

SB0007



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB0007

Introduced 1/11/2017, by Sen. Terry Link

SYNOPSIS AS INTRODUCED:

See Index

Creates the Chicago Casino Development Authority Act. Provides for the creation of the Chicago Casino Development Authority, whose duties include promotion and maintenance of a casino. Amends the Illinois Lottery Law. Establishes the Division of Internet Gaming within the Department of the Lottery for the purpose of administering, regulating, and enforcing a system of Internet gaming (and makes conforming changes in other Acts). Amends the Illinois Horse Racing Act of 1975 and the Riverboat Gambling Act to authorize electronic gaming at race tracks (and makes conforming changes in various Acts). Further amends the Illinois Horse Racing Act of 1975. Makes various changes concerning Board members. Indefinitely extends the authorization for advance deposit wagering. Contains provisions concerning testing of horses at county fairs and standardbred horses. Further amends the Riverboat Gambling Act. Changes the short title to the Illinois Gambling Act and changes corresponding references to the Act. Adds additional owners licenses, one of which authorizes the conduct of casino gambling in the City of Chicago. Makes changes in provisions concerning the admission tax and privilege tax. Makes other changes. Contains a severability provision. Effective immediately, but does not take effect at all unless Senate Bills 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, and 13 of the 100th General Assembly become law.

LRB100 06307 AMC 16345 b

CORRECTIONAL
BUDGET AND
IMPACT NOTE ACT
MAY APPLY

FISCAL NOTE ACT
MAY APPLY

HOME RULE 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 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
16 enhance investment, development, and tourism in Illinois, it is
17 recognized that it will do so successfully only if public
18 confidence and trust in the credibility and integrity of the
19 gambling operations and the regulatory process is maintained.
20 Therefore, the provisions of this Act are designed to allow the
21 Illinois Gaming Board to strictly regulate the facilities,
22 persons, associations, and practices related to gambling

1 operations pursuant to the police powers of the State,
2 including comprehensive law enforcement supervision.
3 Consistent with the Gaming Board's authority, the Gaming Board
4 alone shall regulate any Chicago casino, just as it now
5 regulates every other casino in Illinois.

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

7 "Authority" means the Chicago Casino Development Authority
8 created by this Act.

9 "Casino" means one temporary land-based or water-based
10 facility and one permanent land-based or water-based facility
11 at which lawful gambling is authorized and licensed as provided
12 in the Illinois Gambling Act.

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

15 "Casino management contract" means a legally binding
16 agreement between the Authority and a casino operator licensee
17 to operate or manage a casino.

18 "Casino operator licensee" means any person or entity
19 selected by the Authority and approved and licensed by the
20 Gaming Board to manage and operate a casino within the City of
21 Chicago pursuant to a casino management contract.

22 "City" means the City of Chicago.

23 "Entity" means a corporation, joint venture, partnership,
24 limited liability company, trust, or unincorporated
25 association.

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

3 "Gaming Board" means the Illinois Gaming Board created by
4 the Illinois Gambling Act.

5 "Mayor" means the Mayor of the City.

6 Section 1-12. Creation of the Authority. There is hereby
7 created a political subdivision, unit of local government with
8 only the powers authorized by law, body politic, and municipal
9 corporation, by the name and style of the Chicago Casino
10 Development Authority.

11 Section 1-13. Duties of the Authority. It shall be the duty
12 of the Authority, as an owners licensee under the Illinois
13 Gambling Act, to promote and maintain a casino in the City. The
14 Authority shall own, acquire, construct, lease, equip, and
15 maintain grounds, buildings, and facilities for that purpose.
16 However, the Authority shall contract with a casino operator
17 licensee to manage and operate the casino and in no event shall
18 the Authority or City manage or operate the casino. The
19 Authority may contract pursuant to the procedures set forth in
20 Section 1-115 with other third parties in order to fulfill its
21 purpose. The Authority is responsible for the payment of any
22 fees required of a casino operator under subsection (a) of
23 Section 7.9 of the Illinois Gambling Act if the casino operator
24 licensee is late in paying any such fees. The Authority is

1 granted all rights and powers necessary to perform such duties.
2 Subject to the provisions of this Act, the Authority and casino
3 operator licensee are subject to the Illinois Gambling Act and
4 all of the rules of the Gaming Board, which shall be applied to
5 the Authority and the casino operator licensee in a manner
6 consistent with that of other owners licensees under the
7 Illinois Gambling Act. Nothing in this Act shall confer
8 regulatory authority on the Chicago Casino Development
9 Authority. The Illinois Gaming Board shall have exclusive
10 regulatory authority over all gambling operations governed by
11 this Act.

12 Section 1-15. Casino Board.

13 (a) The governing and administrative powers of the
14 Authority shall be vested in a body known as the Chicago Casino
15 Development Board. The Casino Board shall consist of 5 members
16 appointed by the Mayor. One of these members shall be
17 designated by the Mayor to serve as chairperson. All of the
18 members appointed by the Mayor shall be residents of the City.

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

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

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

25 (b) Casino Board members shall receive \$300 for each day
26 the Authority meets and shall be entitled to reimbursement of

1 reasonable expenses incurred in the performance of their
2 official duties. A Casino Board member who serves in the office
3 of secretary-treasurer may also receive compensation for
4 services provided as that officer.

5 Section 1-20. Terms of appointments; resignation and
6 removal.

7 (a) The Mayor shall appoint 2 members of the Casino Board
8 for an initial term expiring July 1 of the year following final
9 approval by the Gaming Board, 2 members for an initial term
10 expiring July 1 three years following final approval by the
11 Gaming Board, and one member for an initial term expiring July
12 1 five years following final approval by the Gaming Board.

13 (b) All successors shall be appointed by the Mayor to hold
14 office for a term of 5 years from the first day of July of the
15 year in which they are appointed, except in the case of an
16 appointment to fill a vacancy. Each member, including the
17 chairperson, shall hold office until the expiration of his or
18 her term and until his or her successor is appointed and
19 qualified. Nothing shall preclude a member from serving
20 consecutive terms. Any member may resign from office, to take
21 effect when a successor has been appointed and qualified. A
22 vacancy in office shall occur in the case of a member's death
23 or indictment, conviction, or plea of guilty to a felony. A
24 vacancy shall be filled for the unexpired term by the Mayor
25 subject to the approval of the Gaming Board as provided in this

1 Section.

2 (c) Members of the Casino Board shall serve at the pleasure
3 of the Mayor. The Mayor or the Gaming Board may remove any
4 member of the Casino Board upon a finding of incompetence,
5 neglect of duty, or misfeasance or malfeasance in office or for
6 a violation of this Act. The Gaming Board may remove any member
7 of the Casino Board for any violation of the Illinois Gambling
8 Act or the rules and regulations of the Gaming Board.

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

20 Section 1-25. Organization of Casino Board; meetings.
21 After appointment by the Mayor, the Casino Board shall organize
22 for the transaction of business, provided that the Casino Board
23 shall not take any formal action until after the Gaming Board
24 has completed its preliminary background investigation of at
25 least a quorum of the Casino Board as provided in subsection

1 (a) of Section 1-15. The Casino Board shall prescribe the time
2 and place for meetings, the manner in which special meetings
3 may be called, and the notice that must be given to members.
4 All actions and meetings of the Casino Board shall be subject
5 to the provisions of the Open Meetings Act. Three members of
6 the Casino Board shall constitute a quorum. All substantive
7 action of the Casino Board shall be by resolution with an
8 affirmative vote of a majority of the members.

9 Section 1-30. Executive director; officers.

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

12 The executive director shall be subject to a preliminary
13 background investigation to be completed by the Gaming Board
14 within 30 days after the executive director's submission of his
15 or her application to the Gaming Board. If the Gaming Board
16 determines that there is a substantial likelihood that it will
17 not find the executive director to be suitable to serve in that
18 position (applying the same standards for suitability as the
19 Gaming Board would apply to an owners licensee key person under
20 the Gaming Board's adopted rules), then the Gaming Board shall
21 provide a written notice of such determination to the appointee
22 and the Corporation Counsel of the City. The Casino Board may
23 then appoint a new executive director. If no such notice is
24 delivered, then commencing on the 31st day following the date
25 of the executive director's submission of his or her

1 application to the Gaming Board, the executive director shall
2 commence all duties as the acting executive director of the
3 Authority.

