Board.

1 (230 ILCS 10/7.8 new)

2 Sec. 7.8. Home rule. The regulation and licensing of
3 electronic gaming and electronic gaming licensees are
4 exclusive powers and functions of the State. A home rule unit
5 may not regulate or license electronic gaming or electronic
6 gaming licensees. This Section is a denial and limitation of
7 home rule powers and functions under subsection (h) of Section
8 6 of Article VII of the Illinois Constitution.

9 (230 ILCS 10/7.9 new)

10 Sec. 7.9. Casino operator license.

11 (a) A qualified person may apply to the Board for a casino
12 operator license to operate and manage any gambling operation
13 conducted by the Authority. The application shall be made on
14 forms provided by the Board and shall contain such information
15 as the Board prescribes, including but not limited to
16 information required in Sections 6(a), (b), and (c) and
17 information relating to the applicant's proposed price to
18 manage the Authority's gambling operations and to provide the
19 casino, gambling equipment, and supplies necessary to conduct
20 Authority gambling operations. The application shall also
21 include a non-refundable application fee of \$100,000. This
22 application fee shall be deposited into the Gaming Facilities
23 Fee Revenue Fund.

24 (b) A person or entity is ineligible to receive a casino
25 operator license if:

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

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

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

9 (4) the person is a member of the Board or the Chicago
10 Casino Development Board or the person is an official or
11 employee of the Chicago Casino Development Authority or the
12 City of Chicago;

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

15 (6) the entity employs a person defined in (1), (2),
16 (3), or (4) who participates in the management or operation
17 of gambling operations authorized under this Act; or

18 (7) a license of the person or entity issued under this
19 Act, or a license to own or operate gambling facilities in
20 any other jurisdiction, has been revoked.

21 (c) In determining whether to grant a casino operator
22 license, the Board shall consider:

23 (1) the character, reputation, experience and
24 financial integrity of the applicants and of any other or
25 separate person that either:

26 (A) controls, directly or indirectly, such

1 applicant, or

2 (B) is controlled, directly or indirectly, by such
3 applicant or by a person which controls, directly or
4 indirectly, such applicant;

5 (2) the facilities or proposed facilities for the
6 conduct of gambling;

7 (3) the preference of the municipality in which the
8 licensee will operate;

9 (4) the extent to which the ownership of the applicant
10 reflects the diversity of the State by including minority
11 persons and females and the good faith affirmative action
12 plan of each applicant to recruit, train, and upgrade
13 minority persons and females in all employment
14 classifications;

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

17 (6) whether the applicant has adequate capitalization
18 to provide and maintain, for the duration of a license, a
19 casino; and

20 (7) the extent to which the applicant exceeds or meets
21 other standards for the issuance of a casino operator
22 license that the Board may adopt by rule.

23 (d) Each applicant shall submit with his or her
24 application, on forms prescribed by the Board, 2 sets of his or
25 her fingerprints. The Board shall charge each applicant a fee
26 set by the Department of State Police to defray the costs

1 associated with the search and classification of fingerprints
2 obtained by the Board with respect to the applicant's
3 application. This fee shall be paid into the State Police
4 Services Fund.

5 (e) A person who knowingly makes a false statement on an
6 application is guilty of a Class A misdemeanor.

7 (f) The Board shall charge each applicant a non-refundable
8 fee of \$50,000 to defray the costs associated with the
9 background investigation conducted by the Board. This fee shall
10 be exclusive of any other fee or fees charged in connection
11 with an application for and, if applicable, the issuance of, a
12 casino operator license. If the costs of the investigation
13 exceed \$50,000, the Board shall immediately notify the
14 applicant of the additional amount owed, payment of which must
15 be submitted to the Board within 7 days after such
16 notification. All information, records, interviews, reports,
17 statements, memoranda, or other data supplied to or used by the
18 Board in the course of its review or investigation of an
19 application for a license or a renewal under this Act shall be
20 privileged and strictly confidential and shall be used only for
21 the purpose of evaluating an applicant for a license or a
22 renewal. Such information, records, interviews, reports,
23 statements, memoranda, or other data shall not be admissible as
24 evidence, nor discoverable in any action of any kind in any
25 court or before any tribunal, board, agency, or person, except
26 for any action deemed necessary by the Board.

1 (g) The casino operator license shall be issued only upon
2 proof that the applicant has entered into a labor peace
3 agreement with each labor organization that is actively engaged
4 in representing and attempting to represent casino and
5 hospitality industry workers in this State. The labor peace
6 agreement must be a valid and enforceable agreement under 29
7 U.S.C. 185 that protects the city's and State's revenues from
8 the operation of the casino facility by prohibiting the labor
9 organization and its members from engaging in any picketing,
10 work stoppages, boycotts, or any other economic interference
11 with the casino facility for at least the first 5 years of the
12 casino license and must cover all operations at the casino
13 facility that are conducted by lessees or tenants or under
14 management agreements.

15 (h) The casino operator license shall be for a term of 4
16 years, shall be renewable by the Board, and shall contain such
17 terms and provisions as the Board deems necessary to protect or
18 enhance the credibility and integrity of State gambling
19 operations, achieve the highest prospective total revenue to
20 the State, and otherwise serve the interests of the citizens of
21 Illinois. The Board may suspend, restrict, or revoke the
22 license:

23 (1) for violation of any provision of this Act;

24 (2) for violation of any rules of the Board;

25 (3) for any cause which, if known to the Board, would
26 have disqualified the applicant from receiving the

1 license; or

2 (4) for any other just cause.

3 (230 ILCS 10/7.10 new)

4 Sec. 7.10. Diversity program.

5 (a) Each owners licensee, electronic gaming licensee,
6 casino operator licensee, and suppliers licensee shall
7 establish and maintain a diversity program to ensure
8 non-discrimination in the award and administration of
9 contracts. The programs shall establish goals of awarding not
10 less than 20% of the annual dollar value of all contracts,
11 purchase orders, or other agreements to minority-owned
12 businesses and 5% of the annual dollar value of all contracts
13 to female-owned businesses.

14 (b) Each owners licensee, electronic gaming licensee,
15 casino operator licensee, and suppliers licensee shall
16 establish and maintain a diversity program designed to promote
17 equal opportunity for employment. The program shall establish
18 hiring goals as the Board and each licensee determines
19 appropriate. The Board shall monitor the progress of the gaming
20 licensee's progress with respect to the program's goals.

21 (c) No later than May 31 of each year, each licensee shall
22 report to the Board (1) the number of respective employees and
23 the number of its respective employees who have designated
24 themselves as members of a minority group and gender and (2)
25 the total goals achieved under subsection (a) of this Section

1 as a percentage of the total contracts awarded by the license.
2 In addition, all licensees shall submit a report with respect
3 to the minority-owned and female-owned businesses program
4 created in this Section to the Board.

5 (d) When considering whether to re-issue or renew a license
6 to an owners licensee, electronic gaming licensee, casino
7 operator licensee, or suppliers licensee, the Board shall take
8 into account the licensee's success in complying with the
9 provisions of this Section. If an owners licensee, electronic
10 gaming licensee, casino operator licensee, or suppliers
11 licensee has not satisfied the goals contained in this Section,
12 the Board shall require a written explanation as to why the
13 licensee is not in compliance and shall require the licensee to
14 file multi-year metrics designed to achieve compliance with the
15 provisions by the next renewal period, consistent with State
16 and federal law.

17 (230 ILCS 10/7.11 new)

18 Sec. 7.11. Annual report on diversity.

19 (a) Each licensee that receives a license under Sections 7,
20 7.1, and 7.7 shall execute and file a report with the Board no
21 later than December 31 of each year that shall contain, but not
22 be limited to, the following information:

23 (i) a good faith affirmative action plan to recruit,
24 train, and upgrade minority persons, females, and persons
25 with a disability in all employment classifications;

1 (ii) the total dollar amount of contracts that were
2 awarded to businesses owned by minority persons, females,
3 and persons with a disability;

4 (iii) the total number of businesses owned by minority
5 persons, females, and persons with a disability that were
6 utilized by the licensee;

7 (iv) the utilization of businesses owned by minority
8 persons, females, and persons with disabilities during the
9 preceding year; and

10 (v) the outreach efforts used by the licensee to
11 attract investors and businesses consisting of minority
12 persons, females, and persons with a disability.

13 (b) The Board shall forward a copy of each licensee's
14 annual reports to the General Assembly no later than February 1
15 of each year.

16 (230 ILCS 10/7.12 new)

17 Sec. 7.12. Issuance of new owners licenses.

18 (a) Except for the owners license issued to the Chicago
19 Casino Development Authority, owners licenses newly authorized
20 pursuant to this amendatory Act of the 100th General Assembly
21 may be issued by the Board to a qualified applicant pursuant to
22 an open and competitive bidding process, as set forth in
23 Section 7.5, and subject to the maximum number of authorized
24 licenses set forth in subsection (e-5) of Section 7 of this
25 Act.

1 (b) To be a qualified applicant, a person or entity may not
2 be ineligible to receive an owners license under subsection (a)
3 of Section 7 of this Act and must submit an application for an
4 owners license that complies with Section 6 of this Act.

5 (c) In determining whether to grant an owners license to an
6 applicant, the Board shall consider all of the factors set
7 forth in subsections (b) and (e-10) of Section 7 of this Act,
8 as well as the amount of the applicant's license bid. The Board
9 may grant the owners license to an applicant that has not
10 submitted the highest license bid, but if it does not select
11 the highest bidder, the Board shall issue a written decision
12 explaining why another applicant was selected and identifying
13 the factors set forth in subsections (b) and (e-10) of Section
14 7 of this Act that favored the winning bidder.

15 (230 ILCS 10/7.13 new)

16 Sec. 7.13. Environmental standards. All permanent
17 casinos, riverboats, and electronic gaming facilities shall
18 consist of buildings that are certified as meeting the U.S.
19 Green Building Council's Leadership in Energy and
20 Environmental Design standards. The provisions of this Section
21 apply to a holder of an owners license, casino operator
22 license, or electronic gaming license that (i) begins
23 operations on or after January 1, 2017 or (ii) relocates its
24 facilities on or after the effective date of this amendatory
25 Act of the 100th General Assembly.

1 (230 ILCS 10/8) (from Ch. 120, par. 2408)

2 Sec. 8. Suppliers licenses.

3 (a) The Board may issue a suppliers license to such
4 persons, firms or corporations which apply therefor upon the
5 payment of a non-refundable application fee set by the Board,
6 upon a determination by the Board that the applicant is
7 eligible for a suppliers license and upon payment of a \$5,000
8 annual license fee.

9 (b) The holder of a suppliers license is authorized to sell
10 or lease, and to contract to sell or lease, gambling equipment
11 and supplies to any licensee involved in the ownership or
12 management of gambling operations.

13 (c) Gambling supplies and equipment may not be distributed
14 unless supplies and equipment conform to standards adopted by
15 rules of the Board.

16 (d) A person, firm or corporation is ineligible to receive
17 a suppliers license if:

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

20 (2) the person has been convicted of any violation of
21 Article 28 of the Criminal Code of 1961 or the Criminal
22 Code of 2012, or substantially similar laws of any other
23 jurisdiction;

24 (3) the person has submitted an application for a
25 license under this Act which contains false information;

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

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

5 (6) the firm or corporation employs a person who
6 participates in the management or operation of riverboat
7 gambling authorized under this Act or the Chicago Casino
8 Development Authority Act;

9 (7) the license of the person, firm or corporation
10 issued under this Act or the Chicago Casino Development
11 Authority Act, or a license to own or operate gambling
12 facilities in any other jurisdiction, has been revoked.

13 (e) Any person that supplies any equipment, devices, or
14 supplies to a licensed riverboat gambling operation or casino
15 or electronic gaming operation must first obtain a suppliers
16 license. A supplier shall furnish to the Board a list of all
17 equipment, devices and supplies offered for sale or lease in
18 connection with gambling games authorized under this Act. A
19 supplier shall keep books and records for the furnishing of
20 equipment, devices and supplies to gambling operations
21 separate and distinct from any other business that the supplier
22 might operate. A supplier shall file a quarterly return with
23 the Board listing all sales and leases. A supplier shall
24 permanently affix its name or a distinctive logo or other mark
25 or design element identifying the manufacturer or supplier to
26 all its equipment, devices, and supplies, except gaming chips

1 without a value impressed, engraved, or imprinted on it, for
2 gambling operations. The Board may waive this requirement for
3 any specific product or products if it determines that the
4 requirement is not necessary to protect the integrity of the
5 game. Items purchased from a licensed supplier may continue to
6 be used even though the supplier subsequently changes its name,
7 distinctive logo, or other mark or design element; undergoes a
8 change in ownership; or ceases to be licensed as a supplier for
9 any reason. Any supplier's equipment, devices or supplies which
10 are used by any person in an unauthorized gambling operation
11 shall be forfeited to the State. A holder of an owners license
12 or an electronic gaming license ~~A licensed owner~~ may own its
13 own equipment, devices and supplies. Each holder of an owners
14 license or an electronic gaming license under the Act shall
15 file an annual report listing its inventories of gambling
16 equipment, devices and supplies.

17 (f) Any person who knowingly makes a false statement on an
18 application is guilty of a Class A misdemeanor.

19 (g) Any gambling equipment, devices and supplies provided
20 by any licensed supplier may either be repaired on the
21 riverboat, in the casino, or at the electronic gaming facility
22 or removed from the riverboat, casino, or electronic gaming
23 facility to a an on-shore facility owned by the holder of an
24 owners license or electronic gaming license for repair.

25 (Source: P.A. 97-1150, eff. 1-25-13; 98-12, eff. 5-10-13;
26 98-756, eff. 7-16-14.)

1 (230 ILCS 10/9) (from Ch. 120, par. 2409)

2 Sec. 9. Occupational licenses.

3 (a) The Board may issue an occupational license to an
4 applicant upon the payment of a non-refundable fee set by the
5 Board, upon a determination by the Board that the applicant is
6 eligible for an occupational license and upon payment of an
7 annual license fee in an amount to be established. To be
8 eligible for an occupational license, an applicant must:

9 (1) be at least 21 years of age if the applicant will
10 perform any function involved in gaming by patrons. Any
11 applicant seeking an occupational license for a non-gaming
12 function shall be at least 18 years of age;

13 (2) not have been convicted of a felony offense, a
14 violation of Article 28 of the Criminal Code of 1961 or the
15 Criminal Code of 2012, or a similar statute of any other
16 jurisdiction;

17 (2.5) not have been convicted of a crime, other than a
18 crime described in item (2) of this subsection (a),
19 involving dishonesty or moral turpitude, except that the
20 Board may, in its discretion, issue an occupational license
21 to a person who has been convicted of a crime described in
22 this item (2.5) more than 10 years prior to his or her
23 application and has not subsequently been convicted of any
24 other crime;

25 (3) have demonstrated a level of skill or knowledge

1 which the Board determines to be necessary in order to
2 operate gambling aboard a riverboat, in a casino, or at an
3 electronic gaming facility; and

4 (4) have met standards for the holding of an
5 occupational license as adopted by rules of the Board. Such
6 rules shall provide that any person or entity seeking an
7 occupational license to manage gambling operations under
8 this Act or the Chicago Casino Development Authority Act
9 ~~hereunder~~ shall be subject to background inquiries and
10 further requirements similar to those required of
11 applicants for an owners license. Furthermore, such rules
12 shall provide that each such entity shall be permitted to
13 manage gambling operations for only one licensed owner.

14 (b) Each application for an occupational license shall be
15 on forms prescribed by the Board and shall contain all
16 information required by the Board. The applicant shall set
17 forth in the application: whether he has been issued prior
18 gambling related licenses; whether he has been licensed in any
19 other state under any other name, and, if so, such name and his
20 age; and whether or not a permit or license issued to him in
21 any other state has been suspended, restricted or revoked, and,
22 if so, for what period of time.

23 (c) Each applicant shall submit with his application, on
24 forms provided by the Board, 2 sets of his fingerprints. The
25 Board shall charge each applicant a fee set by the Department
26 of State Police to defray the costs associated with the search

1 and classification of fingerprints obtained by the Board with
2 respect to the applicant's application. These fees shall be
3 paid into the State Police Services Fund.

4 (d) The Board may in its discretion refuse an occupational
5 license to any person: (1) who is unqualified to perform the
6 duties required of such applicant; (2) who fails to disclose or
7 states falsely any information called for in the application;
8 (3) who has been found guilty of a violation of this Act or the
9 Chicago Casino Development Authority Act or whose prior
10 gambling related license or application therefor has been
11 suspended, restricted, revoked or denied for just cause in any
12 other state; or (4) for any other just cause.

13 (e) The Board may suspend, revoke or restrict any
14 occupational licensee: (1) for violation of any provision of
15 this Act; (2) for violation of any of the rules and regulations
16 of the Board; (3) for any cause which, if known to the Board,
17 would have disqualified the applicant from receiving such
18 license; or (4) for default in the payment of any obligation or
19 debt due to the State of Illinois; or (5) for any other just
20 cause.

21 (f) A person who knowingly makes a false statement on an
22 application is guilty of a Class A misdemeanor.

23 (g) Any license issued pursuant to this Section shall be
24 valid for a period of one year from the date of issuance.

25 (h) Nothing in this Act shall be interpreted to prohibit a
26 licensed owner or electronic gaming licensee from entering into

1 an agreement with a public community college or a school
2 approved under the Private Business and Vocational Schools Act
3 of 2012 for the training of any occupational licensee. Any
4 training offered by such a school shall be in accordance with a
5 written agreement between the licensed owner or electronic
6 gaming licensee and the school.

7 (i) Any training provided for occupational licensees may be
8 conducted either at the site of the gambling facility ~~on the~~
9 ~~riverboat~~ or at a school with which a licensed owner or
10 electronic gaming licensee has entered into an agreement
11 pursuant to subsection (h).

12 (Source: P.A. 96-1392, eff. 1-1-11; 97-650, eff. 2-1-12;
13 97-1150, eff. 1-25-13.)

