



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB3621

by Rep. Chad Hays

#### SYNOPSIS AS INTRODUCED:

230 ILCS 10/7  
230 ILCS 10/7.6

from Ch. 120, par. 2407

Amends the Riverboat Gambling Act. Provides that, in determining whether to grant an owners license to an applicant, the Illinois Gaming Board shall consider the extent to which the ownership of the applicant includes veterans of service in the armed forces of the United States, and the good faith affirmative action plan of each applicant to recruit, train, and upgrade veterans of service in the armed forces of the United States in all employment classifications. Requires the Board, by rule, to establish goals for the award of contracts by each owners licensee to businesses owned by veterans of service in the armed forces of the United States, expressed as percentages of an owners licensee's total dollar amount of contracts awarded during each calendar year. Provides criteria for the Board to consider when setting the goals. Requires each owners licensee to file with the Board an annual report of its utilization of veteran-owned businesses during the preceding calendar year, which shall include a self-evaluation of the efforts of the owners licensee to meet the goals.

LRB100 09210 MJP 19366 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

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

4 Section 5. The Riverboat Gambling Act is amended by  
5 changing Sections 7 and 7.6 as follows:

6 (230 ILCS 10/7) (from Ch. 120, par. 2407)

7 Sec. 7. Owners Licenses.

8 (a) The Board shall issue owners licenses to persons, firms  
9 or corporations which apply for such licenses upon payment to  
10 the Board of the non-refundable license fee set by the Board,  
11 upon payment of a \$25,000 license fee for the first year of  
12 operation and a \$5,000 license fee for each succeeding year and  
13 upon a determination by the Board that the applicant is  
14 eligible for an owners license pursuant to this Act and the  
15 rules of the Board. From the effective date of this amendatory  
16 Act of the 95th General Assembly until (i) 3 years after the  
17 effective date of this amendatory Act of the 95th General  
18 Assembly, (ii) the date any organization licensee begins to  
19 operate a slot machine or video game of chance under the  
20 Illinois Horse Racing Act of 1975 or this Act, (iii) the date  
21 that payments begin under subsection (c-5) of Section 13 of the  
22 Act, or (iv) the wagering tax imposed under Section 13 of this  
23 Act is increased by law to reflect a tax rate that is at least

1 as stringent or more stringent than the tax rate contained in  
2 subsection (a-3) of Section 13, whichever occurs first, as a  
3 condition of licensure and as an alternative source of payment  
4 for those funds payable under subsection (c-5) of Section 13 of  
5 the Riverboat Gambling Act, any owners licensee that holds or  
6 receives its owners license on or after the effective date of  
7 this amendatory Act of the 94th General Assembly, other than an  
8 owners licensee operating a riverboat with adjusted gross  
9 receipts in calendar year 2004 of less than \$200,000,000, must  
10 pay into the Horse Racing Equity Trust Fund, in addition to any  
11 other payments required under this Act, an amount equal to 3%  
12 of the adjusted gross receipts received by the owners licensee.  
13 The payments required under this Section shall be made by the  
14 owners licensee to the State Treasurer no later than 3:00  
15 o'clock p.m. of the day after the day when the adjusted gross  
16 receipts were received by the owners licensee. A person, firm  
17 or corporation is ineligible to receive an owners 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;

26 (4) the person is a member of the Board;

1           (5) a person defined in (1), (2), (3) or (4) is an  
2 officer, director or managerial employee of the firm or  
3 corporation;

4           (6) the firm or corporation employs a person defined in  
5 (1), (2), (3) or (4) who participates in the management or  
6 operation of gambling operations authorized under this  
7 Act;

8           (7) (blank); or

9           (8) a license of the person, firm or corporation issued  
10 under this Act, or a license to own or operate gambling  
11 facilities in any other jurisdiction, has been revoked.

12           The Board is expressly prohibited from making changes to  
13 the requirement that licensees make payment into the Horse  
14 Racing Equity Trust Fund without the express authority of the  
15 Illinois General Assembly and making any other rule to  
16 implement or interpret this amendatory Act of the 95th General  
17 Assembly. For the purposes of this paragraph, "rules" is given  
18 the meaning given to that term in Section 1-70 of the Illinois  
19 Administrative Procedure Act.