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

17 (b) The Casino Board shall fix the compensation of the
18 executive director. Subject to the general control of the
19 Casino Board, the executive director shall be responsible for
20 the management of the business, properties, and employees of
21 the Authority. The executive director shall direct the
22 enforcement of all resolutions, rules, and regulations of the
23 Casino Board, and shall perform such other duties as may be
24 prescribed from time to time by the Casino Board. All employees
25 and independent contractors, consultants, engineers,
26 architects, accountants, attorneys, financial experts,

1 construction experts and personnel, superintendents, managers,
2 and other personnel appointed or employed pursuant to this Act
3 shall report to the executive director. In addition to any
4 other duties set forth in this Act, the executive director
5 shall do or shall delegate to an employee or agent of the
6 Authority to do all of the following:

7 (1) Direct and supervise the administrative affairs
8 and activities of the Authority in accordance with its
9 rules, regulations, and policies.

10 (2) Attend meetings of the Casino Board.

11 (3) Keep minutes of all proceedings of the Casino
12 Board.

13 (4) Approve all accounts for salaries, per diem
14 payments, and allowable expenses of the Casino Board and
15 its employees and consultants.

16 (5) Report and make recommendations to the Casino Board
17 concerning the terms and conditions of any casino
18 management contract.

19 (6) Perform any other duty that the Casino Board
20 requires for carrying out the provisions of this Act.

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

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

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

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

4 (1) Adopt and alter an official seal.

5 (2) Establish and change its fiscal year.

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

9 (4) Adopt, amend, and repeal bylaws, rules, and
10 regulations consistent with the furtherance of the powers
11 and duties provided for.

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

14 (6) Select locations in the City for a temporary and a
15 permanent casino.

16 (7) Subject to the bidding procedures of Section 1-115
17 of this Act, retain or employ, either as regular employees
18 or independent contractors, consultants, engineers,
19 architects, accountants, attorneys, financial experts,
20 construction experts and personnel, superintendents,
21 managers and other professional personnel, and such other
22 personnel as may be necessary in the judgment of the Casino
23 Board, and fix their compensation; however, employees of
24 the Authority shall be hired pursuant to and in accordance
25 with the rules and policies the Authority may adopt.

26 (8) Pursuant to Section 1-115 of this Act, own,

1 acquire, construct, equip, lease, operate, manage, and
2 maintain grounds, buildings, and facilities to carry out
3 its corporate purposes and duties.

4 (9) Pursuant to Section 1-115, and subject to the
5 oversight, review, and approval of the Gaming Board, enter
6 into, revoke, and modify contracts in accordance with the
7 rules of the Gaming Board as consistently applied to all
8 owners licensees under the Illinois Gambling Act, provided
9 that the Authority may enter into contracts for the design,
10 construction, and outfitting of a temporary casino prior to
11 the Gaming Board's final approval of the Authority's
12 executive director and the members of the Casino Board and
13 prior to the Gaming Board's issuance of the Authority's
14 owners license. Provided further that the entities
15 selected by the Authority for the design, construction, and
16 outfitting of the temporary casino shall be subject to a
17 preliminary background investigation to be completed by
18 the Gaming Board within 30 days after the Gaming Board is
19 provided the identities of the entities. If the Gaming
20 Board determines that there is a substantial likelihood
21 that the entities are not suitable or acceptable to perform
22 their respective functions, then the Gaming Board shall
23 immediately provide notice of that determination to the
24 Authority. If no such notice is delivered, then, commencing
25 on the 31st day following the date on which the information
26 identifying such entities is provided to the Gaming Board,

1 such entities shall be permitted to commence the services
2 contemplated for the design, construction, and outfitting
3 of the temporary casino. In no event, however, shall the
4 Authority open a casino until after the Gaming Board has
5 finally approved the Authority's executive director and
6 the members of the Casino Board and the Gaming Board has
7 issued the Authority's owners license and the casino
8 operator's casino operator license.

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

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

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

17 (13) Borrow money from any source, public or private,
18 for any corporate purpose, including, without limitation,
19 working capital for its operations, reserve funds, or
20 payment of interest, and to mortgage, pledge, or otherwise
21 encumber the property or funds of the Authority and to
22 contract with or engage the services of any person in
23 connection with any financing, including financial
24 institutions, issuers of letters of credit, or insurers and
25 enter into reimbursement agreements with this person or
26 entity which may be secured as if money were borrowed from

1 the person or entity.

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

3 (15) Receive and accept from any source, private or
4 public, contributions, gifts, or grants of money or
5 property to the Authority.

6 (16) Provide for the insurance of any property,
7 operations, officers, members, agents, or employees of the
8 Authority against any risk or hazard, to self-insure or
9 participate in joint self-insurance pools or entities to
10 insure against such risk or hazard, and to provide for the
11 indemnification of its officers, members, employees,
12 contractors, or agents against any and all risks.

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

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

19 (b) The Casino Board shall comply with all applicable legal
20 requirements imposed on other owners licensees to conduct all
21 background investigations required under the Illinois Gambling
22 Act and the rules of the Gaming Board. This requirement shall
23 also extend to senior legal, financial, and administrative
24 staff of the Authority.

25 Section 1-32. Ethical conduct.

1 (a) Casino Board members and employees of the Authority
2 must carry out their duties and responsibilities in such a
3 manner as to promote and preserve public trust and confidence
4 in the integrity and conduct of gaming.

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

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

17 (d) Casino Board members and employees of the Authority
18 shall not hold or pursue employment, office, position,
19 business, or occupation that may conflict with his or her
20 official duties. Employees may engage in other gainful
21 employment so long as that employment does not interfere or
22 conflict with their duties. Such employment must be disclosed
23 to the executive director and approved by the Casino Board.

24 (e) Casino Board members, employees of the Authority, and
25 elected officials and employees of the City may not engage in
26 employment, communications, or any activity identified by the

1 Casino Board or Gaming Board that, in the judgment of either
2 entity, could represent the potential for or the appearance of
3 a conflict of interest.

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

21 (g) Casino Board members, employees of the Authority, and
22 elected officials and employees of the City may not accept any
23 gift, gratuity, service, compensation, travel, lodging, or
24 thing of value, with the exception of unsolicited items of an
25 incidental nature, from any person, corporation, or entity
26 doing business with the Authority.

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

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

1 a conflict of interest.

2 (j) A spouse, child, or parent of a Casino Board member,
3 employee of the Authority, or elected official or employee of
4 the City may not accept any gift, gratuity, service,
5 compensation, travel, lodging, or thing of value, with the
6 exception of unsolicited items of an incidental nature, from
7 any person, corporation, or entity doing business with the
8 Authority.

9 (k) 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, while the person is a Board member or
12 employee of the spouse or within a period of 2 years
13 immediately after termination of employment, knowingly accept
14 employment or receive compensation or fees for services from a
15 person or entity, or its parent or affiliate, that has engaged
16 in business with the Authority that resulted in contracts with
17 an aggregate value of at least \$25,000 or if that Casino Board
18 member, employee, or elected official or employee of the City
19 has made a decision that directly applied to the person or
20 entity, or its parent or affiliate.

21 (l) No Casino Board member, employee of the Authority, or
22 elected official or employee of the City may attempt, in any
23 way, to influence any person or entity doing business with the
24 Authority or any officer, agent, or employee thereof to hire or
25 contract with any person or entity for any compensated work.

26 (m) No Casino Board member, employee of the Authority, or

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

12 (n) Any communication between an elected official of the
13 City and any applicant for or party to a casino management
14 contract with the Authority, or an officer, director, or
15 employee thereof, concerning any matter relating in any way to
16 gaming or the Authority shall be disclosed to the Casino Board
17 and the Gaming Board. Such disclosure shall be in writing by
18 the official within 30 days after the communication and shall
19 be filed with the Casino Board and the Gaming Board. Disclosure
20 must consist of the date of the communication, the identity and
21 job title of the person with whom the communication was made, a
22 brief summary of the communication, the action requested or
23 recommended, all responses made, the identity and job title of
24 the person making the response, and any other pertinent
25 information. In addition, if the communication is written or
26 digital, then the entire communication shall be disclosed.