14 (230 ILCS 10/11) (from Ch. 120, par. 2411)

15 Sec. 11. Conduct of gambling. Gambling may be conducted by
16 licensed owners or licensed managers on behalf of the State
17 aboard riverboats. Gambling may be conducted by electronic
18 gaming licensees at electronic gaming facilities. Gambling may
19 be conducted by a casino operator licensee at a casino.
20 Gambling authorized under this Section is, subject to the
21 following standards:

22 (1) A licensee may conduct riverboat gambling
23 authorized under this Act regardless of whether it conducts
24 excursion cruises. A licensee may permit the continuous
25 ingress and egress of patrons ~~passengers~~ on a riverboat not

1 used for excursion cruises for the purpose of gambling.
2 Excursion cruises shall not exceed 4 hours for a round
3 trip. However, the Board may grant express approval for an
4 extended cruise on a case-by-case basis.

5 (2) (Blank).

6 (3) Minimum and maximum wagers on games shall be set by
7 the licensee.

8 (4) Agents of the Board and the Department of State
9 Police may board and inspect any riverboat, enter and
10 inspect any portion of a casino, or enter and inspect any
11 portion of an electronic gaming facility at any time for
12 the purpose of determining whether this Act or the Chicago
13 Casino Development Authority Act is being complied with.
14 Every riverboat, if under way and being hailed by a law
15 enforcement officer or agent of the Board, must stop
16 immediately and lay to.

17 (5) Employees of the Board shall have the right to be
18 present on the riverboat or in the casino or on adjacent
19 facilities under the control of the licensee and at the
20 electronic gaming facility under the control of the
21 electronic gaming licensee.

22 (6) Gambling equipment and supplies customarily used
23 in conducting riverboat or casino gambling or electronic
24 gaming must be purchased or leased only from suppliers
25 licensed for such purpose under this Act. The Board may
26 approve the transfer, sale, or lease of gambling equipment

1 and supplies by a licensed owner from or to an affiliate of
2 the licensed owner as long as the gambling equipment and
3 supplies were initially acquired from a supplier licensed
4 in Illinois.

5 (7) Persons licensed under this Act or the Chicago
6 Casino Development Authority Act shall permit no form of
7 wagering on gambling games except as permitted by this Act.

8 (8) Wagers may be received only from a person present
9 on a licensed riverboat, in a casino, or at an electronic
10 gaming facility. No person present on a licensed riverboat,
11 in a casino, or at an electronic gaming facility shall
12 place or attempt to place a wager on behalf of another
13 person who is not present on the riverboat, in a casino, or
14 at the electronic gaming facility.

15 (9) Wagering, including electronic gaming, shall not
16 be conducted with money or other negotiable currency.

17 (10) A person under age 21 shall not be permitted on an
18 area of a riverboat or casino where gambling is being
19 conducted or at an electronic gaming facility where
20 gambling is being conducted, except for a person at least
21 18 years of age who is an employee of the riverboat or
22 casino gambling operation or electronic gaming operation.
23 No employee under age 21 shall perform any function
24 involved in gambling by the patrons. No person under age 21
25 shall be permitted to make a wager under this Act or the
26 Chicago Casino Development Authority Act, and any winnings

1 that are a result of a wager by a person under age 21,
2 whether or not paid by a licensee, shall be treated as
3 winnings for the privilege tax purposes, confiscated, and
4 forfeited to the State and deposited into the Education
5 Assistance Fund.

6 (11) Gambling excursion cruises are permitted only
7 when the waterway for which the riverboat is licensed is
8 navigable, as determined by the Board in consultation with
9 the U.S. Army Corps of Engineers. This paragraph (11) does
10 not limit the ability of a licensee to conduct gambling
11 authorized under this Act when gambling excursion cruises
12 are not permitted.

13 (12) All tokens, chips or electronic cards used to make
14 wagers must be purchased (i) from a licensed owner or
15 manager, in the case of a riverboat, either aboard a
16 riverboat or at an onshore facility which has been approved
17 by the Board and which is located where the riverboat
18 docks, (ii) in the case of a casino, from a licensed owner
19 or licensed casino operator at the casino, or (iii) from an
20 electronic gaming licensee at the electronic gaming
21 facility. The tokens, chips or electronic cards may be
22 purchased by means of an agreement under which the owner,
23 ~~or~~ manager, or licensed casino operator extends credit to
24 the patron. Such tokens, chips or electronic cards may be
25 used while aboard the riverboat, in the casino, or at the
26 electronic gaming facility only for the purpose of making

1 wagers on gambling games.

2 (13) Notwithstanding any other Section of this Act or
3 the Chicago Casino Development Authority Act, in addition
4 to the other licenses authorized under this Act or the
5 Chicago Casino Development Authority Act, the Board may
6 issue special event licenses allowing persons who are not
7 otherwise licensed to conduct riverboat gambling to
8 conduct such gambling on a specified date or series of
9 dates. Riverboat gambling under such a license may take
10 place on a riverboat not normally used for riverboat
11 gambling. The Board shall establish standards, fees and
12 fines for, and limitations upon, such licenses, which may
13 differ from the standards, fees, fines and limitations
14 otherwise applicable under this Act or the Chicago Casino
15 Development Authority Act. All such fees shall be deposited
16 into the State Gaming Fund. All such fines shall be
17 deposited into the Education Assistance Fund, created by
18 Public Act 86-0018, of the State of Illinois.

19 (14) In addition to the above, gambling must be
20 conducted in accordance with all rules adopted by the
21 Board.

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

23 (230 ILCS 10/11.1) (from Ch. 120, par. 2411.1)

24 Sec. 11.1. Collection of amounts owing under credit
25 agreements. Notwithstanding any applicable statutory provision

1 to the contrary, a licensed owner, licensed ~~or~~ manager,
2 licensed casino operator, or electronic gaming licensee who
3 extends credit to a ~~riverboat~~ gambling patron or an electronic
4 gaming patron pursuant to Section 11 (a) (12) of this Act is
5 expressly authorized to institute a cause of action to collect
6 any amounts due and owing under the extension of credit, as
7 well as the licensed owner's, licensed ~~or~~ manager's, licensed
8 casino operator's, or electronic gaming licensee's costs,
9 expenses and reasonable attorney's fees incurred in
10 collection.

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

12 (230 ILCS 10/12) (from Ch. 120, par. 2412)

13 Sec. 12. Admission tax; fees.

14 (a) A tax is hereby imposed upon admissions to riverboat
15 and casino gambling facilities ~~riverboats~~ operated by licensed
16 owners authorized pursuant to this Act and the Chicago Casino
17 Development Authority Act. Until July 1, 2002, the rate is \$2
18 per person admitted. From July 1, 2002 until July 1, 2003, the
19 rate is \$3 per person admitted. From July 1, 2003 until August
20 23, 2005 (the effective date of Public Act 94-673), for a
21 licensee that admitted 1,000,000 persons or fewer in the
22 previous calendar year, the rate is \$3 per person admitted; for
23 a licensee that admitted more than 1,000,000 but no more than
24 2,300,000 persons in the previous calendar year, the rate is \$4
25 per person admitted; and for a licensee that admitted more than

1 2,300,000 persons in the previous calendar year, the rate is \$5
2 per person admitted. Beginning on August 23, 2005 (the
3 effective date of Public Act 94-673), for a licensee that
4 admitted 1,000,000 persons or fewer in calendar year 2004, the
5 rate is \$2 per person admitted, and for all other licensees,
6 including licensees that were not conducting gambling
7 operations in 2004, the rate is \$3 per person admitted. This
8 admission tax is imposed upon the licensed owner conducting
9 gambling.

10 (1) The admission tax shall be paid for each admission,
11 except that a person who exits a riverboat gambling
12 facility and reenters that riverboat gambling facility
13 within the same gaming day shall be subject only to the
14 initial admission tax.

15 (2) (Blank).

16 (3) The riverboat licensee may issue tax-free passes to
17 actual and necessary officials and employees of the
18 licensee or other persons actually working on the
19 riverboat.

20 (4) The number and issuance of tax-free passes is
21 subject to the rules of the Board, and a list of all
22 persons to whom the tax-free passes are issued shall be
23 filed with the Board.

24 (a-5) A fee is hereby imposed upon admissions operated by
25 licensed managers on behalf of the State pursuant to Section
26 7.3 at the rates provided in this subsection (a-5). For a

1 licensee that admitted 1,000,000 persons or fewer in the
2 previous calendar year, the rate is \$3 per person admitted; for
3 a licensee that admitted more than 1,000,000 but no more than
4 2,300,000 persons in the previous calendar year, the rate is \$4
5 per person admitted; and for a licensee that admitted more than
6 2,300,000 persons in the previous calendar year, the rate is \$5
7 per person admitted.

8 (1) The admission fee shall be paid for each admission.

9 (2) (Blank).

10 (3) The licensed manager may issue fee-free passes to
11 actual and necessary officials and employees of the manager
12 or other persons actually working on the riverboat.

13 (4) The number and issuance of fee-free passes is
14 subject to the rules of the Board, and a list of all
15 persons to whom the fee-free passes are issued shall be
16 filed with the Board.

17 (b) Except as provided in subsection (b-5), from ~~From~~ the
18 tax imposed under subsection (a) and the fee imposed under
19 subsection (a-5), a municipality shall receive from the State
20 \$1 for each person embarking on a riverboat docked within the
21 municipality or entering a casino located within the
22 municipality, and a county shall receive \$1 for each person
23 entering a casino or embarking on a riverboat docked within the
24 county but outside the boundaries of any municipality. The
25 municipality's or county's share shall be collected by the
26 Board on behalf of the State and remitted quarterly by the

1 State, subject to appropriation, to the treasurer of the unit
2 of local government for deposit in the general fund.

3 (b-5) From the tax imposed under subsection (a) and the fee
4 imposed under subsection (a-5), \$1 for each person embarking on
5 a riverboat designated in paragraph (4) of subsection (e-5) of
6 Section 7 shall be divided as follows: \$0.70 to the City of
7 Rockford, \$0.05 to the City of Loves Park, \$0.05 to the Village
8 of Machesney Park, and \$0.20 to Winnebago County.

9 The municipality's or county's share shall be collected by
10 the Board on behalf of the State and remitted monthly by the
11 State, subject to appropriation, to the treasurer of the unit
12 of local government for deposit in the general fund.

13 (c) The licensed owner shall pay the entire admission tax
14 to the Board and the licensed manager or the casino operator
15 licensee shall pay the entire admission fee to the Board. Such
16 payments shall be made daily. Accompanying each payment shall
17 be a return on forms provided by the Board which shall include
18 other information regarding admissions as the Board may
19 require. Failure to submit either the payment or the return
20 within the specified time may result in suspension or
21 revocation of the owners or managers license.

22 (c-5) A tax is imposed on admissions to electronic gaming
23 facilities at the rate of \$3 per person admitted by an
24 electronic gaming licensee. The tax is imposed upon the
25 electronic gaming licensee.

26 (1) The admission tax shall be paid for each admission,

1 except that a person who exits an electronic gaming
2 facility and reenters that electronic gaming facility
3 within the same gaming day, as the term "gaming day" is
4 defined by the Board by rule, shall be subject only to the
5 initial admission tax. The Board shall establish, by rule,
6 a procedure to determine whether a person admitted to an
7 electronic gaming facility has paid the admission tax.

8 (2) An electronic gaming licensee may issue tax-free
9 passes to actual and necessary officials and employees of
10 the licensee and other persons associated with electronic
11 gaming operations.

12 (3) The number and issuance of tax-free passes is
13 subject to the rules of the Board, and a list of all
14 persons to whom the tax-free passes are issued shall be
15 filed with the Board.

16 (4) The electronic gaming licensee shall pay the entire
17 admission tax to the Board.

18 Such payments shall be made daily. Accompanying each
19 payment shall be a return on forms provided by the Board, which
20 shall include other information regarding admission as the
21 Board may require. Failure to submit either the payment or the
22 return within the specified time may result in suspension or
23 revocation of the electronic gaming license.

24 From the tax imposed under this subsection (c-5), a
25 municipality other than the Village of Stickney or the City of
26 Collinsville in which an electronic gaming facility is located,

1 or if the electronic gaming facility is not located within a
2 municipality, then the county in which the electronic gaming
3 facility is located, except as otherwise provided in this
4 Section, shall receive, subject to appropriation, \$1 for each
5 person who enters the electronic gaming facility. For each
6 admission to the electronic gaming facility in excess of
7 1,500,000 in a year, from the tax imposed under this subsection
8 (c-5), the county in which the electronic gaming facility is
9 located shall receive, subject to appropriation, \$0.30, which
10 shall be in addition to any other moneys paid to the county
11 under this Section.

12 From the tax imposed under this subsection (c-5) on an
13 electronic gaming facility located in the Village of Stickney,
14 \$1 for each person who enters the electronic gaming facility
15 shall be distributed as follows, subject to appropriation:
16 \$0.24 to the Village of Stickney, \$0.49 to the Town of Cicero,
17 \$0.05 to the City of Berwyn, and \$0.17 to the Stickney Public
18 Health District, and \$0.05 to the City of Bridgeview.

19 From the tax imposed under this subsection (c-5) on an
20 electronic gaming facility located in the City of Collinsville,
21 \$1 for each person who enters the electronic gaming facility
22 shall be distributed as follows, subject to appropriation:
23 \$0.45 to the City of Alton, \$0.45 to the City of East St.
24 Louis, and \$0.10 to the City of Collinsville.

25 After payments required under this subsection (c-5) have
26 been made, all remaining amounts shall be deposited into the

1 Education Assistance Fund.

2 (d) The Board shall administer and collect the admission
3 tax imposed by this Section, to the extent practicable, in a
4 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
5 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9 and 10 of the
6 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
7 Penalty and Interest Act.

8 (Source: P.A. 95-663, eff. 10-11-07; 96-1392, eff. 1-1-11.)

9 (230 ILCS 10/13) (from Ch. 120, par. 2413)

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

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

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

19 15% of annual adjusted gross receipts up to and
20 including \$25,000,000;

21 20% of annual adjusted gross receipts in excess of
22 \$25,000,000 but not exceeding \$50,000,000;

23 25% of annual adjusted gross receipts in excess of
24 \$50,000,000 but not exceeding \$75,000,000;

25 30% of annual adjusted gross receipts in excess of

1 \$75,000,000 but not exceeding \$100,000,000;

2 35% of annual adjusted gross receipts in excess of
3 \$100,000,000.

4 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax
5 is imposed on persons engaged in the business of conducting
6 riverboat gambling operations, other than licensed managers
7 conducting riverboat gambling operations on behalf of the
8 State, based on the adjusted gross receipts received by a
9 licensed owner from gambling games authorized under this Act at
10 the following rates:

11 15% of annual adjusted gross receipts up to and
12 including \$25,000,000;

13 22.5% of annual adjusted gross receipts in excess of
14 \$25,000,000 but not exceeding \$50,000,000;

15 27.5% of annual adjusted gross receipts in excess of
16 \$50,000,000 but not exceeding \$75,000,000;

17 32.5% of annual adjusted gross receipts in excess of
18 \$75,000,000 but not exceeding \$100,000,000;

19 37.5% of annual adjusted gross receipts in excess of
20 \$100,000,000 but not exceeding \$150,000,000;

21 45% of annual adjusted gross receipts in excess of
22 \$150,000,000 but not exceeding \$200,000,000;

23 50% of annual adjusted gross receipts in excess of
24 \$200,000,000.

25 (a-3) Beginning July 1, 2003, a privilege tax is imposed on
26 persons engaged in the business of conducting riverboat

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

6 15% of annual adjusted gross receipts up to and
7 including \$25,000,000;

8 27.5% of annual adjusted gross receipts in excess of
9 \$25,000,000 but not exceeding \$37,500,000;

10 32.5% of annual adjusted gross receipts in excess of
11 \$37,500,000 but not exceeding \$50,000,000;

12 37.5% of annual adjusted gross receipts in excess of
13 \$50,000,000 but not exceeding \$75,000,000;

14 45% of annual adjusted gross receipts in excess of
15 \$75,000,000 but not exceeding \$100,000,000;

16 50% of annual adjusted gross receipts in excess of
17 \$100,000,000 but not exceeding \$250,000,000;

18 70% of annual adjusted gross receipts in excess of
19 \$250,000,000.

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

25 The privilege tax imposed under this subsection (a-3) shall
26 no longer be imposed beginning on the earlier of (i) July 1,

1 2005; (ii) the first date after June 20, 2003 that riverboat
2 gambling operations are conducted pursuant to a dormant
3 license; or (iii) the first day that riverboat gambling
4 operations are conducted under the authority of an owners
5 license that is in addition to the 10 owners licenses initially
6 authorized under this Act. For the purposes of this subsection
7 (a-3), the term "dormant license" means an owners license that
8 is authorized by this Act under which no riverboat gambling
9 operations are being conducted on June 20, 2003.

10 (a-4) Beginning on the first day on which the tax imposed
11 under subsection (a-3) is no longer imposed and ending upon the
12 imposition of the privilege tax under subsection (a-5) of this
13 Section, a privilege tax is imposed on persons engaged in the
14 business of conducting riverboat or casino gambling or
15 electronic gaming operations, other than licensed managers
16 conducting riverboat gambling operations on behalf of the
17 State, based on the adjusted gross receipts received by a
18 licensed owner from gambling games authorized under this Act at
19 the following rates:

20 15% of annual adjusted gross receipts up to and
21 including \$25,000,000;

22 22.5% of annual adjusted gross receipts in excess of
23 \$25,000,000 but not exceeding \$50,000,000;

24 27.5% of annual adjusted gross receipts in excess of
25 \$50,000,000 but not exceeding \$75,000,000;

26 32.5% of annual adjusted gross receipts in excess of

1 \$75,000,000 but not exceeding \$100,000,000;

2 37.5% of annual adjusted gross receipts in excess of
3 \$100,000,000 but not exceeding \$150,000,000;

4 45% of annual adjusted gross receipts in excess of
5 \$150,000,000 but not exceeding \$200,000,000;

6 50% of annual adjusted gross receipts in excess of
7 \$200,000,000.

8 For the imposition of the privilege tax in this subsection
9 (a-4), amounts paid pursuant to item (1) of subsection (b) of
10 Section 56 of the Illinois Horse Racing Act of 1975 shall not
11 be included in the determination of adjusted gross receipts.