20           (b) In determining whether to grant an owners license to an  
21 applicant, the Board shall consider:

22           (1) the character, reputation, experience and  
23 financial integrity of the applicants and of any other or  
24 separate person that either:

25           (A) controls, directly or indirectly, such  
26 applicant, or

1 (B) is controlled, directly or indirectly, by such  
2 applicant or by a person which controls, directly or  
3 indirectly, such applicant;

4 (2) the facilities or proposed facilities for the  
5 conduct of riverboat gambling;

6 (3) the highest prospective total revenue to be derived  
7 by the State from the conduct of riverboat gambling;

8 (4) the extent to which the ownership of the applicant  
9 reflects the diversity of the State by including minority  
10 persons, females, and persons with a disability and the  
11 good faith affirmative action plan of each applicant to  
12 recruit, train and upgrade minority persons, females, and  
13 persons with a disability in all employment  
14 classifications;

15 (4.5) the extent to which the ownership of the  
16 applicant includes veterans of service in the armed forces  
17 of the United States, and the good faith affirmative action  
18 plan of each applicant to recruit, train, and upgrade  
19 veterans of service in the armed forces of the United  
20 States in all employment classifications;

21 (5) the financial ability of the applicant to purchase  
22 and maintain adequate liability and casualty insurance;

23 (6) whether the applicant has adequate capitalization  
24 to provide and maintain, for the duration of a license, a  
25 riverboat;

26 (7) the extent to which the applicant exceeds or meets

1 other standards for the issuance of an owners license which  
2 the Board may adopt by rule; and

3 (8) The amount of the applicant's license bid.

4 (c) Each owners license shall specify the place where  
5 riverboats shall operate and dock.

6 (d) Each applicant shall submit with his application, on  
7 forms provided by the Board, 2 sets of his fingerprints.

8 (e) The Board may issue up to 10 licenses authorizing the  
9 holders of such licenses to own riverboats. In the application  
10 for an owners license, the applicant shall state the dock at  
11 which the riverboat is based and the water on which the  
12 riverboat will be located. The Board shall issue 5 licenses to  
13 become effective not earlier than January 1, 1991. Three of  
14 such licenses shall authorize riverboat gambling on the  
15 Mississippi River, or, with approval by the municipality in  
16 which the riverboat was docked on August 7, 2003 and with Board  
17 approval, be authorized to relocate to a new location, in a  
18 municipality that (1) borders on the Mississippi River or is  
19 within 5 miles of the city limits of a municipality that  
20 borders on the Mississippi River and (2), on August 7, 2003,  
21 had a riverboat conducting riverboat gambling operations  
22 pursuant to a license issued under this Act; one of which shall  
23 authorize riverboat gambling from a home dock in the city of  
24 East St. Louis. One other license shall authorize riverboat  
25 gambling on the Illinois River south of Marshall County. The  
26 Board shall issue one additional license to become effective

1 not earlier than March 1, 1992, which shall authorize riverboat  
2 gambling on the Des Plaines River in Will County. The Board may  
3 issue 4 additional licenses to become effective not earlier  
4 than March 1, 1992. In determining the water upon which  
5 riverboats will operate, the Board shall consider the economic  
6 benefit which riverboat gambling confers on the State, and  
7 shall seek to assure that all regions of the State share in the  
8 economic benefits of riverboat gambling.

9 In granting all licenses, the Board may give favorable  
10 consideration to economically depressed areas of the State, to  
11 applicants presenting plans which provide for significant  
12 economic development over a large geographic area, and to  
13 applicants who currently operate non-gambling riverboats in  
14 Illinois. The Board shall review all applications for owners  
15 licenses, and shall inform each applicant of the Board's  
16 decision. The Board may grant an owners license to an applicant  
17 that has not submitted the highest license bid, but if it does  
18 not select the highest bidder, the Board shall issue a written  
19 decision explaining why another applicant was selected and  
20 identifying the factors set forth in this Section that favored  
21 the winning bidder.