1 Public disclosure of the written summary provided to the
2 Casino Board and the Gaming Board shall be subject to the
3 exemptions provided under Section 7 of the Freedom of
4 Information Act.

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

9 (o) For purposes of this Section:

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

12 "Routine matters" includes the application for, issuance,
13 renewal, and other processes associated with City permits and
14 licenses.

15 "Employee of the City" means only those employees of the
16 City who provide services to the Authority or otherwise
17 influence the decisions of the Authority or the Casino Board.

18 (p) Any Casino Board member or employee of the Authority
19 who violates any provision of this Section is guilty of a Class
20 4 felony.

21 Section 1-45. Casino management contracts.

22 (a) In accordance with all applicable procurement laws and
23 rules, the Casino Board shall develop and administer a
24 competitive sealed bidding process for the selection of a
25 potential casino operator licensee to develop or operate a

1 casino within the City. The Casino Board shall issue one or
2 more requests for proposals. The Casino Board may establish
3 minimum financial and investment requirements to determine the
4 eligibility of persons to respond to the Casino Board's
5 requests for proposals, and may establish and consider such
6 other criteria as it deems appropriate. The Casino Board may
7 impose a reasonable fee upon persons who respond to requests
8 for proposals, in order to reimburse the Casino Board for its
9 costs in preparing and issuing the requests and reviewing the
10 proposals. At least 30 days prior to the commencement of the
11 competitive bidding process, the Gaming Board shall be given an
12 opportunity to review the competitive bidding process
13 established by the Casino Board. During the competitive bidding
14 process, the Casino Board shall keep the Gaming Board apprised
15 of the process and the responses received in connection with
16 the Casino Board's requests for proposals.

17 (b) Within 5 business days after the time limit for
18 submitting bids and proposals has passed, the Casino Board
19 shall make all bids and proposals public, provided, however,
20 the Casino Board shall not be required to disclose any
21 information which would be exempt from disclosure under Section
22 7 of the Freedom of Information Act. Thereafter, the Casino
23 Board shall evaluate the responses to its requests for
24 proposals and the ability of all persons or entities responding
25 to its requests for proposals to meet the requirements of this
26 Act and any relevant provisions of the Illinois Gambling Act

1 and to undertake and perform the obligations set forth in its
2 requests for proposals.

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

22 (d) After (1) the Authority has been issued an owners
23 license, (2) the Gaming Board has issued a casino operator
24 license, and (3) the Gaming Board has approved the members of
25 the Casino Board, the Authority may conduct gaming operations
26 at a temporary facility, subject to the adopted rules of the

1 Gaming Board, for no longer than 24 months after gaming
2 operations begin. The Gaming Board may, after holding a public
3 hearing, grant an extension so long as a permanent facility is
4 not operational and the Authority is working in good faith to
5 complete the permanent facility. The Gaming Board may grant
6 additional extensions following further public hearings. Each
7 extension may be for a period of no longer than 6 months.

8 (e) Fifty percent of any initial consideration received by
9 the Authority that was paid as an inducement pursuant to a bid
10 for a casino management contract or an executed casino
11 management contract must be transmitted to the State and
12 deposited into the Gaming Facilities Fee Revenue Fund. The
13 initial consideration shall not include (1) any amounts paid to
14 the Authority as reimbursement for its costs in preparing or
15 issuing the requests for proposals and reviewing the proposals
16 or (2) any amounts loaned to the Authority or paid by an entity
17 on behalf of the Authority for the design, construction,
18 outfitting, or equipping of the casino, pre-opening expenses,
19 bank roll or similar expenses required to open and operate the
20 casino, or any license or per position fees imposed pursuant to
21 the Illinois Gambling Act or any other financial obligation of
22 the Authority.

23 Section 1-47. Freedom of Information Act. The Authority
24 shall be a public body as defined in the Freedom of Information
25 Act and shall be subject to the provisions of the Freedom of

1 Information Act.

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

15 Section 1-60. Auditor General.

16 (a) Prior to the issuance of bonds under this Act, the
17 Authority shall submit to the Auditor General a certification
18 that:

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

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

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

24 (4) after payment of costs of issuance and necessary

1 deposits to funds and accounts established with respect to
2 debt service on the bonds, the net bond proceeds (exclusive
3 of any proceeds to be used to refund outstanding bonds)
4 will be used only for the purposes set forth in this Act.

5 The Authority also shall submit to the Auditor General its
6 projections on revenues to be generated and pledged to
7 repayment of the bonds as scheduled and such other information
8 as the Auditor General may reasonably request.

9 The Auditor General shall examine the certifications and
10 information submitted and submit a report to the Authority and
11 the Gaming Board indicating whether the required
12 certifications, projections, and other information have been
13 submitted by the Authority and whether the assumptions
14 underlying the projections are not unreasonable in the
15 aggregate. The Auditor General shall submit the report no later
16 than 60 days after receiving the information required to be
17 submitted by the Authority.

18 The Auditor General shall submit a bill to the Authority
19 for costs associated with the examinations and report required
20 under this Section. The Authority shall reimburse in a timely
21 manner.

22 (b) The Authority shall enter into an intergovernmental
23 agreement with the Auditor General authorizing the Auditor
24 General to, every 2 years, (i) review the financial audit of
25 the Authority performed by the Authority's certified public
26 accountants, (ii) perform a management audit of the Authority,

1 and (iii) perform a management audit of the casino operator
2 licensee. The Auditor General shall provide the Authority and
3 the General Assembly with the audits and shall post on his or
4 her Internet website such portions of the audit or other
5 financial information as generally would be made publicly
6 available for other owners licensees under the Illinois
7 Gambling Act. The Auditor General shall submit a bill to the
8 Authority for costs associated with the review and the audit
9 required under this Section, which costs shall not exceed
10 \$100,000, and the Authority shall reimburse the Auditor General
11 for such costs in a timely manner.

12 Section 1-62. Advisory committee. An Advisory Committee is
13 established to monitor, review, and report on (1) the
14 Authority's utilization of minority-owned business enterprises
15 and female-owned business enterprises, (2) employment of
16 females, and (3) employment of minorities with regard to the
17 development and construction of the casino as authorized under
18 Section 7 of the Illinois Gambling Act. The Authority shall
19 work with the Advisory Committee in accumulating necessary
20 information for the Committee to submit reports, as necessary,
21 to the General Assembly and to the City.

22 The Committee shall consist of 9 members as provided in
23 this Section. Five members shall be selected by the Governor
24 and 4 members shall be selected by the Mayor. The Governor and
25 Mayor shall each appoint at least one current member of the

1 General Assembly. The Advisory Committee shall meet
2 periodically and shall report the information to the Mayor of
3 the City and to the General Assembly by December 31st of every
4 year.

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

12 Section 1-65. Acquisition of property; eminent domain
13 proceedings. For the lawful purposes of this Act, the City may
14 acquire, by eminent domain or by condemnation proceedings in
15 the manner provided by the Eminent Domain Act, real or personal
16 property or interests in real or personal property located in
17 the City, and the City may convey to the Authority property so
18 acquired. The acquisition of property under this Section is
19 declared to be for a public use.

20 Section 1-70. Local regulation. In addition to this Act,
21 the Illinois Gambling Act, and all of the rules of the Gaming
22 Board, the casino facilities and operations therein shall be
23 subject to all ordinances and regulations of the City. The
24 construction, development, and operation of the casino shall

1 comply with all ordinances, regulations, rules, and controls of
2 the City, including, but not limited to, those relating to
3 zoning and planned development, building, fire prevention, and
4 land use. However, the regulation of gaming operations is
5 subject to the exclusive jurisdiction of the Gaming Board. The
6 Gaming Board shall be responsible for the investigation for and
7 issuance of all licenses required by this Act and the Illinois
8 Gambling Act.