12 (a-5) Beginning in the fiscal year following the opening of
13 the casino at which gambling operations are conducted pursuant
14 to the Chicago Casino Development Authority Act, but not before
15 July 1, 2019, a privilege tax is imposed on persons engaged in
16 the business of conducting riverboat or casino gambling or
17 electronic gaming operations, other than licensed managers
18 conducting riverboat gambling operations on behalf of the
19 State, based on the adjusted gross receipts received by such
20 licensee from the gambling games authorized under this Act and
21 the Chicago Casino Development Authority Act. The privilege tax
22 for all gambling games other than table games, including, but
23 not limited to, slot machines, video game of chance gambling,
24 and electronic gambling games shall be at the following rates:

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

1 17.5% of annual adjusted gross receipts in excess of
2 \$25,000,000 but not exceeding \$50,000,000;

3 22.5% of annual adjusted gross receipts in excess of
4 \$50,000,000 but not exceeding \$75,000,000;

5 27.5% of annual adjusted gross receipts in excess of
6 \$75,000,000 but not exceeding \$100,000,000;

7 32.5% of annual adjusted gross receipts in excess of
8 \$100,000,000 but not exceeding \$150,000,000;

9 35% of annual adjusted gross receipts in excess of
10 \$150,000,000 but not exceeding \$200,000,000;

11 40% of annual adjusted gross receipts in excess of
12 \$200,000,000 but not exceeding \$300,000,000;

13 30% of annual adjusted gross receipts in excess of
14 \$300,000,000 but not exceeding \$350,000,000;

15 20% of annual adjusted gross receipts in excess of
16 \$350,000,000, but not exceeding \$800,000,000;

17 50% of annual adjusted gross receipts in excess of
18 \$800,000,000.

19 The privilege tax for table games shall be at the following
20 rates:

21 10% of annual adjusted gross receipts up to and
22 including \$25,000,000;

23 17.5% of annual adjusted gross receipts in excess of
24 \$25,000,000 but not exceeding \$50,000,000;

25 22.5% of annual adjusted gross receipts in excess of
26 \$50,000,000 but not exceeding \$70,000,000;

1 16% of annual adjusted gross receipts in excess of
2 \$70,000,000.

3 For the imposition of the privilege tax in this subsection
4 (a-5), amounts paid pursuant to item (1) of subsection (b) of
5 Section 56 of the Illinois Horse Racing Act of 1975 shall not
6 be included in the determination of adjusted gross receipts.

7 (a-6) From the effective date of this amendatory Act of the
8 100th General Assembly until June 30, 2021, an owners licensee
9 that conducted gambling operations prior to January 1, 2011
10 shall receive a dollar-for-dollar credit against the tax
11 imposed under this Section for any renovation or construction
12 costs paid by the owners licensee, but in no event shall the
13 credit exceed \$2,000,000.

14 Additionally, from the effective date of this amendatory
15 Act of the 100th General Assembly until December 31, 2020, an
16 owners licensee that (i) is located within 15 miles of the
17 Missouri border, and (ii) has at least 3 riverboats, casinos,
18 or their equivalent within a 45-mile radius, may be authorized
19 to relocate to a new location with the approval of both the
20 unit of local government designated as the home dock and the
21 Board, so long as the new location is within the same unit of
22 local government and no more than 3 miles away from its
23 original location. Such owners licensee shall receive a credit
24 against the tax imposed under this Section equal to 8% of the
25 total project costs, as approved by the Board, for any
26 renovation or construction costs paid by the owners licensee

1 for the construction of the new facility, provided that the new
2 facility is operational by July 1, 2020. In determining whether
3 or not to approve a relocation, the Board must consider the
4 extent to which the relocation will diminish the gaming
5 revenues received by other Illinois gaming facilities.

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

9 (a-9) Beginning on January 1, 2018, the calculation of
10 gross receipts or adjusted gross receipts, for the purposes of
11 this Section, for a riverboat, casino, or electronic gaming
12 facility shall not include the dollar amount of non-cashable
13 vouchers, coupons, and electronic promotions redeemed by
14 wagerers upon the riverboat, in the casino, or in the
15 electronic gaming facility up to and including an amount not to
16 exceed 30% of a riverboat casino or electronic gaming
17 facility's adjusted gross receipts.

18 The Illinois Gaming Board shall submit to the General
19 Assembly a comprehensive report no later than March 31, 2021
20 detailing, at a minimum, the effect of removing non-cashable
21 vouchers, coupons, and electronic promotions from this
22 calculation on net gaming revenues to the State in calendar
23 years 2018 through 2020, the increase or reduction in wagerers
24 as a result of removing non-cashable vouchers, coupons, and
25 electronic promotions from this calculation, the effect of the
26 tax rates in subsection (a-5) on net gaming revenues to the

1 State, and proposed modifications to the calculation.

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

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

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

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

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

23 "Base amount" means the following:

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

25 For a riverboat in East Peoria, \$43,000,000.

26 For the Empress riverboat in Joliet, \$86,000,000.

1 For a riverboat in Metropolis, \$45,000,000.

2 For the Harrah's riverboat in Joliet, \$114,000,000.

3 For a riverboat in Aurora, \$86,000,000.

4 For a riverboat in East St. Louis, \$48,500,000.

5 For a riverboat in Elgin, \$198,000,000.

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

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

12 The changes made to this subsection (a-15) by Public Act
13 94-839 are intended to restate and clarify the intent of Public
14 Act 94-673 with respect to the amount of the payments required
15 to be made under this subsection by an owners licensee to the
16 Board.

17 (b) Until January 1, 1998, 25% of the tax revenue deposited
18 in the State Gaming Fund under this Section shall be paid,
19 subject to appropriation by the General Assembly, to the unit
20 of local government which is designated as the home dock of the
21 riverboat. Beginning January 1, 1998, from the tax revenue from
22 riverboat or casino gambling deposited in the State Gaming Fund
23 under this Section, an amount equal to 5% of adjusted gross
24 receipts generated by a riverboat or a casino other than a
25 riverboat designated in paragraph (3) or (4) of subsection
26 (e-5) of Section 7, shall be paid monthly, subject to

1 appropriation by the General Assembly, to the unit of local
2 government in which the casino is located or that is designated
3 as the home dock of the riverboat. From the tax revenue
4 deposited in the State Gaming Fund pursuant to riverboat or
5 casino gambling operations conducted by a licensed manager on
6 behalf of the State, an amount equal to 5% of adjusted gross
7 receipts generated pursuant to those riverboat or casino
8 gambling operations shall be paid monthly, subject to
9 appropriation by the General Assembly, to the unit of local
10 government that is designated as the home dock of the riverboat
11 upon which those riverboat gambling operations are conducted or
12 in which the casino is located. From the tax revenue from
13 riverboat or casino gambling deposited in the State Gaming Fund
14 under this Section, an amount equal to 5% of the adjusted gross
15 receipts generated by a riverboat designated in paragraph (3)
16 of subsection (e-5) of Section 7 shall be divided and remitted
17 monthly, subject to appropriation, as follows: 50% to Waukegan,
18 25% to Park City, and 25% to North Chicago. From the tax
19 revenue from riverboat or casino gambling deposited in the
20 State Gaming Fund under this Section, an amount equal to 5% of
21 the adjusted gross receipts generated by a riverboat designated
22 in paragraph (4) of subsection (e-5) of Section 7 shall be
23 remitted monthly, subject to appropriation, as follows: 70% to
24 the City of Rockford, 5% to the City of Loves Park, 5% to the
25 Village of Machesney, and 20% to Winnebago County. Units of
26 local government may refund any portion of the payment that

1 they receive pursuant to this subsection (b) to the riverboat
2 or casino.

3 (b-5) Beginning on the effective date of this amendatory
4 Act of the 100th General Assembly, from the tax revenue
5 deposited in the State Gaming Fund under this Section, an
6 amount equal to 3% of adjusted gross receipts generated by each
7 electronic gaming facility located outside Madison County
8 shall be paid monthly, subject to appropriation by the General
9 Assembly, to a municipality other than the Village of Stickney
10 in which each electronic gaming facility is located or, if the
11 electronic gaming facility is not located within a
12 municipality, to the county in which the electronic gaming
13 facility is located, except as otherwise provided in this
14 Section. From the tax revenue deposited in the State Gaming
15 Fund under this Section, an amount equal to 3% of adjusted
16 gross receipts generated by an electronic gaming facility
17 located in the Village of Stickney shall be paid monthly,
18 subject to appropriation by the General Assembly, as follows:
19 25% to the Village of Stickney, 5% to the City of Berwyn, 50%
20 to the Town of Cicero, and 20% to the Stickney Public Health
21 District.

22 From the tax revenue deposited in the State Gaming Fund
23 under this Section, an amount equal to 5% of adjusted gross
24 receipts generated by an electronic gaming facility located in
25 the City of Collinsville shall be paid monthly, subject to
26 appropriation by the General Assembly, as follows: 45% to the

1 City of Alton, 45% to the City of East St. Louis, and 10% to the
2 City of Collinsville.

3 Municipalities and counties may refund any portion of the
4 payment that they receive pursuant to this subsection (b-5) to
5 the electronic gaming facility.

6 (b-6) Beginning on the effective date of this amendatory
7 Act of the 100th General Assembly, from the tax revenue
8 deposited in the State Gaming Fund under this Section, an
9 amount equal to 2% of adjusted gross receipts generated by an
10 electronic gaming facility located outside Madison County
11 shall be paid monthly, subject to appropriation by the General
12 Assembly, to the county in which the electronic gaming facility
13 is located for the purposes of its criminal justice system or
14 health care system.

15 Counties may refund any portion of the payment that they
16 receive pursuant to this subsection (b-6) to the electronic
17 gaming facility.

18 (c) Appropriations, as approved by the General Assembly,
19 may be made from the State Gaming Fund to the Board (i) for the
20 administration and enforcement of this Act, the Chicago Casino
21 Development Authority Act, and the Video Gaming Act, (ii) for
22 distribution to the Department of State Police and to the
23 Department of Revenue for the enforcement of this Act, the
24 Chicago Casino Development Authority Act, and the Video Gaming
25 Act, and (iii) to the Department of Human Services for the
26 administration of programs to treat problem gambling. The

1 Board's annual appropriations request must separately state
2 its funding needs for the regulation of electronic gaming,
3 riverboat gaming, casino gaming within the City of Chicago, and
4 video gaming. From the tax revenue deposited in the Gaming
5 Facilities Fee Revenue Fund, the first \$50,000,000 shall be
6 paid to the Board, subject to appropriation, for the
7 administration and enforcement of the provisions of this
8 amendatory Act of the 100th General Assembly.

9 (c-3) Appropriations, as approved by the General Assembly,
10 may be made from the tax revenue deposited into the State
11 Gaming Fund from electronic gaming pursuant to this Section for
12 the administration and enforcement of this Act.

13 (c-4) After payments required under subsections (b),
14 (b-5), (b-6), (c), and (c-3) have been made from the tax
15 revenue from electronic gaming deposited into the State Gaming
16 Fund under this Section, all remaining amounts from electronic
17 gaming shall be deposited into the Education Assistance Fund.

18 (c-5) Before May 26, 2006 (the effective date of Public Act
19 94-804) and beginning on the effective date of this amendatory
20 Act of the 95th General Assembly, unless any organization
21 licensee under the Illinois Horse Racing Act of 1975 begins to
22 operate a slot machine or video game of chance under the
23 Illinois Horse Racing Act of 1975 or this Act, after the
24 payments required under subsections (b) and (c) have been made,
25 an amount equal to 15% of the adjusted gross receipts of (1) an
26 owners licensee that relocates pursuant to Section 11.2, (2) an

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

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

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

23 (c-20) Each year the General Assembly shall appropriate
24 from the General Revenue Fund to the Education Assistance Fund
25 an amount equal to the amount paid to each home rule county
26 with a population of over 3,000,000 inhabitants pursuant to

1 subsection (c-15) in the prior calendar year.

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

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

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

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

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

23 (f) To the extent practicable, the Board shall administer
24 and collect the wagering taxes imposed by this Section in a
25 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
26 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the

1 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
2 Penalty and Interest Act.

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

4 (230 ILCS 10/14) (from Ch. 120, par. 2414)

5 Sec. 14. Licensees - Records - Reports - Supervision.

6 (a) Licensed owners and electronic gaming licensees ~~A~~
7 ~~licensed owner~~ shall keep ~~his~~ books and records so as to
8 clearly show the following:

9 (1) The amount received daily from admission fees.

10 (2) The total amount of gross receipts.

11 (3) The total amount of the adjusted gross receipts.

12 (b) Licensed owners and electronic gaming licensees ~~The~~
13 ~~licensed owner~~ shall furnish to the Board reports and
14 information as the Board may require with respect to its
15 activities on forms designed and supplied for such purpose by
16 the Board.

17 (c) The books and records kept by a licensed owner as
18 provided by this Section are public records and the
19 examination, publication, and dissemination of the books and
20 records are governed by the provisions of The Freedom of
21 Information Act.

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

23 (230 ILCS 10/15) (from Ch. 120, par. 2415)

24 Sec. 15. Audit of Licensee Operations. Annually, the

1 licensed owner, ~~or~~ manager, or electronic gaming licensee shall
2 transmit to the Board an audit of the financial transactions
3 and condition of the licensee's or manager's total operations.
4 Additionally, within 90 days after the end of each quarter of
5 each fiscal year, the licensed owner, ~~or~~ manager, or electronic
6 gaming licensee shall transmit to the Board a compliance report
7 on engagement procedures determined by the Board. All audits
8 and compliance engagements shall be conducted by certified
9 public accountants selected by the Board. Each certified public
10 accountant must be registered in the State of Illinois under
11 the Illinois Public Accounting Act. The compensation for each
12 certified public accountant shall be paid directly by the
13 licensed owner, ~~or~~ manager, or electronic gaming licensee to
14 the certified public accountant.

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

16 (230 ILCS 10/16) (from Ch. 120, par. 2416)

17 Sec. 16. Annual Report of Board. The Board shall make an
18 annual report to the Governor, for the period ending December
19 31 of each year. Included in the report shall be an account of
20 the Board actions, its financial position and results of
21 operation under this Act and the Chicago Casino Development
22 Authority Act, the practical results attained under this Act
23 and the Chicago Casino Development Authority Act and any
24 recommendations for legislation which the Board deems
25 advisable.

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

2 (230 ILCS 10/17) (from Ch. 120, par. 2417)

3 Sec. 17. Administrative Procedures. The Illinois
4 Administrative Procedure Act shall apply to all administrative
5 rules and procedures of the Board under this Act, the Chicago
6 Casino Development Authority Act, and ~~or~~ the Video Gaming Act,
7 except that: (1) subsection (b) of Section 5-10 of the Illinois
8 Administrative Procedure Act does not apply to final orders,
9 decisions and opinions of the Board; (2) subsection (a) of
10 Section 5-10 of the Illinois Administrative Procedure Act does
11 not apply to forms established by the Board for use under this
12 Act, the Chicago Casino Development Authority Act, and or the
13 Video Gaming Act; (3) the provisions of Section 10-45 of the
14 Illinois Administrative Procedure Act regarding proposals for
15 decision are excluded under this Act, the Chicago Casino
16 Development Authority Act, and ~~or~~ the Video Gaming Act; and (4)
17 the provisions of subsection (d) of Section 10-65 of the
18 Illinois Administrative Procedure Act do not apply so as to
19 prevent summary suspension of any license pending revocation or
20 other action, which suspension shall remain in effect unless
21 modified by the Board or unless the Board's decision is
22 reversed on the merits upon judicial review.

23 (Source: P.A. 96-34, eff. 7-13-09.)

24 (230 ILCS 10/17.1) (from Ch. 120, par. 2417.1)

1 Sec. 17.1. Judicial Review.

2 (a) Jurisdiction and venue for the judicial review of a
3 final order of the Board relating to licensed owners,
4 suppliers, electronic gaming licensees, and ~~or~~ special event
5 licenses is vested in the Appellate Court of the judicial
6 district in which Sangamon County is located. A petition for
7 judicial review of a final order of the Board must be filed in
8 the Appellate Court, within 35 days from the date that a copy
9 of the decision sought to be reviewed was served upon the party
10 affected by the decision.

11 (b) Judicial review of all other final orders of the Board
12 shall be conducted in accordance with the Administrative Review
13 Law.

14 (Source: P.A. 88-1.)

15 (230 ILCS 10/18) (from Ch. 120, par. 2418)

16 Sec. 18. Prohibited Activities - Penalty.

17 (a) A person is guilty of a Class A misdemeanor for doing
18 any of the following:

19 (1) Conducting gambling where wagering is used or to be
20 used without a license issued by the Board.

21 (2) Conducting gambling where wagering is permitted
22 other than in the manner specified by Section 11.

23 (b) A person is guilty of a Class B misdemeanor for doing
24 any of the following:

25 (1) permitting a person under 21 years to make a wager;

1 or

2 (2) violating paragraph (12) of subsection (a) of
3 Section 11 of this Act.

4 (c) A person wagering or accepting a wager at any location
5 outside the riverboat, casino, or electronic gaming facility in
6 violation of paragraph ~~is subject to the penalties in~~
7 ~~paragraphs~~ (1) or (2) of subsection (a) of Section 28-1 of the
8 Criminal Code of 2012 is subject to the penalties provided in
9 that Section.

10 (d) A person commits a Class 4 felony and, in addition,
11 shall be barred for life from gambling operations ~~riverboats~~
12 under the jurisdiction of the Board, if the person does any of
13 the following:

14 (1) Offers, promises, or gives anything of value or
15 benefit to a person who is connected with a riverboat or
16 casino owner or electronic gaming licensee, including, but
17 not limited to, an officer or employee of a licensed owner,
18 electronic gaming licensee, or holder of an occupational
19 license pursuant to an agreement or arrangement or with the
20 intent that the promise or thing of value or benefit will
21 influence the actions of the person to whom the offer,
22 promise, or gift was made in order to affect or attempt to
23 affect the outcome of a gambling game, or to influence
24 official action of a member of the Board.

25 (2) Solicits or knowingly accepts or receives a promise
26 of anything of value or benefit while the person is

1 connected with a riverboat, casino, or electronic gaming
2 facility, including, but not limited to, an officer or
3 employee of a licensed owner or electronic gaming licensee,
4 or the holder of an occupational license, pursuant to an
5 understanding or arrangement or with the intent that the
6 promise or thing of value or benefit will influence the
7 actions of the person to affect or attempt to affect the
8 outcome of a gambling game, or to influence official action
9 of a member of the Board.

10 (3) Uses or possesses with the intent to use a device
11 to assist:

12 (i) In projecting the outcome of the game.