22 In addition to any other revocation powers granted to the  
23 Board under this Act, the Board may revoke the owners license  
24 of a licensee which fails to begin conducting gambling within  
25 15 months of receipt of the Board's approval of the application  
26 if the Board determines that license revocation is in the best

1 interests of the State.

2 (f) The first 10 owners licenses issued under this Act  
3 shall permit the holder to own up to 2 riverboats and equipment  
4 thereon for a period of 3 years after the effective date of the  
5 license. Holders of the first 10 owners licenses must pay the  
6 annual license fee for each of the 3 years during which they  
7 are authorized to own riverboats.

8 (g) Upon the termination, expiration, or revocation of each  
9 of the first 10 licenses, which shall be issued for a 3 year  
10 period, all licenses are renewable annually upon payment of the  
11 fee and a determination by the Board that the licensee  
12 continues to meet all of the requirements of this Act and the  
13 Board's rules. However, for licenses renewed on or after May 1,  
14 1998, renewal shall be for a period of 4 years, unless the  
15 Board sets a shorter period.

16 (h) An owners license shall entitle the licensee to own up  
17 to 2 riverboats. A licensee shall limit the number of gambling  
18 participants to 1,200 for any such owners license. A licensee  
19 may operate both of its riverboats concurrently, provided that  
20 the total number of gambling participants on both riverboats  
21 does not exceed 1,200. Riverboats licensed to operate on the  
22 Mississippi River and the Illinois River south of Marshall  
23 County shall have an authorized capacity of at least 500  
24 persons. Any other riverboat licensed under this Act shall have  
25 an authorized capacity of at least 400 persons.

26 (i) A licensed owner is authorized to apply to the Board



1 for and, if approved therefor, to receive all licenses from the  
2 Board necessary for the operation of a riverboat, including a  
3 liquor license, a license to prepare and serve food for human  
4 consumption, and other necessary licenses. All use, occupation  
5 and excise taxes which apply to the sale of food and beverages  
6 in this State and all taxes imposed on the sale or use of  
7 tangible personal property apply to such sales aboard the  
8 riverboat.

9 (j) The Board may issue or re-issue a license authorizing a  
10 riverboat to dock in a municipality or approve a relocation  
11 under Section 11.2 only if, prior to the issuance or  
12 re-issuance of the license or approval, the governing body of  
13 the municipality in which the riverboat will dock has by a  
14 majority vote approved the docking of riverboats in the  
15 municipality. The Board may issue or re-issue a license  
16 authorizing a riverboat to dock in areas of a county outside  
17 any municipality or approve a relocation under Section 11.2  
18 only if, prior to the issuance or re-issuance of the license or  
19 approval, the governing body of the county has by a majority  
20 vote approved of the docking of riverboats within such areas.

21 (Source: P.A. 96-1392, eff. 1-1-11; 97-1150, eff. 1-25-13.)

22 (230 ILCS 10/7.6)

23 Sec. 7.6. Business enterprise program.

24 (a) For the purposes of this Section, the terms "minority",  
25 "minority owned business", "female", "female owned business",

1 "person with a disability", and "business owned by a person  
2 with a disability" have the meanings ascribed to them in the  
3 Business Enterprise for Minorities, Females, and Persons with  
4 Disabilities Act.

5 (b) The Board shall, by rule, establish goals for the award  
6 of contracts by each owners licensee to businesses owned by  
7 minorities, females, and persons with disabilities, expressed  
8 as percentages of an owners licensee's total dollar amount of  
9 contracts awarded during each calendar year. Each owners  
10 licensee must make every effort to meet the goals established  
11 by the Board pursuant to this Section. When setting the goals  
12 for the award of contracts, the Board shall not include  
13 contracts where: (1) any purchasing mandates would be dependent  
14 upon the availability of minority owned businesses, female  
15 owned businesses, and businesses owned by persons with  
16 disabilities ready, willing, and able with capacity to provide  
17 quality goods and services to a gaming operation at reasonable  
18 prices; (2) there are no or a limited number of licensed  
19 suppliers as defined by this Act for the goods or services  
20 provided to the licensee; (3) the licensee or its parent  
21 company owns a company that provides the goods or services; or  
22 (4) the goods or services are provided to the licensee by a  
23 publicly traded company.