9 Section 1-75. Borrowing.

10 (a) The Authority may borrow money and issue bonds as
11 provided in this Section. Bonds of the Authority may be issued
12 to provide funds for land acquisition, site assembly and
13 preparation, and the design and construction of the casino, as
14 defined in the Illinois Gambling Act, all ancillary and related
15 facilities comprising the casino complex, and all on-site and
16 off-site infrastructure improvements required in connection
17 with the development of the casino; to refund (at the time or
18 in advance of any maturity or redemption) or redeem any bonds
19 of the Authority; to provide or increase a debt service reserve
20 fund or other reserves with respect to any or all of its bonds;
21 or to pay the legal, financial, administrative, bond insurance,
22 credit enhancement, and other legal expenses of the
23 authorization, issuance, or delivery of bonds. In this Act, the
24 term "bonds" also includes notes of any kind, interim
25 certificates, refunding bonds, or any other evidence of

1 obligation for borrowed money issued under this Section. Bonds
2 may be issued in one or more series and may be payable and
3 secured either on a parity with or separately from other bonds.

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

19 (c) Bonds shall be authorized by a resolution of the
20 Authority and may be secured by a trust indenture by and
21 between the Authority and a corporate trustee or trustees,
22 which may be any trust company or bank having the powers of a
23 trust company within or without the State. Bonds shall meet the
24 following requirements:

25 (1) Bonds may bear interest payable at any time or
26 times and at any rate or rates, notwithstanding any other

1 provision of law to the contrary, and may be subject to
2 such other terms and conditions as may be provided by the
3 resolution or indenture authorizing the issuance of such
4 bonds.

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

10 (3) Bonds issued pursuant to this Section may be sold
11 pursuant to notice of sale and public bid or by negotiated
12 sale.

13 (4) Bonds shall be payable at a time or times, in the
14 denominations and form, including book entry form, either
15 coupon, registered, or both, and carry the registration and
16 privileges as to exchange, transfer or conversion, and
17 replacement of mutilated, lost, or destroyed bonds as the
18 resolution or trust indenture may provide.

19 (5) Bonds shall be payable in lawful money of the
20 United States at a designated place.

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

24 (7) Bonds shall be executed by the manual or facsimile
25 signatures of the officers of the Authority designated by
26 the Board, which signatures shall be valid at delivery even

1 for one who has ceased to hold office.

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

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

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

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

1 (1) Pledging, assigning, or directing the use,
2 investment, or disposition of revenues of the Authority or
3 proceeds or benefits of any contract, including without
4 limitation any rights in any casino management contract.

5 (2) The setting aside of loan funding deposits, debt
6 service reserves, replacement or operating reserves, cost
7 of issuance accounts and sinking funds, and the regulation,
8 investment, and disposition thereof.

9 (3) Limitations on the purposes to which or the
10 investments in which the proceeds of sale of any issue of
11 bonds or the Authority's revenues and receipts may be
12 applied or made.

13 (4) Limitations on the issue of additional bonds, the
14 terms upon which additional bonds may be issued and
15 secured, the terms upon which additional bonds may rank on
16 a parity with, or be subordinate or superior to, other
17 bonds.

18 (5) The refunding, advance refunding, or refinancing
19 of outstanding bonds.

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

24 (7) Defining the acts or omissions that shall
25 constitute a default in the duties of the Authority to
26 holders of bonds and providing the rights or remedies of

1 such holders in the event of a default, which may include
2 provisions restricting individual rights of action by
3 bondholders.

4 (8) Providing for guarantees, pledges of property,
5 letters of credit, or other security, or insurance for the
6 benefit of bondholders.

7 (f) No member of the Casino Board, nor any person executing
8 the bonds, shall be liable personally on the bonds or subject
9 to any personal liability by reason of the issuance of the
10 bonds.

11 (g) The Authority may issue and secure bonds in accordance
12 with the provisions of the Local Government Credit Enhancement
13 Act.

14 (h) A pledge by the Authority of revenues and receipts as
15 security for an issue of bonds or for the performance of its
16 obligations under any casino management contract shall be valid
17 and binding from the time when the pledge is made. The revenues
18 and receipts pledged shall immediately be subject to the lien
19 of the pledge without any physical delivery or further act, and
20 the lien of any pledge shall be valid and binding against any
21 person having any claim of any kind in tort, contract, or
22 otherwise against the Authority, irrespective of whether the
23 person has notice. No resolution, trust indenture, management
24 agreement or financing statement, continuation statement, or
25 other instrument adopted or entered into by the Authority need
26 be filed or recorded in any public record other than the

1 records of the Authority in order to perfect the lien against
2 third persons, regardless of any contrary provision of law.

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

9 (j) The bonds of the Authority shall not be indebtedness of
10 the State. The bonds of the Authority are not general
11 obligations of the State and are not secured by a pledge of the
12 full faith and credit of the State and the holders of bonds of
13 the Authority may not require the application of State revenues
14 or funds to the payment of bonds of the Authority. The
15 foregoing non-recourse language must be printed in bold-face
16 type on the face of the bonds and in the preliminary and final
17 official statements on the bonds.

18 (k) The State of Illinois pledges and agrees with the
19 owners of the bonds that it will not limit or alter the rights
20 and powers vested in the Authority by this Act so as to impair
21 the terms of any contract made by the Authority with the owners
22 or in any way impair the rights and remedies of the owners
23 until the bonds, together with interest on them, and all costs
24 and expenses in connection with any action or proceedings by or
25 on behalf of the owners, are fully met and discharged. The
26 Authority is authorized to include this pledge and agreement in

1 any contract with the owners of bonds issued under this
2 Section.

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

15 Section 1-85. Derivative products. With respect to all or
16 part of any issue of its bonds, the Authority may enter into
17 agreements or contracts with any necessary or appropriate
18 person, which will have the benefit of providing to the
19 Authority an interest rate basis, cash flow basis, or other
20 basis different from that provided in the bonds for the payment
21 of interest. Such agreements or contracts may include, without
22 limitation, agreements or contracts commonly known as
23 "interest rate swap agreements", "forward payment conversion
24 agreements", "futures", "options", "puts", or "calls" and
25 agreements or contracts providing for payments based on levels

1 of or changes in interest rates, agreements or contracts to
2 exchange cash flows or a series of payments, or to hedge
3 payment, rate spread, or similar exposure. Any such agreement
4 or contract shall be solely an obligation or indebtedness of
5 the Authority and shall not be an obligation or indebtedness of
6 the State, nor shall any party thereto have any recourse
7 against the State in connection with the agreement or contract.

8 Section 1-90. Legality for investment. The State of
9 Illinois, all governmental entities, all public officers,
10 banks, bankers, trust companies, savings banks and
11 institutions, building and loan associations, savings and loan
12 associations, investment companies, and other persons carrying
13 on a banking business, insurance companies, insurance
14 associations, and other persons carrying on an insurance
15 business, and all executors, administrators, guardians,
16 trustees, and other fiduciaries may legally invest any sinking
17 funds, moneys, or other funds belonging to them or within their
18 control in any bonds issued under this Act. However, nothing in
19 this Section shall be construed as relieving any person or
20 entity from any duty of exercising reasonable care in selecting
21 securities for purchase or investment.

22 Section 1-105. Budgets and reporting.

23 (a) The Casino Board shall annually adopt a budget for each
24 fiscal year. The budget may be modified from time to time in

1 the same manner and upon the same vote as it may be adopted.
2 The budget shall include the Authority's available funds and
3 estimated revenues and shall provide for payment of its
4 obligations and estimated expenditures for the fiscal year,
5 including, without limitation, expenditures for
6 administration, operation, maintenance and repairs, debt
7 service, and deposits into reserve and other funds and capital
8 projects.