13 (ii) In keeping track of the cards played.

14 (iii) In analyzing the probability of the
15 occurrence of an event relating to the gambling game.

16 (iv) In analyzing the strategy for playing or
17 betting to be used in the game except as permitted by
18 the Board.

19 (4) Cheats at a gambling game.

20 (5) Manufactures, sells, or distributes any cards,
21 chips, dice, game or device which is intended to be used to
22 violate any provision of this Act or the Chicago Casino
23 Development Authority Act.

24 (6) Alters or misrepresents the outcome of a gambling
25 game on which wagers have been made after the outcome is
26 made sure but before it is revealed to the players.

1 (7) Places a bet after acquiring knowledge, not
2 available to all players, of the outcome of the gambling
3 game which is subject of the bet or to aid a person in
4 acquiring the knowledge for the purpose of placing a bet
5 contingent on that outcome.

6 (8) Claims, collects, or takes, or attempts to claim,
7 collect, or take, money or anything of value in or from the
8 gambling games, with intent to defraud, without having made
9 a wager contingent on winning a gambling game, or claims,
10 collects, or takes an amount of money or thing of value of
11 greater value than the amount won.

12 (9) Uses counterfeit chips or tokens in a gambling
13 game.

14 (10) Possesses any key or device designed for the
15 purpose of opening, entering, or affecting the operation of
16 a gambling game, drop box, or an electronic or mechanical
17 device connected with the gambling game or for removing
18 coins, tokens, chips or other contents of a gambling game.
19 This paragraph (10) does not apply to a gambling licensee
20 or employee of a gambling licensee acting in furtherance of
21 the employee's employment.

22 (e) The possession of more than one of the devices
23 described in subsection (d), paragraphs (3), (5), or (10)
24 permits a rebuttable presumption that the possessor intended to
25 use the devices for cheating.

26 (f) A person under the age of 21 who, except as authorized

1 under paragraph (10) of Section 11, enters upon a riverboat or
2 in a casino or electronic gaming facility commits a petty
3 offense and is subject to a fine of not less than \$100 or more
4 than \$250 for a first offense and of not less than \$200 or more
5 than \$500 for a second or subsequent offense.

6 An action to prosecute any crime occurring on a riverboat
7 shall be tried in the county of the dock at which the riverboat
8 is based. An action to prosecute any crime occurring in a
9 casino or electronic gaming facility shall be tried in the
10 county in which the casino or electronic gaming facility is
11 located.

12 (Source: P.A. 96-1392, eff. 1-1-11; 97-1150, eff. 1-25-13.)

13 (230 ILCS 10/18.1)

14 Sec. 18.1. Distribution of certain fines. If a fine is
15 imposed on an owner licensee or an electronic gaming licensee
16 for knowingly sending marketing or promotional materials to any
17 person placed on the self-exclusion list, then the Board shall
18 distribute an amount equal to 15% of the fine imposed to the
19 unit of local government in which the casino, riverboat, or
20 electronic gaming facility is located for the purpose of
21 awarding grants to non-profit entities that assist gambling
22 addicts.

23 (Source: P.A. 96-224, eff. 8-11-09.)

24 (230 ILCS 10/19) (from Ch. 120, par. 2419)

1 Sec. 19. Forfeiture of property.

2 (a) Except as provided in subsection (b), any riverboat,
3 casino, or electronic gaming facility used for the conduct of
4 gambling games in violation of this Act shall be considered a
5 gambling place in violation of Section 28-3 of the Criminal
6 Code of 2012. Every gambling device found on a riverboat, in a
7 casino, or at an electronic gaming facility operating gambling
8 games in violation of this Act and every slot machine and video
9 game of chance found at an electronic gaming facility operating
10 gambling games in violation of this Act or the Chicago Casino
11 Development Authority Act shall be subject to seizure,
12 confiscation and destruction as provided in Section 28-5 of the
13 Criminal Code of 2012.

14 (b) It is not a violation of this Act for a riverboat or
15 other watercraft which is licensed for gaming by a contiguous
16 state to dock on the shores of this State if the municipality
17 having jurisdiction of the shores, or the county in the case of
18 unincorporated areas, has granted permission for docking and no
19 gaming is conducted on the riverboat or other watercraft while
20 it is docked on the shores of this State. No gambling device
21 shall be subject to seizure, confiscation or destruction if the
22 gambling device is located on a riverboat or other watercraft
23 which is licensed for gaming by a contiguous state and which is
24 docked on the shores of this State if the municipality having
25 jurisdiction of the shores, or the county in the case of
26 unincorporated areas, has granted permission for docking and no

1 gaming is conducted on the riverboat or other watercraft while
2 it is docked on the shores of this State.

3 (Source: P.A. 97-1150, eff. 1-25-13.)

4 (230 ILCS 10/20) (from Ch. 120, par. 2420)

5 Sec. 20. Prohibited activities - civil penalties. Any
6 person who conducts a gambling operation without first
7 obtaining a license to do so, or who continues to conduct such
8 games after revocation of his license, or any licensee who
9 conducts or allows to be conducted any unauthorized gambling
10 games on a riverboat, in a casino, or at an electronic gaming
11 facility where it is authorized to conduct its ~~riverboat~~
12 gambling operation, in addition to other penalties provided,
13 shall be subject to a civil penalty equal to the amount of
14 gross receipts derived from wagering on the gambling games,
15 whether unauthorized or authorized, conducted on that day as
16 well as confiscation and forfeiture of all gambling game
17 equipment used in the conduct of unauthorized gambling games.

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

19 (230 ILCS 10/21) (from Ch. 120, par. 2421)

20 Sec. 21. Limitation on taxation of licensees. Licensees
21 shall not be subjected to any excise tax, license tax, permit
22 tax, privilege tax, occupation tax or excursion tax which is
23 imposed exclusively upon the licensee by the State or any
24 political subdivision thereof, except as provided in this Act

1 or the Chicago Casino Development Authority Act.

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

3 (230 ILCS 10/23) (from Ch. 120, par. 2423)

4 Sec. 23. The State Gaming Fund. On or after the effective
5 date of this Act, except as provided for payments into the
6 Horse Racing Equity Trust Fund under subsection (a) of Section
7 7, all of the fees and taxes collected pursuant to this Act or
8 the Chicago Casino Development Authority Act shall be deposited
9 into the State Gaming Fund, a special fund in the State
10 Treasury, which is hereby created. The adjusted gross receipts
11 of any riverboat gambling operations conducted by a licensed
12 manager on behalf of the State remaining after the payment of
13 the fees and expenses of the licensed manager shall be
14 deposited into the State Gaming Fund. Fines and penalties
15 collected pursuant to this Act or the Chicago Casino
16 Development Authority Act shall be deposited into the Education
17 Assistance Fund, created by Public Act 86-0018, of the State of
18 Illinois.

19 (Source: P.A. 93-28, eff. 6-20-03; 94-804, eff. 5-26-06.)

20 (230 ILCS 10/24)

21 Sec. 24. Applicability of this ~~Illinois Riverboat Gambling~~
22 ~~Act~~. The provisions of the this ~~Illinois Riverboat Gambling~~
23 ~~Act~~, and all rules promulgated thereunder, shall apply to the
24 Chicago Casino Development Authority Act and the Video Gaming

1 Act, except where there is a conflict between the ~~2~~ Acts. In
2 the event of a conflict between this Act and the Chicago Casino
3 Development Authority Act, the terms of the Chicago Casino
4 Development Authority Act shall prevail. In the event of a
5 conflict between this Act and the Video Gaming Act, the terms
6 of this Act shall prevail.

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

8 Section 90-42. The Video Gaming Act is amended by changing
9 Sections 5, 25, 45, 79, and 80 as follows:

10 (230 ILCS 40/5)

11 Sec. 5. Definitions. As used in this Act:

12 "Board" means the Illinois Gaming Board.

13 "Credit" means one, 5, 10, or 25 cents either won or
14 purchased by a player.

15 "Distributor" means an individual, partnership,
16 corporation, or limited liability company licensed under this
17 Act to buy, sell, lease, or distribute video gaming terminals
18 or major components or parts of video gaming terminals to or
19 from terminal operators.

20 "Electronic card" means a card purchased from a licensed
21 establishment, licensed fraternal establishment, licensed
22 veterans establishment, or licensed truck stop establishment
23 for use in that establishment as a substitute for cash in the
24 conduct of gaming on a video gaming terminal.

1 "Electronic voucher" means a voucher printed by an
2 electronic video game machine that is redeemable in the
3 licensed establishment for which it was issued.

4 "Terminal operator" means an individual, partnership,
5 corporation, or limited liability company that is licensed
6 under this Act and that owns, services, and maintains video
7 gaming terminals for placement in licensed establishments,
8 licensed truck stop establishments, licensed fraternal
9 establishments, or licensed veterans establishments.

10 "Licensed technician" means an individual who is licensed
11 under this Act to repair, service, and maintain video gaming
12 terminals.

13 "Licensed terminal handler" means a person, including but
14 not limited to an employee or independent contractor working
15 for a manufacturer, distributor, supplier, technician, or
16 terminal operator, who is licensed under this Act to possess or
17 control a video gaming terminal or to have access to the inner
18 workings of a video gaming terminal. A licensed terminal
19 handler does not include an individual, partnership,
20 corporation, or limited liability company defined as a
21 manufacturer, distributor, supplier, technician, or terminal
22 operator under this Act.

23 "Manufacturer" means an individual, partnership,
24 corporation, or limited liability company that is licensed
25 under this Act and that manufactures or assembles video gaming
26 terminals.

1 "Supplier" means an individual, partnership, corporation,
2 or limited liability company that is licensed under this Act to
3 supply major components or parts to video gaming terminals to
4 licensed terminal operators.

5 "Net terminal income" means money put into a video gaming
6 terminal minus credits paid out to players.

7 "Video gaming terminal" means any electronic video game
8 machine that, upon insertion of cash, electronic cards or
9 vouchers, or any combination thereof, is available to play or
10 simulate the play of a video game, including but not limited to
11 video poker, line up, and blackjack, as authorized by the Board
12 utilizing a video display and microprocessors in which the
13 player may receive free games or credits that can be redeemed
14 for cash. The term does not include a machine that directly
15 dispenses coins, cash, or tokens or is for amusement purposes
16 only.

17 "Licensed establishment" means any licensed retail
18 establishment where alcoholic liquor is drawn, poured, mixed,
19 or otherwise served for consumption on the premises, whether
20 the establishment operates on a nonprofit or for-profit basis.

21 "Licensed establishment" includes any such establishment that
22 has a contractual relationship with an inter-track wagering
23 location licensee licensed under the Illinois Horse Racing Act
24 of 1975, provided any contractual relationship shall not
25 include any transfer or offer of revenue from the operation of
26 video gaming under this Act to any licensee licensed under the

1 Illinois Horse Racing Act of 1975. Provided, however, that the
2 licensed establishment that has such a contractual
3 relationship with an inter-track wagering location licensee
4 may not, itself, be (i) an inter-track wagering location
5 licensee, (ii) the corporate parent or subsidiary of any
6 licensee licensed under the Illinois Horse Racing Act of 1975,
7 or (iii) the corporate subsidiary of a corporation that is also
8 the corporate parent or subsidiary of any licensee licensed
9 under the Illinois Horse Racing Act of 1975. "Licensed
10 establishment" does not include a facility operated by an
11 organization licensee, an inter-track wagering licensee, or an
12 inter-track wagering location licensee licensed under the
13 Illinois Horse Racing Act of 1975 or a riverboat licensed under
14 the Illinois Riverboat Gambling Act, except as provided in this
15 paragraph. The changes made to this definition by Public Act
16 98-587 are declarative of existing law.

17 "Licensed fraternal establishment" means the location
18 where a qualified fraternal organization that derives its
19 charter from a national fraternal organization regularly
20 meets.

21 "Licensed veterans establishment" means the location where
22 a qualified veterans organization that derives its charter from
23 a national veterans organization regularly meets.

24 "Licensed truck stop establishment" means a facility (i)
25 that is at least a 3-acre facility with a convenience store,
26 (ii) with separate diesel islands for fueling commercial motor

1 vehicles, (iii) that sells at retail more than 10,000 gallons
2 of diesel or biodiesel fuel per month, and (iv) with parking
3 spaces for commercial motor vehicles. "Commercial motor
4 vehicles" has the same meaning as defined in Section 18b-101 of
5 the Illinois Vehicle Code. The requirement of item (iii) of
6 this paragraph may be met by showing that estimated future
7 sales or past sales average at least 10,000 gallons per month.

8 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13;
9 98-582, eff. 8-27-13; 98-587, eff. 8-27-13; 98-756, eff.
10 7-16-14.)

11 (230 ILCS 40/25)

12 Sec. 25. Restriction of licensees.

13 (a) Manufacturer. A person may not be licensed as a
14 manufacturer of a video gaming terminal in Illinois unless the
15 person has a valid manufacturer's license issued under this
16 Act. A manufacturer may only sell video gaming terminals for
17 use in Illinois to persons having a valid distributor's
18 license.

19 (b) Distributor. A person may not sell, distribute, or
20 lease or market a video gaming terminal in Illinois unless the
21 person has a valid distributor's license issued under this Act.
22 A distributor may only sell video gaming terminals for use in
23 Illinois to persons having a valid distributor's or terminal
24 operator's license.

25 (c) Terminal operator. A person may not own, maintain, or

1 place a video gaming terminal unless he has a valid terminal
2 operator's license issued under this Act. A terminal operator
3 may only place video gaming terminals for use in Illinois in
4 licensed establishments, licensed truck stop establishments,
5 licensed fraternal establishments, and licensed veterans
6 establishments. No terminal operator may give anything of
7 value, including but not limited to a loan or financing
8 arrangement, to a licensed establishment, licensed truck stop
9 establishment, licensed fraternal establishment, or licensed
10 veterans establishment as any incentive or inducement to locate
11 video terminals in that establishment. Of the after-tax profits
12 from a video gaming terminal, 50% shall be paid to the terminal
13 operator and 50% shall be paid to the licensed establishment,
14 licensed truck stop establishment, licensed fraternal
15 establishment, or licensed veterans establishment,
16 notwithstanding any agreement to the contrary. A video terminal
17 operator that violates one or more requirements of this
18 subsection is guilty of a Class 4 felony and is subject to
19 termination of his or her license by the Board.

20 (d) Licensed technician. A person may not service,
21 maintain, or repair a video gaming terminal in this State
22 unless he or she (1) has a valid technician's license issued
23 under this Act, (2) is a terminal operator, or (3) is employed
24 by a terminal operator, distributor, or manufacturer.

25 (d-5) Licensed terminal handler. No person, including, but
26 not limited to, an employee or independent contractor working

1 for a manufacturer, distributor, supplier, technician, or
2 terminal operator licensed pursuant to this Act, shall have
3 possession or control of a video gaming terminal, or access to
4 the inner workings of a video gaming terminal, unless that
5 person possesses a valid terminal handler's license issued
6 under this Act.

7 (e) Licensed establishment. No video gaming terminal may be
8 placed in any licensed establishment, licensed veterans
9 establishment, licensed truck stop establishment, or licensed
10 fraternal establishment unless the owner or agent of the owner
11 of the licensed establishment, licensed veterans
12 establishment, licensed truck stop establishment, or licensed
13 fraternal establishment has entered into a written use
14 agreement with the terminal operator for placement of the
15 terminals. A copy of the use agreement shall be on file in the
16 terminal operator's place of business and available for
17 inspection by individuals authorized by the Board. A licensed
18 establishment, licensed truck stop establishment, licensed
19 veterans establishment, or licensed fraternal establishment
20 may operate up to 5 video gaming terminals on its premises at
21 any time.

22 (f) (Blank).

23 (g) Financial interest restrictions. As used in this Act,
24 "substantial interest" in a partnership, a corporation, an
25 organization, an association, a business, or a limited
26 liability company means:

1 (A) When, with respect to a sole proprietorship, an
2 individual or his or her spouse owns, operates, manages, or
3 conducts, directly or indirectly, the organization,
4 association, or business, or any part thereof; or

5 (B) When, with respect to a partnership, the individual
6 or his or her spouse shares in any of the profits, or
7 potential profits, of the partnership activities; or

8 (C) When, with respect to a corporation, an individual
9 or his or her spouse is an officer or director, or the
10 individual or his or her spouse is a holder, directly or
11 beneficially, of 5% or more of any class of stock of the
12 corporation; or

13 (D) When, with respect to an organization not covered
14 in (A), (B) or (C) above, an individual or his or her
15 spouse is an officer or manages the business affairs, or
16 the individual or his or her spouse is the owner of or
17 otherwise controls 10% or more of the assets of the
18 organization; or

19 (E) When an individual or his or her spouse furnishes
20 5% or more of the capital, whether in cash, goods, or
21 services, for the operation of any business, association,
22 or organization during any calendar year; or

23 (F) When, with respect to a limited liability company,
24 an individual or his or her spouse is a member, or the
25 individual or his or her spouse is a holder, directly or
26 beneficially, of 5% or more of the membership interest of

1 the limited liability company.

2 For purposes of this subsection (g), "individual" includes
3 all individuals or their spouses whose combined interest would
4 qualify as a substantial interest under this subsection (g) and
5 whose activities with respect to an organization, association,
6 or business are so closely aligned or coordinated as to
7 constitute the activities of a single entity.

8 (h) Location restriction. A licensed establishment,
9 licensed truck stop establishment, licensed fraternal
10 establishment, or licensed veterans establishment that is (i)
11 located within 1,000 feet of a facility operated by an
12 organization licensee licensed under the Illinois Horse Racing
13 Act of 1975 or the home dock of a riverboat licensed under the
14 Illinois Riverboat ~~Gambling Act~~ or (ii) located within 100 feet
15 of a school or a place of worship under the Religious
16 Corporation Act, is ineligible to operate a video gaming
17 terminal. The location restrictions in this subsection (h) do
18 not apply if (A) a facility operated by an organization
19 licensee, a school, or a place of worship moves to or is
20 established within the restricted area after a licensed
21 establishment, licensed truck stop establishment, licensed
22 fraternal establishment, or licensed veterans establishment
23 becomes licensed under this Act or (B) a school or place of
24 worship moves to or is established within the restricted area
25 after a licensed establishment, licensed truck stop
26 establishment, licensed fraternal establishment, or licensed

1 veterans establishment obtains its original liquor license.
2 For the purpose of this subsection, "school" means an
3 elementary or secondary public school, or an elementary or
4 secondary private school registered with or recognized by the
5 State Board of Education.