24 (c) Each owners licensee shall file with the Board an  
25 annual report of its utilization of minority owned businesses,  
26 female owned businesses, and businesses owned by persons with

1 disabilities during the preceding calendar year. The reports  
2 shall include a self-evaluation of the efforts of the owners  
3 licensee to meet its goals under this Section.

4 (c-5) The Board shall, by rule, establish goals for the  
5 award of contracts by each owners licensee to businesses owned  
6 by veterans of service in the armed forces of the United  
7 States, expressed as percentages of an owners licensee's total  
8 dollar amount of contracts awarded during each calendar year.  
9 When setting the goals for the award of contracts, the Board  
10 shall not include contracts where: (1) any purchasing mandates  
11 would be dependent upon the availability of veteran-owned  
12 businesses ready, willing, and able with capacity to provide  
13 quality goods and services to a gaming operation at reasonable  
14 prices; (2) there are no or a limited number of licensed  
15 suppliers as defined in this Act for the goods or services  
16 provided to the licensee: (3) the licensee or its parent  
17 company owns a company that provides the goods or services; or  
18 (4) the goods or services are provided to the licensee by a  
19 publicly traded company.

20 Each owners licensee shall file with the Board an annual  
21 report of its utilization of veteran-owned businesses during  
22 the preceding calendar year. The reports shall include a  
23 self-evaluation of the efforts of the owners licensee to meet  
24 its goals under this Section.

25 (d) The owners licensee shall have the right to request a  
26 waiver from the requirements of this Section. The Board shall

1 grant the waiver where the owners licensee demonstrates that  
2 there has been made a good faith effort to comply with the  
3 goals for participation by minority owned businesses, female  
4 owned businesses, ~~and~~ businesses owned by persons with  
5 disabilities, and veteran-owned businesses.

6 (e) If the Board determines that its goals and policies are  
7 not being met by any owners licensee, then the Board may:

8 (1) adopt remedies for such violations; and

9 (2) recommend that the owners licensee provide  
10 additional opportunities for participation by minority  
11 owned businesses, female owned businesses, ~~and~~ businesses  
12 owned by persons with disabilities, and veteran-owned  
13 businesses; such recommendations may include, but shall  
14 not be limited to:

15 (A) assurances of stronger and better focused  
16 solicitation efforts to obtain more minority owned  
17 businesses, female owned businesses, ~~and~~ businesses  
18 owned by persons with disabilities, and veteran-owned  
19 businesses as potential sources of supply;

20 (B) division of job or project requirements, when  
21 economically feasible, into tasks or quantities to  
22 permit participation of minority owned businesses,  
23 female owned businesses, ~~and~~ businesses owned by  
24 persons with disabilities, and veteran-owned  
25 businesses;

26 (C) elimination of extended experience or

1 capitalization requirements, when programmatically  
2 feasible, to permit participation of minority owned  
3 businesses, female owned businesses, ~~and~~ businesses  
4 owned by persons with disabilities, and veteran-owned  
5 businesses;

6 (D) identification of specific proposed contracts  
7 as particularly attractive or appropriate for  
8 participation by minority owned businesses, female  
9 owned businesses, ~~and~~ businesses owned by persons with  
10 disabilities, and veteran-owned businesses, such  
11 identification to result from and be coupled with the  
12 efforts of items (A) through (C); and

13 (E) implementation of regulations established for  
14 the use of the sheltered market process.

15 (f) The Board shall file, no later than March 1 of each  
16 year, an annual report that shall detail the level of  
17 achievement toward the goals specified in this Section over the  
18 3 most recent fiscal years. The annual report shall include,  
19 but need not be limited to:

20 (1) a summary detailing expenditures subject to the  
21 goals, the actual goals specified, and the goals attained  
22 by each owners licensee; and

23 (2) an analysis of the level of overall goal  
24 achievement concerning purchases from minority owned  
25 businesses, female owned businesses, ~~and~~ businesses owned  
26 by persons with disabilities, and veteran-owned

1           businesses.

2           (Source: P.A. 98-490, eff. 8-16-13; 99-78, eff. 7-20-15.)