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

15 (c) The Casino Board shall, for each fiscal year, prepare
16 an annual report setting forth information concerning its
17 activities in the fiscal year and the status of the development
18 of the casino. The annual report shall include financial
19 information of the Authority consistent with that which is
20 required for all other owners licensees under the Illinois
21 Gambling Act, the budget for the succeeding fiscal year, and
22 the current capital plan as of the date of the report. Copies
23 of the annual report shall be made available to persons who
24 request them and shall be submitted not later than 120 days
25 after the end of the Authority's fiscal year or, if the audit
26 of the Authority's financial statements is not completed within

1 120 days after the end of the Authority's fiscal year, as soon
2 as practical after completion of the audit, to the Governor,
3 the Mayor, the General Assembly, and the Commission on
4 Government Forecasting and Accountability.

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

6 (a) All funds deposited by the Authority in any bank or
7 savings and loan association shall be placed in the name of the
8 Authority and shall be withdrawn or paid out only by check or
9 draft upon the bank or savings and loan association, signed by
10 2 officers or employees designated by the Casino Board.
11 Notwithstanding any other provision of this Section, the Casino
12 Board may designate any of its members or any officer or
13 employee of the Authority to authorize the wire transfer of
14 funds deposited by the secretary-treasurer of funds in a bank
15 or savings and loan association for the payment of payroll and
16 employee benefits-related expenses.

17 No bank or savings and loan association shall receive
18 public funds as permitted by this Section unless it has
19 complied with the requirements established pursuant to Section
20 6 of the Public Funds Investment Act.

21 (b) If any officer or employee whose signature appears upon
22 any check or draft issued pursuant to this Act ceases (after
23 attaching his signature) to hold his or her office before the
24 delivery of such a check or draft to the payee, his or her
25 signature shall nevertheless be valid and sufficient for all

1 purposes with the same effect as if he or she had remained in
2 office until delivery thereof.

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

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

25 (b) A bidder, respondent, offeror, or contractor for

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

11 (c) As used in this Section:

12 "Contribution" means contribution as defined in Section
13 9-1.4 of the Election Code.

14 "Affiliated person" means (i) any person with any ownership
15 interest or distributive share of the bidding, responding, or
16 contracting entity in excess of 1%, (ii) executive employees of
17 the bidding, responding, or contracting entity, and (iii) the
18 spouse, minor children, and parents of any such persons.

19 "Affiliated entity" means (i) any parent or subsidiary of
20 the bidding or contracting entity, (ii) any member of the same
21 unitary business group, or (iii) any political committee for
22 which the bidding, responding, or contracting entity is the
23 sponsoring entity.

24 (d) The Gaming Board may direct the Authority or a casino
25 operator licensee to void a contract if a violation of this
26 Section occurs. The Authority may direct a casino operator

1 licensee to void a contract if a violation of this Section
2 occurs.

3 (e) All contracts pertaining to the actual operation of the
4 casino and related gaming activities shall be entered into by
5 the casino operator licensee and not the Authority and shall be
6 subject to the regulation, oversight, and approval of the
7 Gaming Board, applying the same regulation, oversight, and
8 approval requirements as would be applied to any other owners
9 licensee under the Illinois Gambling Act.

10 Section 1-115. Purchasing.

11 (a) The Casino Board shall designate an officer of the
12 Authority to serve as the Chief Procurement Officer for the
13 Authority. The Chief Procurement Officer shall have all powers
14 and duties set forth in Section 15 of Division 10 of Article 8
15 of the Illinois Municipal Code. Except as otherwise provided in
16 this Section, the Chief Procurement Officer of the Authority
17 shall conduct procurements on behalf of the Authority subject
18 to Title 2, Chapter 92 of the Municipal Code of Chicago, which
19 by its terms incorporates Division 10 of Article 8 of the
20 Illinois Municipal Code.

21 (b) All contracts for amounts greater than \$25,000 must be
22 approved by the Casino Board and executed by the chairperson of
23 the Casino Board and executive director of the Authority.
24 Contracts for amounts of \$25,000 or less may be approved and
25 executed by the Chief Procurement Officer for the Authority and

1 executive director of the Authority, with approval by the chief
2 legal counsel for the Authority as to form and legality.

3 (c) All construction contracts and contracts for supplies,
4 materials, equipment, and services for amounts greater than
5 \$25,000 shall be let by a competitive selection process to the
6 lowest responsible proposer, after advertising for proposals,
7 except for the following:

8 (1) when repair parts, accessories, equipment, or
9 services are required for equipment or services previously
10 furnished or contracted for;

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

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

16 (4) contracts where there is only one economically
17 feasible source;

18 (5) when a purchase is needed on an immediate,
19 emergency basis because there exists a threat to public
20 health or public safety, or when immediate expenditure is
21 necessary for repairs to Authority property in order to
22 protect against further loss of or damage to Authority
23 property, to prevent or minimize serious disruption in
24 Authority services or to ensure the integrity of Authority
25 records;

26 (6) contracts for professional services other than for

1 management of the casino, except such contracts described
2 in subsection (d) of this Section; and

3 (7) contracts for the use, purchase, delivery,
4 movement, or installation of (i) data processing
5 equipment, software, and services and (ii)
6 telecommunications equipment, software, and services.

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

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

17 (f) In determining the responsibility of any proposer, the
18 Authority may take into account the proposer's (or an
19 individual having a beneficial interest, directly or
20 indirectly, of more than 1% in such proposing entity) past
21 record of dealings with the Authority, the proposer's
22 experience, adequacy of equipment, and ability to complete
23 performance within the time set, and other factors besides
24 financial responsibility. No such contract shall be awarded to
25 any proposer other than the lowest proposer (in case of
26 purchase or expenditure) unless authorized or approved by a

1 vote of at least 3 members of the Casino Board and such action
2 is accompanied by a written statement setting forth the reasons
3 for not awarding the contract to the highest or lowest
4 proposer, as the case may be. The statement shall be kept on
5 file in the principal office of the Authority and open to
6 public inspection.

7 (g) The Authority shall have the right to reject all
8 proposals and to re-advertise for proposals. If after any such
9 re-advertisement, no responsible and satisfactory proposals,
10 within the terms of the re-advertisement, is received, the
11 Authority may award such contract without competitive
12 selection. The contract must not be less advantageous to the
13 Authority than any valid proposal received pursuant to
14 advertisement.

15 (h) Advertisements for proposals and re-proposals shall be
16 published at least once in a daily newspaper of general
17 circulation published in the City at least 10 calendar days
18 before the time for receiving proposals and in an online
19 bulletin published on the Authority's website. Such
20 advertisements shall state the time and place for receiving and
21 opening of proposals and, by reference to plans and
22 specifications on file at the time of the first publication or
23 in the advertisement itself, shall describe the character of
24 the proposed contract in sufficient detail to fully advise
25 prospective proposers of their obligations and to ensure free
26 and open competitive selection.

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

12 (j) The contract shall be awarded as promptly as possible
13 after the opening of proposals. The proposal of the successful
14 proposer, as well as the bids of the unsuccessful proposers,
15 shall be placed on file and be open to public inspection
16 subject to the exemptions from disclosure provided under
17 Section 7 of the Freedom of Information Act. All proposals
18 shall be void if any disclosure of the terms of any proposals
19 in response to an advertisement is made or permitted to be made
20 by the Authority before the time fixed for opening proposals.

21 (k) Notice of each and every contract that is offered,
22 including renegotiated contracts and change orders, shall be
23 published in an online bulletin. The online bulletin must
24 include at least the date first offered, the date submission of
25 offers is due, the location that offers are to be submitted to,
26 a brief purchase description, the method of source selection,

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

17 Section 1-130. Affirmative action and equal opportunity
18 obligations of Authority.

19 (a) The Authority is subject to the requirements of Article
20 IV of Chapter 2-92 (Sections 2-92-650 through 2-92-720
21 inclusive) of the Chicago Municipal Code, as now or hereafter
22 amended, renumbered, or succeeded, concerning a Minority-Owned
23 and Women-Owned Business Enterprise Procurement Program for
24 construction contracts, and Section 2-92-420 et seq. of the
25 Chicago Municipal Code, as now or hereafter amended,

1 renumbered, or succeeded, concerning a Minority-Owned and
2 Women-Owned Business Enterprise Procurement Program.