6 Notwithstanding the provisions of this subsection (h), the
7 Board may waive the requirement that a licensed establishment,
8 licensed truck stop establishment, licensed fraternal
9 establishment, or licensed veterans establishment not be
10 located within 1,000 feet from a facility operated by an
11 organization licensee licensed under the Illinois Horse Racing
12 Act of 1975 or the home dock of a riverboat licensed under the
13 Illinois Riverboat Gambling Act. The Board shall not grant such
14 waiver if there is any common ownership or control, shared
15 business activity, or contractual arrangement of any type
16 between the establishment and the organization licensee or
17 owners licensee of a riverboat. The Board shall adopt rules to
18 implement the provisions of this paragraph.

19 (i) Undue economic concentration. In addition to
20 considering all other requirements under this Act, in deciding
21 whether to approve the operation of video gaming terminals by a
22 terminal operator in a location, the Board shall consider the
23 impact of any economic concentration of such operation of video
24 gaming terminals. The Board shall not allow a terminal operator
25 to operate video gaming terminals if the Board determines such
26 operation will result in undue economic concentration. For

1 purposes of this Section, "undue economic concentration" means
2 that a terminal operator would have such actual or potential
3 influence over video gaming terminals in Illinois as to:

4 (1) substantially impede or suppress competition among
5 terminal operators;

6 (2) adversely impact the economic stability of the
7 video gaming industry in Illinois; or

8 (3) negatively impact the purposes of the Video Gaming
9 Act.

10 The Board shall adopt rules concerning undue economic
11 concentration with respect to the operation of video gaming
12 terminals in Illinois. The rules shall include, but not be
13 limited to, (i) limitations on the number of video gaming
14 terminals operated by any terminal operator within a defined
15 geographic radius and (ii) guidelines on the discontinuation of
16 operation of any such video gaming terminals the Board
17 determines will cause undue economic concentration.

18 (j) The provisions of the Illinois Antitrust Act are fully
19 and equally applicable to the activities of any licensee under
20 this Act.

21 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13; 98-77,
22 eff. 7-15-13; 98-112, eff. 7-26-13; 98-756, eff. 7-16-14.)

23 (230 ILCS 40/45)

24 Sec. 45. Issuance of license.

25 (a) The burden is upon each applicant to demonstrate his

1 suitability for licensure. Each video gaming terminal
2 manufacturer, distributor, supplier, operator, handler,
3 licensed establishment, licensed truck stop establishment,
4 licensed fraternal establishment, and licensed veterans
5 establishment shall be licensed by the Board. The Board may
6 issue or deny a license under this Act to any person pursuant
7 to the same criteria set forth in Section 9 of the Illinois
8 ~~Riverboat~~ Gambling Act.

9 (a-5) The Board shall not grant a license to a person who
10 has facilitated, enabled, or participated in the use of
11 coin-operated devices for gambling purposes or who is under the
12 significant influence or control of such a person. For the
13 purposes of this Act, "facilitated, enabled, or participated in
14 the use of coin-operated amusement devices for gambling
15 purposes" means that the person has been convicted of any
16 violation of Article 28 of the Criminal Code of 1961 or the
17 Criminal Code of 2012. If there is pending legal action against
18 a person for any such violation, then the Board shall delay the
19 licensure of that person until the legal action is resolved.

20 (b) Each person seeking and possessing a license as a video
21 gaming terminal manufacturer, distributor, supplier, operator,
22 handler, licensed establishment, licensed truck stop
23 establishment, licensed fraternal establishment, or licensed
24 veterans establishment shall submit to a background
25 investigation conducted by the Board with the assistance of the
26 State Police or other law enforcement. To the extent that the

1 corporate structure of the applicant allows, the background
2 investigation shall include any or all of the following as the
3 Board deems appropriate or as provided by rule for each
4 category of licensure: (i) each beneficiary of a trust, (ii)
5 each partner of a partnership, (iii) each member of a limited
6 liability company, (iv) each director and officer of a publicly
7 or non-publicly held corporation, (v) each stockholder of a
8 non-publicly held corporation, (vi) each stockholder of 5% or
9 more of a publicly held corporation, or (vii) each stockholder
10 of 5% or more in a parent or subsidiary corporation.

11 (c) Each person seeking and possessing a license as a video
12 gaming terminal manufacturer, distributor, supplier, operator,
13 handler, licensed establishment, licensed truck stop
14 establishment, licensed fraternal establishment, or licensed
15 veterans establishment shall disclose the identity of every
16 person, association, trust, corporation, or limited liability
17 company having a greater than 1% direct or indirect pecuniary
18 interest in the video gaming terminal operation for which the
19 license is sought. If the disclosed entity is a trust, the
20 application shall disclose the names and addresses of the
21 beneficiaries; if a corporation, the names and addresses of all
22 stockholders and directors; if a limited liability company, the
23 names and addresses of all members; or if a partnership, the
24 names and addresses of all partners, both general and limited.

25 (d) No person may be licensed as a video gaming terminal
26 manufacturer, distributor, supplier, operator, handler,

1 licensed establishment, licensed truck stop establishment,
2 licensed fraternal establishment, or licensed veterans
3 establishment if that person has been found by the Board to:

4 (1) have a background, including a criminal record,
5 reputation, habits, social or business associations, or
6 prior activities that pose a threat to the public interests
7 of the State or to the security and integrity of video
8 gaming;

9 (2) create or enhance the dangers of unsuitable,
10 unfair, or illegal practices, methods, and activities in
11 the conduct of video gaming; or

12 (3) present questionable business practices and
13 financial arrangements incidental to the conduct of video
14 gaming activities.

15 (e) Any applicant for any license under this Act has the
16 burden of proving his or her qualifications to the satisfaction
17 of the Board. The Board may adopt rules to establish additional
18 qualifications and requirements to preserve the integrity and
19 security of video gaming in this State.

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

- 23 (1) Manufacturer \$5,000
- 24 (2) Distributor..... \$5,000
- 25 (3) Terminal operator..... \$5,000
- 26 (4) Supplier \$2,500

1 (5) Technician \$100

2 (6) Terminal Handler \$50

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

5 (1) Manufacturer \$10,000

6 (2) Distributor..... \$10,000

7 (3) Terminal operator..... \$5,000

8 (4) Supplier \$2,000

9 (5) Technician \$100

10 (6) Licensed establishment, licensed truck stop
11 establishment, licensed fraternal establishment,
12 or licensed veterans establishment \$100

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

14 (8) Terminal Handler \$50

15 (h) A terminal operator and a licensed establishment,
16 licensed truck stop establishment, licensed fraternal
17 establishment, or licensed veterans establishment shall
18 equally split the fees specified in item (7) of subsection (g).

19 (Source: P.A. 97-1150, eff. 1-25-13; 98-31, eff. 6-24-13;
20 98-587, eff. 8-27-13; 98-756, eff. 7-16-14.)

21 (230 ILCS 40/79)

22 Sec. 79. Investigators. Investigators appointed by the
23 Board pursuant to the powers conferred upon the Board by
24 paragraph (20.6) of subsection (c) of Section 5 of the Illinois
25 ~~Riverboat~~ Gambling Act and Section 80 of this Act shall have

1 authority to conduct investigations, searches, seizures,
2 arrests, and other duties imposed under this Act and the
3 Illinois Riverboat Gambling Act, as deemed necessary by the
4 Board. These investigators have and may exercise all of the
5 rights and powers of peace officers, provided that these powers
6 shall be (1) limited to offenses or violations occurring or
7 committed in connection with conduct subject to this Act,
8 including, but not limited to, the manufacture, distribution,
9 supply, operation, placement, service, maintenance, or play of
10 video gaming terminals and the distribution of profits and
11 collection of revenues resulting from such play, and (2)
12 exercised, to the fullest extent practicable, in cooperation
13 with the local police department of the applicable municipality
14 or, if these powers are exercised outside the boundaries of an
15 incorporated municipality or within a municipality that does
16 not have its own police department, in cooperation with the
17 police department whose jurisdiction encompasses the
18 applicable locality.

19 (Source: P.A. 97-809, eff. 7-13-12.)

20 (230 ILCS 40/80)

21 Sec. 80. Applicability of Illinois ~~Riverboat~~ Gambling Act.
22 The provisions of the Illinois ~~Riverboat~~ Gambling Act, and all
23 rules promulgated thereunder, shall apply to the Video Gaming
24 Act, except where there is a conflict between the 2 Acts. In
25 the event of a conflict between the 2 Acts, the provisions of

1 the Illinois Gambling Act shall prevail. All provisions of the
2 Uniform Penalty and Interest Act shall apply, as far as
3 practicable, to the subject matter of this Act to the same
4 extent as if such provisions were included herein.

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

6 Section 90-45. The Liquor Control Act of 1934 is amended by
7 changing Sections 5-1 and 6-30 as follows:

8 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

9 Sec. 5-1. Licenses issued by the Illinois Liquor Control
10 Commission shall be of the following classes:

11 (a) Manufacturer's license - Class 1. Distiller, Class 2.
12 Rectifier, Class 3. Brewer, Class 4. First Class Wine
13 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.
14 First Class Winemaker, Class 7. Second Class Winemaker, Class
15 8. Limited Wine Manufacturer, Class 9. Craft Distiller, Class
16 10. Class 1 Brewer, Class 11. Class 2 Brewer,

17 (b) Distributor's license,

18 (c) Importing Distributor's license,

19 (d) Retailer's license,

20 (e) Special Event Retailer's license (not-for-profit),

21 (f) Railroad license,

22 (g) Boat license,

23 (h) Non-Beverage User's license,

24 (i) Wine-maker's premises license,

- 1 (j) Airplane license,
- 2 (k) Foreign importer's license,
- 3 (l) Broker's license,
- 4 (m) Non-resident dealer's license,
- 5 (n) Brew Pub license,
- 6 (o) Auction liquor license,
- 7 (p) Caterer retailer license,
- 8 (q) Special use permit license,
- 9 (r) Winery shipper's license,
- 10 (s) Craft distiller tasting permit.

11 No person, firm, partnership, corporation, or other legal
12 business entity that is engaged in the manufacturing of wine
13 may concurrently obtain and hold a wine-maker's license and a
14 wine manufacturer's license.

15 (a) A manufacturer's license shall allow the manufacture,
16 importation in bulk, storage, distribution and sale of
17 alcoholic liquor to persons without the State, as may be
18 permitted by law and to licensees in this State as follows:

19 Class 1. A Distiller may make sales and deliveries of
20 alcoholic liquor to distillers, rectifiers, importing
21 distributors, distributors and non-beverage users and to no
22 other licensees.

23 Class 2. A Rectifier, who is not a distiller, as defined
24 herein, may make sales and deliveries of alcoholic liquor to
25 rectifiers, importing distributors, distributors, retailers
26 and non-beverage users and to no other licensees.

1 Class 3. A Brewer may make sales and deliveries of beer to
2 importing distributors and distributors and may make sales as
3 authorized under subsection (e) of Section 6-4 of this Act.

4 Class 4. A first class wine-manufacturer may make sales and
5 deliveries of up to 50,000 gallons of wine to manufacturers,
6 importing distributors and distributors, and to no other
7 licensees.

8 Class 5. A second class Wine manufacturer may make sales
9 and deliveries of more than 50,000 gallons of wine to
10 manufacturers, importing distributors and distributors and to
11 no other licensees.

12 Class 6. A first-class wine-maker's license shall allow the
13 manufacture of up to 50,000 gallons of wine per year, and the
14 storage and sale of such wine to distributors in the State and
15 to persons without the State, as may be permitted by law. A
16 person who, prior to June 1, 2008 (the effective date of Public
17 Act 95-634), is a holder of a first-class wine-maker's license
18 and annually produces more than 25,000 gallons of its own wine
19 and who distributes its wine to licensed retailers shall cease
20 this practice on or before July 1, 2008 in compliance with
21 Public Act 95-634.

22 Class 7. A second-class wine-maker's license shall allow
23 the manufacture of between 50,000 and 150,000 gallons of wine
24 per year, and the storage and sale of such wine to distributors
25 in this State and to persons without the State, as may be
26 permitted by law. A person who, prior to June 1, 2008 (the

1 effective date of Public Act 95-634), is a holder of a
2 second-class wine-maker's license and annually produces more
3 than 25,000 gallons of its own wine and who distributes its
4 wine to licensed retailers shall cease this practice on or
5 before July 1, 2008 in compliance with Public Act 95-634.

6 Class 8. A limited wine-manufacturer may make sales and
7 deliveries not to exceed 40,000 gallons of wine per year to
8 distributors, and to non-licensees in accordance with the
9 provisions of this Act.

10 Class 9. A craft distiller license shall allow the
11 manufacture of up to 100,000 ~~March 1, 2013 (Public Act 97-1166)~~
12 gallons of spirits by distillation per year and the storage of
13 such spirits. If a craft distiller licensee, including a craft
14 distiller licensee who holds more than one craft distiller
15 license, is not affiliated with any other manufacturer of
16 spirits, then the craft distiller licensee may sell such
17 spirits to distributors in this State and up to 2,500 gallons
18 of such spirits to non-licensees to the extent permitted by any
19 exemption approved by the Commission pursuant to Section 6-4 of
20 this Act. A craft distiller license holder may store such
21 spirits at a non-contiguous licensed location, but at no time
22 shall a craft distiller license holder directly or indirectly
23 produce in the aggregate more than 100,000 gallons of spirits
24 per year.

25 A craft distiller licensee may hold more than one craft
26 distiller's license. However, a craft distiller that holds more

1 than one craft distiller license shall not manufacture, in the
2 aggregate, more than 100,000 gallons of spirits by distillation
3 per year and shall not sell, in the aggregate, more than 2,500
4 gallons of such spirits to non-licensees in accordance with an
5 exemption approved by the State Commission pursuant to Section
6 6-4 of this Act.

7 Any craft distiller licensed under this Act who on July 28,
8 2010 (the effective date of Public Act 96-1367) was licensed as
9 a distiller and manufactured no more spirits than permitted by
10 this Section shall not be required to pay the initial licensing
11 fee.

12 Class 10. A class 1 brewer license, which may only be
13 issued to a licensed brewer or licensed non-resident dealer,
14 shall allow the manufacture of up to 930,000 gallons of beer
15 per year provided that the class 1 brewer licensee does not
16 manufacture more than a combined 930,000 gallons of beer per
17 year and is not a member of or affiliated with, directly or
18 indirectly, a manufacturer that produces more than 930,000
19 gallons of beer per year or any other alcoholic liquor. A class
20 1 brewer licensee may make sales and deliveries to importing
21 distributors and distributors and to retail licensees in
22 accordance with the conditions set forth in paragraph (18) of
23 subsection (a) of Section 3-12 of this Act.

24 Class 11. A class 2 brewer license, which may only be
25 issued to a licensed brewer or licensed non-resident dealer,
26 shall allow the manufacture of up to 3,720,000 gallons of beer

1 per year provided that the class 2 brewer licensee does not
2 manufacture more than a combined 3,720,000 gallons of beer per
3 year and is not a member of or affiliated with, directly or
4 indirectly, a manufacturer that produces more than 3,720,000
5 gallons of beer per year or any other alcoholic liquor. A class
6 2 brewer licensee may make sales and deliveries to importing
7 distributors and distributors, but shall not make sales or
8 deliveries to any other licensee. If the State Commission
9 provides prior approval, a class 2 brewer licensee may annually
10 transfer up to 3,720,000 gallons of beer manufactured by that
11 class 2 brewer licensee to the premises of a licensed class 2
12 brewer wholly owned and operated by the same licensee.

13 (a-1) A manufacturer which is licensed in this State to
14 make sales or deliveries of alcoholic liquor to licensed
15 distributors or importing distributors and which enlists
16 agents, representatives, or individuals acting on its behalf
17 who contact licensed retailers on a regular and continual basis
18 in this State must register those agents, representatives, or
19 persons acting on its behalf with the State Commission.

20 Registration of agents, representatives, or persons acting
21 on behalf of a manufacturer is fulfilled by submitting a form
22 to the Commission. The form shall be developed by the
23 Commission and shall include the name and address of the
24 applicant, the name and address of the manufacturer he or she
25 represents, the territory or areas assigned to sell to or
26 discuss pricing terms of alcoholic liquor, and any other

1 questions deemed appropriate and necessary. All statements in
2 the forms required to be made by law or by rule shall be deemed
3 material, and any person who knowingly misstates any material
4 fact under oath in an application is guilty of a Class B
5 misdemeanor. Fraud, misrepresentation, false statements,
6 misleading statements, evasions, or suppression of material
7 facts in the securing of a registration are grounds for
8 suspension or revocation of the registration. The State
9 Commission shall post a list of registered agents on the
10 Commission's website.

11 (b) A distributor's license shall allow the wholesale
12 purchase and storage of alcoholic liquors and sale of alcoholic
13 liquors to licensees in this State and to persons without the
14 State, as may be permitted by law. No person licensed as a
15 distributor shall be granted a non-resident dealer's license.

16 (c) An importing distributor's license may be issued to and
17 held by those only who are duly licensed distributors, upon the
18 filing of an application by a duly licensed distributor, with
19 the Commission and the Commission shall, without the payment of
20 any fee, immediately issue such importing distributor's
21 license to the applicant, which shall allow the importation of
22 alcoholic liquor by the licensee into this State from any point
23 in the United States outside this State, and the purchase of
24 alcoholic liquor in barrels, casks or other bulk containers and
25 the bottling of such alcoholic liquors before resale thereof,
26 but all bottles or containers so filled shall be sealed,

1 labeled, stamped and otherwise made to comply with all
2 provisions, rules and regulations governing manufacturers in
3 the preparation and bottling of alcoholic liquors. The
4 importing distributor's license shall permit such licensee to
5 purchase alcoholic liquor from Illinois licensed non-resident
6 dealers and foreign importers only. No person licensed as an
7 importing distributor shall be granted a non-resident dealer's
8 license.