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

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

19 Section 1-140. Home rule. The regulation and licensing of
20 casinos and casino gaming, casino gaming facilities, and casino
21 operator licensees under this Act are exclusive powers and
22 functions of the State. A home rule unit may not regulate or
23 license casinos, casino gaming, casino gaming facilities, or
24 casino operator licensees under this Act, except as provided

1 under this Act. This Section is a denial and limitation of home
2 rule powers and functions under subsection (h) of Section 6 of
3 Article VII of the Illinois Constitution.

4 ARTICLE 90.

5 Section 90-1. Findings. The General Assembly makes all of
6 the following findings:

7 (1) That the cumulative reduction to pre-K through 12
8 education funding since 2009 is approximately
9 \$861,000,000.

10 (2) That general state aid to Illinois common schools
11 has been underfunded as a result of budget cuts, resulting
12 in pro-rated payments to school districts that are less
13 than the foundational level of \$6,119 per pupil, which
14 represents the minimum each pupil needs to be educated.

15 (3) That a significant infusion of new revenue is
16 necessary in order to fully fund the foundation level and
17 to maintain and support education in Illinois.

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

22 (5) That the Illinois horse racing industry is on the
23 verge of extinction due to fierce competition from fully
24 developed horse racing and gaming operations in other

1 states.

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

10 (7) That Illinois agriculture and other businesses
11 that support and supply the horse racing industry, already
12 a sector that employs over 37,000 Illinoisans, also stand
13 to substantially benefit and would be much more likely to
14 create additional jobs should Illinois horse racing once
15 again become competitive with other states.

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

19 (9) That gaming machines at Illinois horse racing
20 tracks would create an estimated 1,200 to 1,500 permanent
21 jobs, and an estimated capital investment of up to \$200
22 million to \$400 million at these race tracks would prompt
23 additional trade organization jobs necessary to construct
24 new facilities or remodel race tracks to operate electronic
25 gaming.

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

3 (5 ILCS 430/5-45)

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

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

16 (b) No former officer of the executive branch or State
17 employee of the executive branch with regulatory or licensing
18 authority, or spouse or immediate family member living with
19 such person, shall, within a period of one year immediately
20 after termination of State employment, knowingly accept
21 employment or receive compensation or fees for services from a
22 person or entity if the officer or State employee, during the
23 year immediately preceding termination of State employment,
24 participated personally and substantially in making a
25 regulatory or licensing decision that directly applied to the

1 person or entity, or its parent or subsidiary.

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

14 The policies required under subsection (c) of this Section
15 shall be filed with the appropriate ethics commission
16 established under this Act or, for the Auditor General, with
17 the Office of the Auditor General.

18 (d) Each Inspector General shall have the authority to
19 determine that additional State positions under his or her
20 jurisdiction, not otherwise subject to the policies required by
21 subsection (c) of this Section, are nonetheless subject to the
22 notification requirement of subsection (f) below due to their
23 involvement in the award of State contracts or in regulatory or
24 licensing decisions.

25 (e) The Joint Committee on Legislative Support Services,
26 the Auditor General, and each of the executive branch

1 constitutional officers and legislative leaders subject to
2 subsection (c) of this Section shall provide written
3 notification to all employees in positions subject to the
4 policies required by subsection (c) or a determination made
5 under subsection (d): (1) upon hiring, promotion, or transfer
6 into the relevant position; and (2) at the time the employee's
7 duties are changed in such a way as to qualify that employee.
8 An employee receiving notification must certify in writing that
9 the person was advised of the prohibition and the requirement
10 to notify the appropriate Inspector General in subsection (f).

11 (f) Any State employee in a position subject to the
12 policies required by subsection (c) or to a determination under
13 subsection (d), but who does not fall within the prohibition of
14 subsection (h) below, who is offered non-State employment
15 during State employment or within a period of one year
16 immediately after termination of State employment shall, prior
17 to accepting such non-State employment, notify the appropriate
18 Inspector General. Within 10 calendar days after receiving
19 notification from an employee in a position subject to the
20 policies required by subsection (c), such Inspector General
21 shall make a determination as to whether the State employee is
22 restricted from accepting such employment by subsection (a) or
23 (b). In making a determination, in addition to any other
24 relevant information, an Inspector General shall assess the
25 effect of the prospective employment or relationship upon
26 decisions referred to in subsections (a) and (b), based on the

1 totality of the participation by the former officer, member, or
2 State employee in those decisions. A determination by an
3 Inspector General must be in writing, signed and dated by the
4 Inspector General, and delivered to the subject of the
5 determination within 10 calendar days or the person is deemed
6 eligible for the employment opportunity. For purposes of this
7 subsection, "appropriate Inspector General" means (i) for
8 members and employees of the legislative branch, the
9 Legislative Inspector General; (ii) for the Auditor General and
10 employees of the Office of the Auditor General, the Inspector
11 General provided for in Section 30-5 of this Act; and (iii) for
12 executive branch officers and employees, the Inspector General
13 having jurisdiction over the officer or employee. Notice of any
14 determination of an Inspector General and of any such appeal
15 shall be given to the ultimate jurisdictional authority, the
16 Attorney General, and the Executive Ethics Commission.

17 (g) An Inspector General's determination regarding
18 restrictions under subsection (a) or (b) may be appealed to the
19 appropriate Ethics Commission by the person subject to the
20 decision or the Attorney General no later than the 10th
21 calendar day after the date of the determination.

22 On appeal, the Ethics Commission or Auditor General shall
23 seek, accept, and consider written public comments regarding a
24 determination. In deciding whether to uphold an Inspector
25 General's determination, the appropriate Ethics Commission or
26 Auditor General shall assess, in addition to any other relevant

1 information, the effect of the prospective employment or
2 relationship upon the decisions referred to in subsections (a)
3 and (b), based on the totality of the participation by the
4 former officer, member, or State employee in those decisions.
5 The Ethics Commission shall decide whether to uphold an
6 Inspector General's determination within 10 calendar days or
7 the person is deemed eligible for the employment opportunity.

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

22 (1) members or officers;

23 (2) members of a commission or board created by the
24 Illinois Constitution;

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

1 (4) the head of a department, commission, board,
2 division, bureau, authority, or other administrative unit
3 within the government of this State;

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

7 (6) chiefs of staff, deputy chiefs of staff, associate
8 chiefs of staff, assistant chiefs of staff, and deputy
9 governors;~~;~~

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

11 (8) employees of the Illinois Gaming Board.

12 (i) For the purposes of this Section, with respect to
13 officers or employees of a regional transit board, as defined
14 in this Act, the phrase "person or entity" does not include:
15 (i) the United States government, (ii) the State, (iii)
16 municipalities, as defined under Article VII, Section 1 of the
17 Illinois Constitution, (iv) units of local government, as
18 defined under Article VII, Section 1 of the Illinois
19 Constitution, or (v) school districts.

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

21 (5 ILCS 430/20-10)

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

23 (a) ~~Six~~ Five independent Offices of the Executive Inspector
24 General are created, one each for the Governor, the Attorney
25 General, the Secretary of State, the Comptroller, and the

1 Treasurer and one for gaming activities. Each Office shall be
2 under the direction and supervision of an Executive Inspector
3 General and shall be a fully independent office with separate
4 appropriations.

5 (b) The Governor, Attorney General, Secretary of State,
6 Comptroller, and Treasurer shall each appoint an Executive
7 Inspector General, and the Governor shall appoint an Executive
8 Inspector General for gaming activities. Each appointment must
9 be made without regard to political affiliation and solely on
10 the basis of integrity and demonstrated ability. Appointments
11 shall be made by and with the advice and consent of the Senate
12 by three-fifths of the elected members concurring by record
13 vote. Any nomination not acted upon by the Senate within 60
14 session days of the receipt thereof shall be deemed to have
15 received the advice and consent of the Senate. If, during a
16 recess of the Senate, there is a vacancy in an office of
17 Executive Inspector General, the appointing authority shall
18 make a temporary appointment until the next meeting of the
19 Senate when the appointing authority shall make a nomination to
20 fill that office. No person rejected for an office of Executive
21 Inspector General shall, except by the Senate's request, be
22 nominated again for that office at the same session of the
23 Senate or be appointed to that office during a recess of that
24 Senate.

25 Nothing in this Article precludes the appointment by the
26 Governor, Attorney General, Secretary of State, Comptroller,

1 or Treasurer of any other inspector general required or
2 permitted by law. The Governor, Attorney General, Secretary of
3 State, Comptroller, and Treasurer each may appoint an existing
4 inspector general as the Executive Inspector General required
5 by this Article, provided that such an inspector general is not
6 prohibited by law, rule, jurisdiction, qualification, or
7 interest from serving as the Executive Inspector General
8 required by this Article. An appointing authority may not
9 appoint a relative as an Executive Inspector General.

10 Each Executive Inspector General shall have the following
11 qualifications:

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

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

16 (3) has 5 or more years of cumulative service (A) with
17 a federal, State, or local law enforcement agency, at least
18 2 years of which have been in a progressive investigatory
19 capacity; (B) as a federal, State, or local prosecutor; (C)
20 as a senior manager or executive of a federal, State, or
21 local agency; (D) as a member, an officer, or a State or
22 federal judge; or (E) representing any combination of (A)
23 through (D).

24 The term of each initial Executive Inspector General shall
25 commence upon qualification and shall run through June 30,
26 2008. The initial appointments shall be made within 60 days

1 after the effective date of this Act.

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

7 A vacancy occurring other than at the end of a term shall
8 be filled by the appointing authority only for the balance of
9 the term of the Executive Inspector General whose office is
10 vacant.

11 Terms shall run regardless of whether the position is
12 filled.

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

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

18 The jurisdiction of each Executive Inspector General is to
19 investigate allegations of fraud, waste, abuse, mismanagement,
20 misconduct, nonfeasance, misfeasance, malfeasance, or
21 violations of this Act or violations of other related laws and
22 rules.

23 (d) The compensation for each Executive Inspector General
24 shall be determined by the Executive Ethics Commission and
25 shall be made from appropriations made to the Comptroller for
26 this purpose. Subject to Section 20-45 of this Act, each

1 Executive Inspector General has full authority to organize his
2 or her Office of the Executive Inspector General, including the
3 employment and determination of the compensation of staff, such
4 as deputies, assistants, and other employees, as
5 appropriations permit. A separate appropriation shall be made
6 for each Office of Executive Inspector General.

7 (e) No Executive Inspector General or employee of the
8 Office of the Executive Inspector General may, during his or
9 her term of appointment or employment:

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

11 (2) hold any other elected or appointed public office
12 except for appointments on governmental advisory boards or
13 study commissions or as otherwise expressly authorized by
14 law;

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

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

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

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

- 1 (1) become a candidate for any elective office;
2 (2) hold any elected public office; or
3 (3) hold any appointed State, county, or local judicial
4 office.

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

7 (f) An Executive Inspector General may be removed only for
8 cause and may be removed only by the appointing ~~constitutional~~
9 officer. At the time of the removal, the appointing
10 ~~constitutional~~ officer must report to the Executive Ethics
11 Commission the justification for the removal.

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

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

15 (20 ILCS 301/5-20)

16 Sec. 5-20. Compulsive gambling program.

17 (a) Subject to appropriation, the Department shall
18 establish a program for public education, research, and
19 training regarding problem and compulsive gambling and the
20 treatment and prevention of problem and compulsive gambling.
21 Subject to specific appropriation for these stated purposes,
22 the program must include all of the following:

- 23 (1) Establishment and maintenance of a toll-free "800"
24 telephone number to provide crisis counseling and referral

1 services to families experiencing difficulty as a result of
2 problem or compulsive gambling.

3 (2) Promotion of public awareness regarding the
4 recognition and prevention of problem and compulsive
5 gambling.

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

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

12 (b) Subject to appropriation, the Department shall either
13 establish and maintain the program or contract with a private
14 or public entity for the establishment and maintenance of the
15 program. Subject to appropriation, either the Department or the
16 private or public entity shall implement the toll-free
17 telephone number, promote public awareness, and conduct
18 in-service training concerning problem and compulsive
19 gambling.

20 (c) Subject to appropriation, the Department shall produce
21 and supply the signs specified in Section 10.7 of the Illinois
22 Lottery Law, Section 34.1 of the Illinois Horse Racing Act of
23 1975, Section 4.3 of the Bingo License and Tax Act, Section 8.1
24 of the Charitable Games Act, and Section 13.1 of the Illinois
25 ~~Riverboat~~ Gambling Act.

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

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

4 (20 ILCS 605/605-530 new)

5 Sec. 605-530. The Depressed Communities Economic
6 Development Board.

7 (a) The Depressed Communities Economic Development Board
8 is created as an advisory board within the Department of
9 Commerce and Economic Opportunity. The Board shall consist of
10 the following members:

11 (1) 3 members appointed by the Governor, one of whom
12 shall be appointed to serve an initial term of one year and
13 2 of whom shall be appointed to serve an initial term of 2
14 years;

15 (2) 2 members appointed by the Speaker of the House of
16 Representatives, one of whom shall be appointed to serve an
17 initial term of one year and one of whom shall be appointed
18 to serve an initial term of 2 years;

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

23 (4) 2 members appointed by the Minority Leader of the
24 House of Representatives, one of whom shall be appointed to

1 serve an initial term of one year and one of whom shall be
2 appointed to serve an initial term of 2 years; and

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

7 The members of the Board shall elect a member to serve as
8 chair of the Board. The members of the Board shall reflect the
9 composition of the Illinois population with regard to ethnic
10 and racial composition.

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

20 (b) Board members shall serve without compensation, but may
21 be reimbursed for their reasonable travel expenses from funds
22 available for that purpose. The Department of Commerce and
23 Economic Opportunity shall provide staff and administrative
24 support services to the Board.

25 (c) The Board must make recommendations, which must be
26 approved by a majority of the Board, to the Department of

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

17 (20 ILCS 605/605-535 new)

18 Sec. 605-535. The Commission on the Future of Economic
19 Development of the Latino Community.

20 (a) There is hereby created the Commission on the Future of
21 Economic Development of the Latino Community within the
22 Department. The purpose of the Commission shall be to maintain
23 and develop the economy of Latinos and to provide opportunities
24 for this community, which will enhance and expand the quality
25 of their lives.

1 The Commission shall concentrate its major efforts on
2 strategic planning, policy research and analysis, advocacy,
3 evaluation, and promoting coordination and collaboration.

4 During each regular legislative session, the Commission
5 must consult with appropriate legislative committees about the
6 State's economic development needs and opportunities in the
7 Latino community.

8 By October 1st of each even-numbered year, the Commission
9 must submit to the Governor and the General Assembly a biennial
10 comprehensive statewide economic development strategy for the
11 Latino community with a report on progress from the previous
12 comprehensive strategy.

13 The comprehensive statewide economic development strategy
14 may include, but is not limited to:

15 (1) an assessment of the Latino community's economic
16 vitality;

17 (2) recommended goals, objectives, and priorities for
18 the next biennium and the future;

19 (3) a common set of outcomes and benchmarks for the
20 economic development system as a whole for the Latino
21 community;

22 (4) recommendations for removing barriers for Latinos
23 in employment;

24 (5) an inventory of existing relevant programs
25 compiled by the Commission from materials submitted by
26 agencies;

1 (6) recommendations for expanding, discontinuing, or
2 redirecting existing programs or adding new programs to
3 better serve the Latino community; and

4 (7) recommendations of best practices and public and
5 private sector roles in implementing the comprehensive
6 statewide economic development strategy.

7 In developing the biennial statewide economic development
8 strategy, goals, objectives, priorities, and recommendations,
9 the Commission shall consult, collaborate, and coordinate with
10 relevant State agencies, private sector business, nonprofit
11 organizations involved in economic development, trade
12 associations, associate development organizations, and
13 relevant local organizations in order to avoid duplication of
14 effort.

15 State agencies shall cooperate with the Commission and
16 provide information as the Commission may reasonably request.

17 The Commission shall review and make budget
18 recommendations to the Governor's Office of Management and
19 Budget and the General Assembly in areas relating to the
20 economic development in the State's Latino community.