9 (d) A retailer's license shall allow the licensee to sell
10 and offer for sale at retail, only in the premises specified in
11 the license, alcoholic liquor for use or consumption, but not
12 for resale in any form. Nothing in Public Act 95-634 shall
13 deny, limit, remove, or restrict the ability of a holder of a
14 retailer's license to transfer, deliver, or ship alcoholic
15 liquor to the purchaser for use or consumption subject to any
16 applicable local law or ordinance. Any retail license issued to
17 a manufacturer shall only permit the manufacturer to sell beer
18 at retail on the premises actually occupied by the
19 manufacturer. For the purpose of further describing the type of
20 business conducted at a retail licensed premises, a retailer's
21 licensee may be designated by the State Commission as (i) an on
22 premise consumption retailer, (ii) an off premise sale
23 retailer, or (iii) a combined on premise consumption and off
24 premise sale retailer.

25 Notwithstanding any other provision of this subsection
26 (d), a retail licensee may sell alcoholic liquors to a special

1 event retailer licensee for resale to the extent permitted
2 under subsection (e).

3 (e) A special event retailer's license (not-for-profit)
4 shall permit the licensee to purchase alcoholic liquors from an
5 Illinois licensed distributor (unless the licensee purchases
6 less than \$500 of alcoholic liquors for the special event, in
7 which case the licensee may purchase the alcoholic liquors from
8 a licensed retailer) and shall allow the licensee to sell and
9 offer for sale, at retail, alcoholic liquors for use or
10 consumption, but not for resale in any form and only at the
11 location and on the specific dates designated for the special
12 event in the license. An applicant for a special event retailer
13 license must (i) furnish with the application: (A) a resale
14 number issued under Section 2c of the Retailers' Occupation Tax
15 Act or evidence that the applicant is registered under Section
16 2a of the Retailers' Occupation Tax Act, (B) a current, valid
17 exemption identification number issued under Section 1g of the
18 Retailers' Occupation Tax Act, and a certification to the
19 Commission that the purchase of alcoholic liquors will be a
20 tax-exempt purchase, or (C) a statement that the applicant is
21 not registered under Section 2a of the Retailers' Occupation
22 Tax Act, does not hold a resale number under Section 2c of the
23 Retailers' Occupation Tax Act, and does not hold an exemption
24 number under Section 1g of the Retailers' Occupation Tax Act,
25 in which event the Commission shall set forth on the special
26 event retailer's license a statement to that effect; (ii)

1 submit with the application proof satisfactory to the State
2 Commission that the applicant will provide dram shop liability
3 insurance in the maximum limits; and (iii) show proof
4 satisfactory to the State Commission that the applicant has
5 obtained local authority approval.

6 (f) A railroad license shall permit the licensee to import
7 alcoholic liquors into this State from any point in the United
8 States outside this State and to store such alcoholic liquors
9 in this State; to make wholesale purchases of alcoholic liquors
10 directly from manufacturers, foreign importers, distributors
11 and importing distributors from within or outside this State;
12 and to store such alcoholic liquors in this State; provided
13 that the above powers may be exercised only in connection with
14 the importation, purchase or storage of alcoholic liquors to be
15 sold or dispensed on a club, buffet, lounge or dining car
16 operated on an electric, gas or steam railway in this State;
17 and provided further, that railroad licensees exercising the
18 above powers shall be subject to all provisions of Article VIII
19 of this Act as applied to importing distributors. A railroad
20 license shall also permit the licensee to sell or dispense
21 alcoholic liquors on any club, buffet, lounge or dining car
22 operated on an electric, gas or steam railway regularly
23 operated by a common carrier in this State, but shall not
24 permit the sale for resale of any alcoholic liquors to any
25 licensee within this State. A license shall be obtained for
26 each car in which such sales are made.

1 (g) A boat license shall allow the sale of alcoholic liquor
 2 in individual drinks, on any passenger boat regularly operated
 3 as a common carrier on navigable waters in this State or on any
 4 riverboat operated under the Illinois Riverboat Gambling Act,
 5 which boat or riverboat maintains a public dining room or
 6 restaurant thereon.

7 (h) A non-beverage user's license shall allow the licensee
 8 to purchase alcoholic liquor from a licensed manufacturer or
 9 importing distributor, without the imposition of any tax upon
 10 the business of such licensed manufacturer or importing
 11 distributor as to such alcoholic liquor to be used by such
 12 licensee solely for the non-beverage purposes set forth in
 13 subsection (a) of Section 8-1 of this Act, and such licenses
 14 shall be divided and classified and shall permit the purchase,
 15 possession and use of limited and stated quantities of
 16 alcoholic liquor as follows:

17 Class 1, not to exceed 500 gallons
 18 Class 2, not to exceed 1,000 gallons
 19 Class 3, not to exceed 5,000 gallons
 20 Class 4, not to exceed 10,000 gallons
 21 Class 5, not to exceed 50,000 gallons

22 (i) A wine-maker's premises license shall allow a licensee
 23 that concurrently holds a first-class wine-maker's license to
 24 sell and offer for sale at retail in the premises specified in
 25 such license not more than 50,000 gallons of the first-class
 26 wine-maker's wine that is made at the first-class wine-maker's

1 licensed premises per year for use or consumption, but not for
2 resale in any form. A wine-maker's premises license shall allow
3 a licensee who concurrently holds a second-class wine-maker's
4 license to sell and offer for sale at retail in the premises
5 specified in such license up to 100,000 gallons of the
6 second-class wine-maker's wine that is made at the second-class
7 wine-maker's licensed premises per year for use or consumption
8 but not for resale in any form. A wine-maker's premises license
9 shall allow a licensee that concurrently holds a first-class
10 wine-maker's license or a second-class wine-maker's license to
11 sell and offer for sale at retail at the premises specified in
12 the wine-maker's premises license, for use or consumption but
13 not for resale in any form, any beer, wine, and spirits
14 purchased from a licensed distributor. Upon approval from the
15 State Commission, a wine-maker's premises license shall allow
16 the licensee to sell and offer for sale at (i) the wine-maker's
17 licensed premises and (ii) at up to 2 additional locations for
18 use and consumption and not for resale. Each location shall
19 require additional licensing per location as specified in
20 Section 5-3 of this Act. A wine-maker's premises licensee shall
21 secure liquor liability insurance coverage in an amount at
22 least equal to the maximum liability amounts set forth in
23 subsection (a) of Section 6-21 of this Act.

24 (j) An airplane license shall permit the licensee to import
25 alcoholic liquors into this State from any point in the United
26 States outside this State and to store such alcoholic liquors

1 in this State; to make wholesale purchases of alcoholic liquors
2 directly from manufacturers, foreign importers, distributors
3 and importing distributors from within or outside this State;
4 and to store such alcoholic liquors in this State; provided
5 that the above powers may be exercised only in connection with
6 the importation, purchase or storage of alcoholic liquors to be
7 sold or dispensed on an airplane; and provided further, that
8 airplane licensees exercising the above powers shall be subject
9 to all provisions of Article VIII of this Act as applied to
10 importing distributors. An airplane licensee shall also permit
11 the sale or dispensing of alcoholic liquors on any passenger
12 airplane regularly operated by a common carrier in this State,
13 but shall not permit the sale for resale of any alcoholic
14 liquors to any licensee within this State. A single airplane
15 license shall be required of an airline company if liquor
16 service is provided on board aircraft in this State. The annual
17 fee for such license shall be as determined in Section 5-3.

18 (k) A foreign importer's license shall permit such licensee
19 to purchase alcoholic liquor from Illinois licensed
20 non-resident dealers only, and to import alcoholic liquor other
21 than in bulk from any point outside the United States and to
22 sell such alcoholic liquor to Illinois licensed importing
23 distributors and to no one else in Illinois; provided that (i)
24 the foreign importer registers with the State Commission every
25 brand of alcoholic liquor that it proposes to sell to Illinois
26 licensees during the license period, (ii) the foreign importer

1 complies with all of the provisions of Section 6-9 of this Act
2 with respect to registration of such Illinois licensees as may
3 be granted the right to sell such brands at wholesale, and
4 (iii) the foreign importer complies with the provisions of
5 Sections 6-5 and 6-6 of this Act to the same extent that these
6 provisions apply to manufacturers.

7 (1) (i) A broker's license shall be required of all persons
8 who solicit orders for, offer to sell or offer to supply
9 alcoholic liquor to retailers in the State of Illinois, or who
10 offer to retailers to ship or cause to be shipped or to make
11 contact with distillers, rectifiers, brewers or manufacturers
12 or any other party within or without the State of Illinois in
13 order that alcoholic liquors be shipped to a distributor,
14 importing distributor or foreign importer, whether such
15 solicitation or offer is consummated within or without the
16 State of Illinois.

17 No holder of a retailer's license issued by the Illinois
18 Liquor Control Commission shall purchase or receive any
19 alcoholic liquor, the order for which was solicited or offered
20 for sale to such retailer by a broker unless the broker is the
21 holder of a valid broker's license.

22 The broker shall, upon the acceptance by a retailer of the
23 broker's solicitation of an order or offer to sell or supply or
24 deliver or have delivered alcoholic liquors, promptly forward
25 to the Illinois Liquor Control Commission a notification of
26 said transaction in such form as the Commission may by

1 regulations prescribe.

2 (ii) A broker's license shall be required of a person
3 within this State, other than a retail licensee, who, for a fee
4 or commission, promotes, solicits, or accepts orders for
5 alcoholic liquor, for use or consumption and not for resale, to
6 be shipped from this State and delivered to residents outside
7 of this State by an express company, common carrier, or
8 contract carrier. This Section does not apply to any person who
9 promotes, solicits, or accepts orders for wine as specifically
10 authorized in Section 6-29 of this Act.

11 A broker's license under this subsection (1) shall not
12 entitle the holder to buy or sell any alcoholic liquors for his
13 own account or to take or deliver title to such alcoholic
14 liquors.

15 This subsection (1) shall not apply to distributors,
16 employees of distributors, or employees of a manufacturer who
17 has registered the trademark, brand or name of the alcoholic
18 liquor pursuant to Section 6-9 of this Act, and who regularly
19 sells such alcoholic liquor in the State of Illinois only to
20 its registrants thereunder.

21 Any agent, representative, or person subject to
22 registration pursuant to subsection (a-1) of this Section shall
23 not be eligible to receive a broker's license.

24 (m) A non-resident dealer's license shall permit such
25 licensee to ship into and warehouse alcoholic liquor into this
26 State from any point outside of this State, and to sell such

1 alcoholic liquor to Illinois licensed foreign importers and
2 importing distributors and to no one else in this State;
3 provided that (i) said non-resident dealer shall register with
4 the Illinois Liquor Control Commission each and every brand of
5 alcoholic liquor which it proposes to sell to Illinois
6 licensees during the license period, (ii) it shall comply with
7 all of the provisions of Section 6-9 hereof with respect to
8 registration of such Illinois licensees as may be granted the
9 right to sell such brands at wholesale, and (iii) the
10 non-resident dealer shall comply with the provisions of
11 Sections 6-5 and 6-6 of this Act to the same extent that these
12 provisions apply to manufacturers. No person licensed as a
13 non-resident dealer shall be granted a distributor's or
14 importing distributor's license.

15 (n) A brew pub license shall allow the licensee to only (i)
16 manufacture up to 155,000 gallons of beer per year only on the
17 premises specified in the license, (ii) make sales of the beer
18 manufactured on the premises or, with the approval of the
19 Commission, beer manufactured on another brew pub licensed
20 premises that is wholly owned and operated by the same licensee
21 to importing distributors, distributors, and to non-licensees
22 for use and consumption, (iii) store the beer upon the
23 premises, (iv) sell and offer for sale at retail from the
24 licensed premises for off-premises consumption no more than
25 155,000 gallons per year so long as such sales are only made
26 in-person, (v) sell and offer for sale at retail for use and

1 consumption on the premises specified in the license any form
2 of alcoholic liquor purchased from a licensed distributor or
3 importing distributor, and (vi) with the prior approval of the
4 Commission, annually transfer no more than 155,000 gallons of
5 beer manufactured on the premises to a licensed brew pub wholly
6 owned and operated by the same licensee.

7 A brew pub licensee shall not under any circumstance sell
8 or offer for sale beer manufactured by the brew pub licensee to
9 retail licensees.

10 A person who holds a class 2 brewer license may
11 simultaneously hold a brew pub license if the class 2 brewer
12 (i) does not, under any circumstance, sell or offer for sale
13 beer manufactured by the class 2 brewer to retail licensees;
14 (ii) does not hold more than 3 brew pub licenses in this State;
15 (iii) does not manufacture more than a combined 3,720,000
16 gallons of beer per year, including the beer manufactured at
17 the brew pub; and (iv) is not a member of or affiliated with,
18 directly or indirectly, a manufacturer that produces more than
19 3,720,000 gallons of beer per year or any other alcoholic
20 liquor.

21 Notwithstanding any other provision of this Act, a licensed
22 brewer, class 2 brewer, or non-resident dealer who before July
23 1, 2015 manufactured less than 3,720,000 gallons of beer per
24 year and held a brew pub license on or before July 1, 2015 may
25 (i) continue to qualify for and hold that brew pub license for
26 the licensed premises and (ii) manufacture more than 3,720,000

1 gallons of beer per year and continue to qualify for and hold
2 that brew pub license if that brewer, class 2 brewer, or
3 non-resident dealer does not simultaneously hold a class 1
4 brewer license and is not a member of or affiliated with,
5 directly or indirectly, a manufacturer that produces more than
6 3,720,000 gallons of beer per year or that produces any other
7 alcoholic liquor.

8 (o) A caterer retailer license shall allow the holder to
9 serve alcoholic liquors as an incidental part of a food service
10 that serves prepared meals which excludes the serving of snacks
11 as the primary meal, either on or off-site whether licensed or
12 unlicensed.

13 (p) An auction liquor license shall allow the licensee to
14 sell and offer for sale at auction wine and spirits for use or
15 consumption, or for resale by an Illinois liquor licensee in
16 accordance with provisions of this Act. An auction liquor
17 license will be issued to a person and it will permit the
18 auction liquor licensee to hold the auction anywhere in the
19 State. An auction liquor license must be obtained for each
20 auction at least 14 days in advance of the auction date.

21 (q) A special use permit license shall allow an Illinois
22 licensed retailer to transfer a portion of its alcoholic liquor
23 inventory from its retail licensed premises to the premises
24 specified in the license hereby created, and to sell or offer
25 for sale at retail, only in the premises specified in the
26 license hereby created, the transferred alcoholic liquor for

1 use or consumption, but not for resale in any form. A special
2 use permit license may be granted for the following time
3 periods: one day or less; 2 or more days to a maximum of 15 days
4 per location in any 12-month ~~12-month~~ period. An applicant for
5 the special use permit license must also submit with the
6 application proof satisfactory to the State Commission that the
7 applicant will provide dram shop liability insurance to the
8 maximum limits and have local authority approval.

9 (r) A winery shipper's license shall allow a person with a
10 first-class or second-class wine manufacturer's license, a
11 first-class or second-class wine-maker's license, or a limited
12 wine manufacturer's license or who is licensed to make wine
13 under the laws of another state to ship wine made by that
14 licensee directly to a resident of this State who is 21 years
15 of age or older for that resident's personal use and not for
16 resale. Prior to receiving a winery shipper's license, an
17 applicant for the license must provide the Commission with a
18 true copy of its current license in any state in which it is
19 licensed as a manufacturer of wine. An applicant for a winery
20 shipper's license must also complete an application form that
21 provides any other information the Commission deems necessary.
22 The application form shall include all addresses from which the
23 applicant for a winery shipper's license intends to ship wine,
24 including the name and address of any third party, except for a
25 common carrier, authorized to ship wine on behalf of the
26 manufacturer. The application form shall include an

1 acknowledgement consenting to the jurisdiction of the
2 Commission, the Illinois Department of Revenue, and the courts
3 of this State concerning the enforcement of this Act and any
4 related laws, rules, and regulations, including authorizing
5 the Department of Revenue and the Commission to conduct audits
6 for the purpose of ensuring compliance with Public Act 95-634,
7 and an acknowledgement that the wine manufacturer is in
8 compliance with Section 6-2 of this Act. Any third party,
9 except for a common carrier, authorized to ship wine on behalf
10 of a first-class or second-class wine manufacturer's licensee,
11 a first-class or second-class wine-maker's licensee, a limited
12 wine manufacturer's licensee, or a person who is licensed to
13 make wine under the laws of another state shall also be
14 disclosed by the winery shipper's licensee, and a copy of the
15 written appointment of the third-party wine provider, except
16 for a common carrier, to the wine manufacturer shall be filed
17 with the State Commission as a supplement to the winery
18 shipper's license application or any renewal thereof. The
19 winery shipper's license holder shall affirm under penalty of
20 perjury, as part of the winery shipper's license application or
21 renewal, that he or she only ships wine, either directly or
22 indirectly through a third-party provider, from the licensee's
23 own production.

24 Except for a common carrier, a third-party provider
25 shipping wine on behalf of a winery shipper's license holder is
26 the agent of the winery shipper's license holder and, as such,

1 a winery shipper's license holder is responsible for the acts
2 and omissions of the third-party provider acting on behalf of
3 the license holder. A third-party provider, except for a common
4 carrier, that engages in shipping wine into Illinois on behalf
5 of a winery shipper's license holder shall consent to the
6 jurisdiction of the State Commission and the State. Any
7 third-party, except for a common carrier, holding such an
8 appointment shall, by February 1 of each calendar year, file
9 with the State Commission a statement detailing each shipment
10 made to an Illinois resident. The State Commission shall adopt
11 rules as soon as practicable to implement the requirements of
12 Public Act 99-904 ~~this amendatory Act of the 99th General~~
13 ~~Assembly~~ and shall adopt rules prohibiting any such third-party
14 appointment of a third-party provider, except for a common
15 carrier, that has been deemed by the State Commission to have
16 violated the provisions of this Act with regard to any winery
17 shipper licensee.

18 A winery shipper licensee must pay to the Department of
19 Revenue the State liquor gallonage tax under Section 8-1 for
20 all wine that is sold by the licensee and shipped to a person
21 in this State. For the purposes of Section 8-1, a winery
22 shipper licensee shall be taxed in the same manner as a
23 manufacturer of wine. A licensee who is not otherwise required
24 to register under the Retailers' Occupation Tax Act must
25 register under the Use Tax Act to collect and remit use tax to
26 the Department of Revenue for all gallons of wine that are sold

1 by the licensee and shipped to persons in this State. If a
2 licensee fails to remit the tax imposed under this Act in
3 accordance with the provisions of Article VIII of this Act, the
4 winery shipper's license shall be revoked in accordance with
5 the provisions of Article VII of this Act. If a licensee fails
6 to properly register and remit tax under the Use Tax Act or the
7 Retailers' Occupation Tax Act for all wine that is sold by the
8 winery shipper and shipped to persons in this State, the winery
9 shipper's license shall be revoked in accordance with the
10 provisions of Article VII of this Act.

11 A winery shipper licensee must collect, maintain, and
12 submit to the Commission on a semi-annual basis the total
13 number of cases per resident of wine shipped to residents of
14 this State. A winery shipper licensed under this subsection (r)
15 must comply with the requirements of Section 6-29 of this Act.

16 Pursuant to paragraph (5.1) or (5.3) of subsection (a) of
17 Section 3-12, the State Commission may receive, respond to, and
18 investigate any complaint and impose any of the remedies
19 specified in paragraph (1) of subsection (a) of Section 3-12.

20 (s) A craft distiller tasting permit license shall allow an
21 Illinois licensed craft distiller to transfer a portion of its
22 alcoholic liquor inventory from its craft distiller licensed
23 premises to the premises specified in the license hereby
24 created and to conduct a sampling, only in the premises
25 specified in the license hereby created, of the transferred
26 alcoholic liquor in accordance with subsection (c) of Section

1 6-31 of this Act. The transferred alcoholic liquor may not be
2 sold or resold in any form. An applicant for the craft
3 distiller tasting permit license must also submit with the
4 application proof satisfactory to the State Commission that the
5 applicant will provide dram shop liability insurance to the
6 maximum limits and have local authority approval.

7 (Source: P.A. 98-394, eff. 8-16-13; 98-401, eff. 8-16-13;
8 98-756, eff. 7-16-14; 99-448, eff. 8-24-15; 99-642, eff.
9 7-28-16; 99-800, eff. 8-12-16; 99-902, eff. 8-26-16; 99-904,
10 eff. 1-1-17; revised 9-15-16.)

11 (235 ILCS 5/6-30) (from Ch. 43, par. 144f)

12 Sec. 6-30. Notwithstanding any other provision of this Act,
13 the Illinois Gaming Board shall have exclusive authority to
14 establish the hours for sale and consumption of alcoholic
15 liquor on board a riverboat during riverboat gambling
16 excursions and in a casino conducted in accordance with the
17 Illinois Riverboat Gambling Act.

18 (Source: P.A. 87-826.)

19 Section 90-46. The Illinois Public Aid Code is amended by
20 changing Section 10-17.15 as follows:

21 (305 ILCS 5/10-17.15)

22 Sec. 10-17.15. Certification of information to State
23 gaming licensees.

1 (a) For purposes of this Section, "State gaming licensee"
2 means, as applicable, an organization licensee or advance
3 deposit wagering licensee licensed under the Illinois Horse
4 Racing Act of 1975, an owners licensee licensed under the
5 Illinois Riverboat Gambling Act, or a licensee that operates,
6 under any law of this State, one or more facilities or gaming
7 locations at which lawful gambling is authorized and licensed
8 as provided in the Illinois Riverboat Gambling Act.

9 (b) The Department may provide, by rule, for certification
10 to any State gaming licensee of past due child support owed by
11 a responsible relative under a support order entered by a court
12 or administrative body of this or any other State on behalf of
13 a resident or non-resident receiving child support services
14 under this Article in accordance with the requirements of Title
15 IV-D, Part D, of the Social Security Act. The State gaming
16 licensee shall have the ability to withhold from winnings
17 required to be reported to the Internal Revenue Service on Form
18 W-2G, up to the full amount of winnings necessary to pay the
19 winner's past due child support. The rule shall provide for
20 notice to and an opportunity to be heard by each responsible
21 relative affected and any final administrative decision
22 rendered by the Department shall be reviewed only under and in
23 accordance with the Administrative Review Law.

24 (c) For withholding of winnings, the State gaming licensee
25 shall be entitled to an administrative fee not to exceed the
26 lesser of 4% of the total amount of cash winnings paid to the

1 gambling winner or \$150.

2 (d) In no event may the total amount withheld from the cash
3 payout, including the administrative fee, exceed the total cash
4 winnings claimed by the obligor. If the cash payout claimed is
5 greater than the amount sufficient to satisfy the obligor's
6 delinquent child support payments, the State gaming licensee
7 shall pay the obligor the remaining balance of the payout, less
8 the administrative fee authorized by subsection (c) of this
9 Section, at the time it is claimed.

10 (e) A State gaming licensee who in good faith complies with
11 the requirements of this Section shall not be liable to the
12 gaming winner or any other individual or entity.

13 (Source: P.A. 98-318, eff. 8-12-13.)

14 Section 90-47. The Firearm Concealed Carry Act is amended
15 by changing Section 65 as follows:

16 (430 ILCS 66/65)

17 Sec. 65. Prohibited areas.

18 (a) A licensee under this Act shall not knowingly carry a
19 firearm on or into:

20 (1) Any building, real property, and parking area under
21 the control of a public or private elementary or secondary
22 school.

23 (2) Any building, real property, and parking area under
24 the control of a pre-school or child care facility,

1 including any room or portion of a building under the
2 control of a pre-school or child care facility. Nothing in
3 this paragraph shall prevent the operator of a child care
4 facility in a family home from owning or possessing a
5 firearm in the home or license under this Act, if no child
6 under child care at the home is present in the home or the
7 firearm in the home is stored in a locked container when a
8 child under child care at the home is present in the home.

9 (3) Any building, parking area, or portion of a
10 building under the control of an officer of the executive
11 or legislative branch of government, provided that nothing
12 in this paragraph shall prohibit a licensee from carrying a
13 concealed firearm onto the real property, bikeway, or trail
14 in a park regulated by the Department of Natural Resources
15 or any other designated public hunting area or building
16 where firearm possession is permitted as established by the
17 Department of Natural Resources under Section 1.8 of the
18 Wildlife Code.

19 (4) Any building designated for matters before a
20 circuit court, appellate court, or the Supreme Court, or
21 any building or portion of a building under the control of
22 the Supreme Court.

23 (5) Any building or portion of a building under the
24 control of a unit of local government.

25 (6) Any building, real property, and parking area under
26 the control of an adult or juvenile detention or

1 correctional institution, prison, or jail.

2 (7) Any building, real property, and parking area under
3 the control of a public or private hospital or hospital
4 affiliate, mental health facility, or nursing home.

5 (8) Any bus, train, or form of transportation paid for
6 in whole or in part with public funds, and any building,
7 real property, and parking area under the control of a
8 public transportation facility paid for in whole or in part
9 with public funds.

10 (9) Any building, real property, and parking area under
11 the control of an establishment that serves alcohol on its
12 premises, if more than 50% of the establishment's gross
13 receipts within the prior 3 months is from the sale of
14 alcohol. The owner of an establishment who knowingly fails
15 to prohibit concealed firearms on its premises as provided
16 in this paragraph or who knowingly makes a false statement
17 or record to avoid the prohibition on concealed firearms
18 under this paragraph is subject to the penalty under
19 subsection (c-5) of Section 10-1 of the Liquor Control Act
20 of 1934.

21 (10) Any public gathering or special event conducted on
22 property open to the public that requires the issuance of a
23 permit from the unit of local government, provided this
24 prohibition shall not apply to a licensee who must walk
25 through a public gathering in order to access his or her
26 residence, place of business, or vehicle.

1 (11) Any building or real property that has been issued
2 a Special Event Retailer's license as defined in Section
3 1-3.17.1 of the Liquor Control Act during the time
4 designated for the sale of alcohol by the Special Event
5 Retailer's license, or a Special use permit license as
6 defined in subsection (q) of Section 5-1 of the Liquor
7 Control Act during the time designated for the sale of
8 alcohol by the Special use permit license.

9 (12) Any public playground.

10 (13) Any public park, athletic area, or athletic
11 facility under the control of a municipality or park
12 district, provided nothing in this Section shall prohibit a
13 licensee from carrying a concealed firearm while on a trail
14 or bikeway if only a portion of the trail or bikeway
15 includes a public park.

16 (14) Any real property under the control of the Cook
17 County Forest Preserve District.

18 (15) Any building, classroom, laboratory, medical
19 clinic, hospital, artistic venue, athletic venue,
20 entertainment venue, officially recognized
21 university-related organization property, whether owned or
22 leased, and any real property, including parking areas,
23 sidewalks, and common areas under the control of a public
24 or private community college, college, or university.

25 (16) Any building, real property, or parking area under
26 the control of a gaming facility licensed under the

1 Illinois Riverboat ~~Riverboat~~ Gambling Act or the Illinois Horse
2 Racing Act of 1975, including an inter-track wagering
3 location licensee.

4 (17) Any stadium, arena, or the real property or
5 parking area under the control of a stadium, arena, or any
6 collegiate or professional sporting event.

7 (18) Any building, real property, or parking area under
8 the control of a public library.

9 (19) Any building, real property, or parking area under
10 the control of an airport.

11 (20) Any building, real property, or parking area under
12 the control of an amusement park.

13 (21) Any building, real property, or parking area under
14 the control of a zoo or museum.

15 (22) Any street, driveway, parking area, property,
16 building, or facility, owned, leased, controlled, or used
17 by a nuclear energy, storage, weapons, or development site
18 or facility regulated by the federal Nuclear Regulatory
19 Commission. The licensee shall not under any circumstance
20 store a firearm or ammunition in his or her vehicle or in a
21 compartment or container within a vehicle located anywhere
22 in or on the street, driveway, parking area, property,
23 building, or facility described in this paragraph.

24 (23) Any area where firearms are prohibited under
25 federal law.

26 (a-5) Nothing in this Act shall prohibit a public or

1 private community college, college, or university from:

2 (1) prohibiting persons from carrying a firearm within
3 a vehicle owned, leased, or controlled by the college or
4 university;

5 (2) developing resolutions, regulations, or policies
6 regarding student, employee, or visitor misconduct and
7 discipline, including suspension and expulsion;

8 (3) developing resolutions, regulations, or policies
9 regarding the storage or maintenance of firearms, which
10 must include designated areas where persons can park
11 vehicles that carry firearms; and

12 (4) permitting the carrying or use of firearms for the
13 purpose of instruction and curriculum of officially
14 recognized programs, including but not limited to military
15 science and law enforcement training programs, or in any
16 designated area used for hunting purposes or target
17 shooting.

18 (a-10) The owner of private real property of any type may
19 prohibit the carrying of concealed firearms on the property
20 under his or her control. The owner must post a sign in
21 accordance with subsection (d) of this Section indicating that
22 firearms are prohibited on the property, unless the property is
23 a private residence.

24 (b) Notwithstanding subsections (a), (a-5), and (a-10) of
25 this Section except under paragraph (22) or (23) of subsection
26 (a), any licensee prohibited from carrying a concealed firearm

1 into the parking area of a prohibited location specified in
2 subsection (a), (a-5), or (a-10) of this Section shall be
3 permitted to carry a concealed firearm on or about his or her
4 person within a vehicle into the parking area and may store a
5 firearm or ammunition concealed in a case within a locked
6 vehicle or locked container out of plain view within the
7 vehicle in the parking area. A licensee may carry a concealed
8 firearm in the immediate area surrounding his or her vehicle
9 within a prohibited parking lot area only for the limited
10 purpose of storing or retrieving a firearm within the vehicle's
11 trunk. For purposes of this subsection, "case" includes a glove
12 compartment or console that completely encloses the concealed
13 firearm or ammunition, the trunk of the vehicle, or a firearm
14 carrying box, shipping box, or other container.

15 (c) A licensee shall not be in violation of this Section
16 while he or she is traveling along a public right of way that
17 touches or crosses any of the premises under subsection (a),
18 (a-5), or (a-10) of this Section if the concealed firearm is
19 carried on his or her person in accordance with the provisions
20 of this Act or is being transported in a vehicle by the
21 licensee in accordance with all other applicable provisions of
22 law.

23 (d) Signs stating that the carrying of firearms is
24 prohibited shall be clearly and conspicuously posted at the
25 entrance of a building, premises, or real property specified in
26 this Section as a prohibited area, unless the building or

1 premises is a private residence. Signs shall be of a uniform
2 design as established by the Department and shall be 4 inches
3 by 6 inches in size. The Department shall adopt rules for
4 standardized signs to be used under this subsection.

5 (Source: P.A. 98-63, eff. 7-9-13; 99-29, eff. 7-10-15.)

6 Section 90-50. The Criminal Code of 2012 is amended by
7 changing Sections 28-1, 28-1.1, 28-3, 28-5, and 28-7 as
8 follows:

9 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

10 Sec. 28-1. Gambling.

11 (a) A person commits gambling when he or she:

12 (1) knowingly plays a game of chance or skill for money
13 or other thing of value, unless excepted in subsection (b)
14 of this Section;

15 (2) knowingly makes a wager upon the result of any
16 game, contest, or any political nomination, appointment or
17 election;

18 (3) knowingly operates, keeps, owns, uses, purchases,
19 exhibits, rents, sells, bargains for the sale or lease of,
20 manufactures or distributes any gambling device;

21 (4) contracts to have or give himself or herself or
22 another the option to buy or sell, or contracts to buy or
23 sell, at a future time, any grain or other commodity
24 whatsoever, or any stock or security of any company, where

1 it is at the time of making such contract intended by both
2 parties thereto that the contract to buy or sell, or the
3 option, whenever exercised, or the contract resulting
4 therefrom, shall be settled, not by the receipt or delivery
5 of such property, but by the payment only of differences in
6 prices thereof; however, the issuance, purchase, sale,
7 exercise, endorsement or guarantee, by or through a person
8 registered with the Secretary of State pursuant to Section
9 8 of the Illinois Securities Law of 1953, or by or through
10 a person exempt from such registration under said Section
11 8, of a put, call, or other option to buy or sell
12 securities which have been registered with the Secretary of
13 State or which are exempt from such registration under
14 Section 3 of the Illinois Securities Law of 1953 is not
15 gambling within the meaning of this paragraph (4);

16 (5) knowingly owns or possesses any book, instrument or
17 apparatus by means of which bets or wagers have been, or
18 are, recorded or registered, or knowingly possesses any
19 money which he has received in the course of a bet or
20 wager;

21 (6) knowingly sells pools upon the result of any game
22 or contest of skill or chance, political nomination,
23 appointment or election;

24 (7) knowingly sets up or promotes any lottery or sells,
25 offers to sell or transfers any ticket or share for any
26 lottery;

1 (8) knowingly sets up or promotes any policy game or
2 sells, offers to sell or knowingly possesses or transfers
3 any policy ticket, slip, record, document or other similar
4 device;

5 (9) knowingly drafts, prints or publishes any lottery
6 ticket or share, or any policy ticket, slip, record,
7 document or similar device, except for such activity
8 related to lotteries, bingo games and raffles authorized by
9 and conducted in accordance with the laws of Illinois or
10 any other state or foreign government;

11 (10) knowingly advertises any lottery or policy game,
12 except for such activity related to lotteries, bingo games
13 and raffles authorized by and conducted in accordance with
14 the laws of Illinois or any other state;

15 (11) knowingly transmits information as to wagers,
16 betting odds, or changes in betting odds by telephone,
17 telegraph, radio, semaphore or similar means; or knowingly
18 installs or maintains equipment for the transmission or
19 receipt of such information; except that nothing in this
20 subdivision (11) prohibits transmission or receipt of such
21 information for use in news reporting of sporting events or
22 contests; or

23 (12) knowingly establishes, maintains, or operates an
24 Internet site that permits a person to play a game of
25 chance or skill for money or other thing of value by means
26 of the Internet or to make a wager upon the result of any

1 game, contest, political nomination, appointment, or
2 election by means of the Internet. This item (12) does not
3 apply to activities referenced in items (6) and (6.1) of
4 subsection (b) of this Section.

5 (b) Participants in any of the following activities shall
6 not be convicted of gambling:

7 (1) Agreements to compensate for loss caused by the
8 happening of chance including without limitation contracts
9 of indemnity or guaranty and life or health or accident
10 insurance.

11 (2) Offers of prizes, award or compensation to the
12 actual contestants in any bona fide contest for the
13 determination of skill, speed, strength or endurance or to
14 the owners of animals or vehicles entered in such contest.

15 (3) Pari-mutuel betting as authorized by the law of
16 this State.

17 (4) Manufacture of gambling devices, including the
18 acquisition of essential parts therefor and the assembly
19 thereof, for transportation in interstate or foreign
20 commerce to any place outside this State when such
21 transportation is not prohibited by any applicable Federal
22 law; or the manufacture, distribution, or possession of
23 video gaming terminals, as defined in the Video Gaming Act,
24 by manufacturers, distributors, and terminal operators
25 licensed to do so under the Video Gaming Act.

26 (5) The game commonly known as "bingo", when conducted

1 in accordance with the Bingo License and Tax Act.

2 (6) Lotteries when conducted by the State of Illinois
3 in accordance with the Illinois Lottery Law. This exemption
4 includes any activity conducted by the Department of
5 Revenue to sell lottery tickets pursuant to the provisions
6 of the Illinois Lottery Law and its rules.

7 (6.1) The purchase of lottery tickets through the
8 Internet for a lottery conducted by the State of Illinois
9 under the program established in Section 7.12 of the
10 Illinois Lottery Law.

11 (7) Possession of an antique slot machine that is
12 neither used nor intended to be used in the operation or
13 promotion of any unlawful gambling activity or enterprise.
14 For the purpose of this subparagraph (b)(7), an antique
15 slot machine is one manufactured 25 years ago or earlier.

16 (8) Raffles and poker runs when conducted in accordance
17 with the Raffles and Poker Runs Act.

18 (9) Charitable games when conducted in accordance with
19 the Charitable Games Act.

20 (10) Pull tabs and jar games when conducted under the
21 Illinois Pull Tabs and Jar Games Act.

22 (11) Gambling games ~~conducted on riverboats~~ when
23 authorized by the Illinois Riverboat Gambling Act.

24 (12) Video gaming terminal games at a licensed
25 establishment, licensed truck stop establishment, licensed
26 fraternal establishment, or licensed veterans

1 establishment when conducted in accordance with the Video
2 Gaming Act.

3 (13) Games of skill or chance where money or other
4 things of value can be won but no payment or purchase is
5 required to participate.

6 (14) Savings promotion raffles authorized under
7 Section 5g of the Illinois Banking Act, Section 7008 of the
8 Savings Bank Act, Section 42.7 of the Illinois Credit Union
9 Act, Section 5136B of the National Bank Act (12 U.S.C.
10 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.
11 1463).

12 (c) Sentence.

13 Gambling is a Class A misdemeanor. A second or subsequent
14 conviction under subsections (a) (3) through (a) (12), is a Class
15 4 felony.

16 (d) Circumstantial evidence.

17 In prosecutions under this Section circumstantial evidence
18 shall have the same validity and weight as in any criminal
19 prosecution.

20 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

21 (720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

22 Sec. 28-1.1. Syndicated gambling.

23 (a) Declaration of Purpose. Recognizing the close
24 relationship between professional gambling and other organized
25 crime, it is declared to be the policy of the legislature to

1 restrain persons from engaging in the business of gambling for
2 profit in this State. This Section shall be liberally construed
3 and administered with a view to carrying out this policy.

4 (b) A person commits syndicated gambling when he or she
5 operates a "policy game" or engages in the business of
6 bookmaking.

7 (c) A person "operates a policy game" when he or she
8 knowingly uses any premises or property for the purpose of
9 receiving or knowingly does receive from what is commonly
10 called "policy":

11 (1) money from a person other than the bettor or player
12 whose bets or plays are represented by the money; or

13 (2) written "policy game" records, made or used over
14 any period of time, from a person other than the bettor or
15 player whose bets or plays are represented by the written
16 record.

17 (d) A person engages in bookmaking when he or she knowingly
18 receives or accepts more than five bets or wagers upon the
19 result of any trials or contests of skill, speed or power of
20 endurance or upon any lot, chance, casualty, unknown or
21 contingent event whatsoever, which bets or wagers shall be of
22 such size that the total of the amounts of money paid or
23 promised to be paid to the bookmaker on account thereof shall
24 exceed \$2,000. Bookmaking is the receiving or accepting of bets
25 or wagers regardless of the form or manner in which the
26 bookmaker records them.

1 (e) Participants in any of the following activities shall
2 not be convicted of syndicated gambling:

3 (1) Agreements to compensate for loss caused by the
4 happening of chance including without limitation contracts
5 of indemnity or guaranty and life or health or accident
6 insurance;

7 (2) Offers of prizes, award or compensation to the
8 actual contestants in any bona fide contest for the
9 determination of skill, speed, strength or endurance or to
10 the owners of animals or vehicles entered in the contest;

11 (3) Pari-mutuel betting as authorized by law of this
12 State;

13 (4) Manufacture of gambling devices, including the
14 acquisition of essential parts therefor and the assembly
15 thereof, for transportation in interstate or foreign
16 commerce to any place outside this State when the
17 transportation is not prohibited by any applicable Federal
18 law;

19 (5) Raffles and poker runs when conducted in accordance
20 with the Raffles and Poker Runs Act;

21 (6) Gambling games conducted on riverboats, in
22 casinos, or at electronic gaming facilities when
23 authorized by the Illinois Riverboat ~~Riverboat~~ Gambling Act;

24 (7) Video gaming terminal games at a licensed
25 establishment, licensed truck stop establishment, licensed
26 fraternal establishment, or licensed veterans

1 establishment when conducted in accordance with the Video
2 Gaming Act; and

3 (8) Savings promotion raffles authorized under Section
4 5g of the Illinois Banking Act, Section 7008 of the Savings
5 Bank Act, Section 42.7 of the Illinois Credit Union Act,
6 Section 5136B of the National Bank Act (12 U.S.C. 25a), or
7 Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463).

8 (f) Sentence. Syndicated gambling is a Class 3 felony.
9 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

10 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

11 Sec. 28-3. Keeping a Gambling Place. A "gambling place" is
12 any real estate, vehicle, boat or any other property whatsoever
13 used for the purposes of gambling other than gambling conducted
14 in the manner authorized by the Illinois Riverboat ~~Riverboat~~ Gambling Act
15 or the Video Gaming Act. Any person who knowingly permits any
16 premises or property owned or occupied by him or under his
17 control to be used as a gambling place commits a Class A
18 misdemeanor. Each subsequent offense is a Class 4 felony. When
19 any premises is determined by the circuit court to be a
20 gambling place:

21 (a) Such premises is a public nuisance and may be proceeded
22 against as such, and

23 (b) All licenses, permits or certificates issued by the
24 State of Illinois or any subdivision or public agency thereof
25 authorizing the serving of food or liquor on such premises

1 shall be void; and no license, permit or certificate so
2 cancelled shall be reissued for such premises for a period of
3 60 days thereafter; nor shall any person convicted of keeping a
4 gambling place be reissued such license for one year from his
5 conviction and, after a second conviction of keeping a gambling
6 place, any such person shall not be reissued such license, and

7 (c) Such premises of any person who knowingly permits
8 thereon a violation of any Section of this Article shall be
9 held liable for, and may be sold to pay any unsatisfied
10 judgment that may be recovered and any unsatisfied fine that
11 may be levied under any Section of this Article.

12 (Source: P.A. 96-34, eff. 7-13-09.)

13 (720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

14 Sec. 28-5. Seizure of gambling devices and gambling funds.

15 (a) Every device designed for gambling which is incapable
16 of lawful use or every device used unlawfully for gambling
17 shall be considered a "gambling device", and shall be subject
18 to seizure, confiscation and destruction by the Department of
19 State Police or by any municipal, or other local authority,
20 within whose jurisdiction the same may be found. As used in
21 this Section, a "gambling device" includes any slot machine,
22 and includes any machine or device constructed for the
23 reception of money or other thing of value and so constructed
24 as to return, or to cause someone to return, on chance to the
25 player thereof money, property or a right to receive money or

1 property. With the exception of any device designed for
2 gambling which is incapable of lawful use, no gambling device
3 shall be forfeited or destroyed unless an individual with a
4 property interest in said device knows of the unlawful use of
5 the device.

6 (b) Every gambling device shall be seized and forfeited to
7 the county wherein such seizure occurs. Any money or other
8 thing of value integrally related to acts of gambling shall be
9 seized and forfeited to the county wherein such seizure occurs.

10 (c) If, within 60 days after any seizure pursuant to
11 subparagraph (b) of this Section, a person having any property
12 interest in the seized property is charged with an offense, the
13 court which renders judgment upon such charge shall, within 30
14 days after such judgment, conduct a forfeiture hearing to
15 determine whether such property was a gambling device at the
16 time of seizure. Such hearing shall be commenced by a written
17 petition by the State, including material allegations of fact,
18 the name and address of every person determined by the State to
19 have any property interest in the seized property, a
20 representation that written notice of the date, time and place
21 of such hearing has been mailed to every such person by
22 certified mail at least 10 days before such date, and a request
23 for forfeiture. Every such person may appear as a party and
24 present evidence at such hearing. The quantum of proof required
25 shall be a preponderance of the evidence, and the burden of
26 proof shall be on the State. If the court determines that the

1 seized property was a gambling device at the time of seizure,
2 an order of forfeiture and disposition of the seized property
3 shall be entered: a gambling device shall be received by the
4 State's Attorney, who shall effect its destruction, except that
5 valuable parts thereof may be liquidated and the resultant
6 money shall be deposited in the general fund of the county
7 wherein such seizure occurred; money and other things of value
8 shall be received by the State's Attorney and, upon
9 liquidation, shall be deposited in the general fund of the
10 county wherein such seizure occurred. However, in the event
11 that a defendant raises the defense that the seized slot
12 machine is an antique slot machine described in subparagraph
13 (b) (7) of Section 28-1 of this Code and therefore he is exempt
14 from the charge of a gambling activity participant, the seized
15 antique slot machine shall not be destroyed or otherwise
16 altered until a final determination is made by the Court as to
17 whether it is such an antique slot machine. Upon a final
18 determination by the Court of this question in favor of the
19 defendant, such slot machine shall be immediately returned to
20 the defendant. Such order of forfeiture and disposition shall,
21 for the purposes of appeal, be a final order and judgment in a
22 civil proceeding.

23 (d) If a seizure pursuant to subparagraph (b) of this
24 Section is not followed by a charge pursuant to subparagraph
25 (c) of this Section, or if the prosecution of such charge is
26 permanently terminated or indefinitely discontinued without

1 any judgment of conviction or acquittal (1) the State's
2 Attorney shall commence an in rem proceeding for the forfeiture
3 and destruction of a gambling device, or for the forfeiture and
4 deposit in the general fund of the county of any seized money
5 or other things of value, or both, in the circuit court and (2)
6 any person having any property interest in such seized gambling
7 device, money or other thing of value may commence separate
8 civil proceedings in the manner provided by law.

9 (e) Any gambling device displayed for sale to a riverboat
10 gambling operation, casino gambling operation, or electronic
11 gaming facility or used to train occupational licensees of a
12 riverboat gambling operation, casino gambling operation, or
13 electronic gaming facility as authorized under the Illinois
14 ~~Riverboat~~ Gambling Act is exempt from seizure under this
15 Section.

16 (f) Any gambling equipment, devices and supplies provided
17 by a licensed supplier in accordance with the Illinois
18 ~~Riverboat~~ Gambling Act which are removed from a the riverboat,
19 casino, or electronic gaming facility for repair are exempt
20 from seizure under this Section.

21 (g) The following video gaming terminals are exempt from
22 seizure under this Section:

23 (1) Video gaming terminals for sale to a licensed
24 distributor or operator under the Video Gaming Act.

25 (2) Video gaming terminals used to train licensed
26 technicians or licensed terminal handlers.

1 (3) Video gaming terminals that are removed from a
2 licensed establishment, licensed truck stop establishment,
3 licensed fraternal establishment, or licensed veterans
4 establishment for repair.

5 (Source: P.A. 98-31, eff. 6-24-13.)

6 (720 ILCS 5/28-7) (from Ch. 38, par. 28-7)

7 Sec. 28-7. Gambling contracts void.

8 (a) All promises, notes, bills, bonds, covenants,
9 contracts, agreements, judgments, mortgages, or other
10 securities or conveyances made, given, granted, drawn, or
11 entered into, or executed by any person whatsoever, where the
12 whole or any part of the consideration thereof is for any money
13 or thing of value, won or obtained in violation of any Section
14 of this Article are null and void.

15 (b) Any obligation void under this Section may be set aside
16 and vacated by any court of competent jurisdiction, upon a
17 complaint filed for that purpose, by the person so granting,
18 giving, entering into, or executing the same, or by his
19 executors or administrators, or by any creditor, heir, legatee,
20 purchaser or other person interested therein; or if a judgment,
21 the same may be set aside on motion of any person stated above,
22 on due notice thereof given.

23 (c) No assignment of any obligation void under this Section
24 may in any manner affect the defense of the person giving,
25 granting, drawing, entering into or executing such obligation,

1 or the remedies of any person interested therein.

2 (d) This Section shall not prevent a licensed owner of a
3 riverboat gambling operation, casino gambling operation, or an
4 electronic gaming licensee under the Illinois Gambling Act and
5 the Illinois Horse Racing Act of 1975 from instituting a cause
6 of action to collect any amount due and owing under an
7 extension of credit to a ~~riverboat~~ gambling patron as
8 authorized under Section 11.1 of the Illinois Riverboat
9 Gambling Act.

10 (Source: P.A. 87-826.)

11 Section 90-55. The Eminent Domain Act is amended by adding
12 Section 15-5-48 as follows:

13 (735 ILCS 30/15-5-48 new)

14 Sec. 15-5-48. Eminent domain powers in new Acts. The
15 following provisions of law may include express grants of the
16 power to acquire property by condemnation or eminent domain:

17 Chicago Casino Development Authority Act; City of Chicago; for
18 the purposes of the Act.

19 Section 90-60. The Payday Loan Reform Act is amended by
20 changing Section 3-5 as follows:

21 (815 ILCS 122/3-5)

1 Sec. 3-5. Licensure.

2 (a) A license to make a payday loan shall state the
3 address, including city and state, at which the business is to
4 be conducted and shall state fully the name of the licensee.
5 The license shall be conspicuously posted in the place of
6 business of the licensee and shall not be transferable or
7 assignable.

8 (b) An application for a license shall be in writing and in
9 a form prescribed by the Secretary. The Secretary may not issue
10 a payday loan license unless and until the following findings
11 are made:

12 (1) that the financial responsibility, experience,
13 character, and general fitness of the applicant are such as
14 to command the confidence of the public and to warrant the
15 belief that the business will be operated lawfully and
16 fairly and within the provisions and purposes of this Act;
17 and

18 (2) that the applicant has submitted such other
19 information as the Secretary may deem necessary.

20 (c) A license shall be issued for no longer than one year,
21 and no renewal of a license may be provided if a licensee has
22 substantially violated this Act and has not cured the violation
23 to the satisfaction of the Department.

24 (d) A licensee shall appoint, in writing, the Secretary as
25 attorney-in-fact upon whom all lawful process against the
26 licensee may be served with the same legal force and validity

1 as if served on the licensee. A copy of the written
2 appointment, duly certified, shall be filed in the office of
3 the Secretary, and a copy thereof certified by the Secretary
4 shall be sufficient evidence to subject a licensee to
5 jurisdiction in a court of law. This appointment shall remain
6 in effect while any liability remains outstanding in this State
7 against the licensee. When summons is served upon the Secretary
8 as attorney-in-fact for a licensee, the Secretary shall
9 immediately notify the licensee by registered mail, enclosing
10 the summons and specifying the hour and day of service.

11 (e) A licensee must pay an annual fee of \$1,000. In
12 addition to the license fee, the reasonable expense of any
13 examination or hearing by the Secretary under any provisions of
14 this Act shall be borne by the licensee. If a licensee fails to
15 renew its license by December 31, its license shall
16 automatically expire; however, the Secretary, in his or her
17 discretion, may reinstate an expired license upon:

18 (1) payment of the annual fee within 30 days of the
19 date of expiration; and

20 (2) proof of good cause for failure to renew.

21 (f) Not more than one place of business shall be maintained
22 under the same license, but the Secretary may issue more than
23 one license to the same licensee upon compliance with all the
24 provisions of this Act governing issuance of a single license.
25 The location, except those locations already in existence as of
26 June 1, 2005, may not be within one mile of a horse race track

1 subject to the Illinois Horse Racing Act of 1975, within one
2 mile of a facility at which gambling is conducted under the
3 Illinois Riverboat Gambling Act, within one mile of the
4 location at which a riverboat subject to the Illinois Riverboat
5 Gambling Act docks, or within one mile of any State of Illinois
6 or United States military base or naval installation.

7 (g) No licensee shall conduct the business of making loans
8 under this Act within any office, suite, room, or place of
9 business in which (1) any loans are offered or made under the
10 Consumer Installment Loan Act other than title secured loans as
11 defined in subsection (a) of Section 15 of the Consumer
12 Installment Loan Act and governed by Title 38, Section 110.330
13 of the Illinois Administrative Code or (2) any other business
14 is solicited or engaged in unless the other business is
15 licensed by the Department or, in the opinion of the Secretary,
16 the other business would not be contrary to the best interests
17 of consumers and is authorized by the Secretary in writing.

18 (g-5) Notwithstanding subsection (g) of this Section, a
19 licensee may obtain a license under the Consumer Installment
20 Loan Act (CILA) for the exclusive purpose and use of making
21 title secured loans, as defined in subsection (a) of Section 15
22 of CILA and governed by Title 38, Section 110.300 of the
23 Illinois Administrative Code. A licensee may continue to
24 service Consumer Installment Loan Act loans that were
25 outstanding as of the effective date of this amendatory Act of
26 the 96th General Assembly.

1 (h) The Secretary shall maintain a list of licensees that
2 shall be available to interested consumers and lenders and the
3 public. The Secretary shall maintain a toll-free number whereby
4 consumers may obtain information about licensees. The
5 Secretary shall also establish a complaint process under which
6 an aggrieved consumer may file a complaint against a licensee
7 or non-licensee who violates any provision of this Act.

8 (Source: P.A. 96-936, eff. 3-21-11.)

9 Section 90-65. The Travel Promotion Consumer Protection
10 Act is amended by changing Section 2 as follows:

11 (815 ILCS 420/2) (from Ch. 121 1/2, par. 1852)

12 Sec. 2. Definitions.

13 (a) "Travel promoter" means a person, including a tour
14 operator, who sells, provides, furnishes, contracts for,
15 arranges or advertises that he or she will arrange wholesale or
16 retail transportation by air, land, sea or navigable stream,
17 either separately or in conjunction with other services.
18 "Travel promoter" does not include (1) an air carrier; (2) a
19 sea carrier; (3) an officially appointed agent of an air
20 carrier who is a member in good standing of the Airline
21 Reporting Corporation; (4) a travel promoter who has in force
22 \$1,000,000 or more of liability insurance coverage for
23 professional errors and omissions and a surety bond or
24 equivalent surety in the amount of \$100,000 or more for the

1 benefit of consumers in the event of a bankruptcy on the part
2 of the travel promoter; or (5) a riverboat subject to
3 regulation under the Illinois Riverboat Gambling Act.

4 (b) "Advertise" means to make any representation in the
5 solicitation of passengers and includes communication with
6 other members of the same partnership, corporation, joint
7 venture, association, organization, group or other entity.

8 (c) "Passenger" means a person on whose behalf money or
9 other consideration has been given or is to be given to
10 another, including another member of the same partnership,
11 corporation, joint venture, association, organization, group
12 or other entity, for travel.

13 (d) "Ticket or voucher" means a writing or combination of
14 writings which is itself good and sufficient to obtain
15 transportation and other services for which the passenger has
16 contracted.

17 (Source: P.A. 91-357, eff. 7-29-99.)

18 (30 ILCS 105/5.490 rep.)

19 Section 90-70. The State Finance Act is amended by
20 repealing Section 5.490.

21 (230 ILCS 5/54 rep.)

22 Section 90-75. The Illinois Horse Racing Act of 1975 is
23 amended by repealing Section 54.

1

ARTICLE 99.

2

Section 99-97. Severability. The provisions of this Act are
3 severable under Section 1.31 of the Statute on Statutes.

4

Section 99-99. Effective date. This Act takes effect upon
5 becoming law.".