21 The Commission shall evaluate its own performance on a
22 regular basis.

23 The Commission may accept gifts, grants, donations,
24 sponsorships, or contributions from any federal, State, or
25 local governmental agency or program, or any private source,
26 and expend the same for any purpose consistent with this

1 Section.

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

12 (1) production agriculture;

13 (2) at least 2 individuals from manufacturing, one of
14 whom shall represent a company with no more than 75
15 employees;

16 (3) transportation, construction, and logistics;

17 (4) travel and tourism;

18 (5) financial services and insurance;

19 (6) information technology and communications; and

20 (7) biotechnology.

21 The members of the Commission shall choose a member to
22 serve as chair of the Commission. The members of the Commission
23 shall be representative, to the extent possible, of the various
24 geographic areas of the State. The Director shall serve as an
25 ad hoc nonvoting member of the Commission. Vacancies shall be
26 filled in the same manner as the original appointments. The

1 members of the Commission shall serve without compensation.

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

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

10 (1) public universities;

11 (2) community colleges;

12 (3) other educational institutions; and

13 (4) the Department of Labor.

14 (e) The Commission shall make recommendations, which must
15 be approved by a majority of the members of the Commission, to
16 the Department concerning the award of grants from amounts
17 appropriated to the Department from the Latino Community
18 Economic Development Fund, a special fund in the State
19 treasury. The Department shall make grants to public or private
20 entities submitting proposals to the Commission to assist in
21 the economic development of the Latino community. Grants may be
22 used by these entities only for those purposes conditioned with
23 the grant. The Commission shall coordinate with the Department
24 to develop grant criteria.

25 (f) For the purposes of this Section:

26 "Department" means the Department of Commerce and Economic

1 Development.

2 "Director" means the Director of Commerce and Economic
3 Development.

4 "Educational institutions" means nonprofit public and
5 private colleges, community colleges, State colleges, and
6 universities in this State.

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

9 (20 ILCS 1605/9.1)

10 Sec. 9.1. Private manager and management agreement.

11 (a) As used in this Section:

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

14 "Request for qualifications" means all materials and
15 documents prepared by the Department to solicit the following
16 from offerors:

17 (1) Statements of qualifications.

18 (2) Proposals to enter into a management agreement,
19 including the identity of any prospective vendor or vendors
20 that the offeror intends to initially engage to assist the
21 offeror in performing its obligations under the management
22 agreement.

23 "Final offer" means the last proposal submitted by an
24 offeror in response to the request for qualifications,

1 including the identity of any prospective vendor or vendors
2 that the offeror intends to initially engage to assist the
3 offeror in performing its obligations under the management
4 agreement.

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

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

13 (c) Pursuant to the terms of this subsection, the
14 Department shall endeavor to expeditiously terminate the
15 existing contracts in support of the Lottery in effect on the
16 effective date of this amendatory Act of the 96th General
17 Assembly in connection with the selection of the private
18 manager. As part of its obligation to terminate these contracts
19 and select the private manager, the Department shall establish
20 a mutually agreeable timetable to transfer the functions of
21 existing contractors to the private manager so that existing
22 Lottery operations are not materially diminished or impaired
23 during the transition. To that end, the Department shall do the
24 following:

25 (1) where such contracts contain a provision
26 authorizing termination upon notice, the Department shall

1 provide notice of termination to occur upon the mutually
2 agreed timetable for transfer of functions;

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

7 (3) in the event any current contract provides for
8 termination of that contract upon the implementation of a
9 contract with the private manager, the Department shall
10 perform all necessary actions to terminate the contract on
11 the date that coincides with the mutually agreed timetable
12 for transfer of functions.

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

19 (c-5) The Department shall include provisions in the
20 management agreement whereby the private manager shall, for a
21 fee, and pursuant to a contract negotiated with the Department
22 (the "Employee Use Contract"), utilize the services of current
23 Department employees to assist in the administration and
24 operation of the Lottery. The Department shall be the employer
25 of all such bargaining unit employees assigned to perform such
26 work for the private manager, and such employees shall be State

1 employees, as defined by the Personnel Code. Department
2 employees shall operate under the same employment policies,
3 rules, regulations, and procedures, as other employees of the
4 Department. In addition, neither historical representation
5 rights under the Illinois Public Labor Relations Act, nor
6 existing collective bargaining agreements, shall be disturbed
7 by the management agreement with the private manager for the
8 management of the Lottery.

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

11 (1) A term not to exceed 10 years, including any
12 renewals.

13 (2) A provision specifying that the Department:

14 (A) shall exercise actual control over all
15 significant business decisions;

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

18 (B) has ready access at any time to information
19 regarding Lottery operations;

20 (C) has the right to demand and receive information
21 from the private manager concerning any aspect of the
22 Lottery operations at any time; and

23 (D) retains ownership of all trade names,
24 trademarks, and intellectual property associated with
25 the Lottery.

26 (3) A provision imposing an affirmative duty on the

1 private manager to provide the Department with material
2 information and with any information the private manager
3 reasonably believes the Department would want to know to
4 enable the Department to conduct the Lottery.

5 (4) A provision requiring the private manager to
6 provide the Department with advance notice of any operating
7 decision that bears significantly on the public interest,
8 including, but not limited to, decisions on the kinds of
9 games to be offered to the public and decisions affecting
10 the relative risk and reward of the games being offered, so
11 the Department has a reasonable opportunity to evaluate and
12 countermand that decision.

13 (5) A provision providing for compensation of the
14 private manager that may consist of, among other things, a
15 fee for services and a performance based bonus as
16 consideration for managing the Lottery, including terms
17 that may provide the private manager with an increase in
18 compensation if Lottery revenues grow by a specified
19 percentage in a given year.

20 (6) (Blank).

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

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

26 (8-5) A provision encouraging that at least 20% of the

1 cost of contracts entered into for goods and services by
2 the private manager in connection with its management of
3 the Lottery, other than contracts with sales agents or
4 technical advisors, be awarded to businesses that are a
5 minority owned business, a female owned business, or a
6 business owned by a person with disability, as those terms
7 are defined in the Business Enterprise for Minorities,
8 Females, and Persons with Disabilities Act.

9 (9) A requirement that so long as the private manager
10 complies with all the conditions of the agreement under the
11 oversight of the Department, the private manager shall have
12 the following duties and obligations with respect to the
13 management of the Lottery:

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

16 (B) The rights and obligations under contracts
17 with retailers and vendors.

18 (C) The implementation of a comprehensive security
19 program by the private manager.

20 (D) The implementation of a comprehensive system
21 of internal audits.

22 (E) The implementation of a program by the private
23 manager to curb compulsive gambling by persons playing
24 the Lottery.

25 (F) A system for determining (i) the type of
26 Lottery games, (ii) the method of selecting winning

1 tickets, (iii) the manner of payment of prizes to
2 holders of winning tickets, (iv) the frequency of
3 drawings of winning tickets, (v) the method to be used
4 in selling tickets, (vi) a system for verifying the
5 validity of tickets claimed to be winning tickets,
6 (vii) the basis upon which retailer commissions are
7 established by the manager, and (viii) minimum
8 payouts.

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

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

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

18 (13) A requirement that the Department monitor and
19 oversee the private manager's practices and take action
20 that the Department considers appropriate to ensure that
21 the private manager is in compliance with the terms of the
22 management agreement, while allowing the manager, unless
23 specifically prohibited by law or the management
24 agreement, to negotiate and sign its own contracts with
25 vendors.

26 (14) A provision requiring the private manager to

1 periodically file, at least on an annual basis, appropriate
2 financial statements in a form and manner acceptable to the
3 Department.

4 (15) Cash reserves requirements.

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

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

11 (18) Procedures for amendment of the agreement.

12 (19) A provision requiring the private manager to
13 engage in an open and competitive bidding process for any
14 procurement having a cost in excess of \$50,000 that is not
15 a part of the private manager's final offer. The process
16 shall favor the selection of a vendor deemed to have
17 submitted a proposal that provides the Lottery with the
18 best overall value. The process shall not be subject to the
19 provisions of the Illinois Procurement Code, unless
20 specifically required by the management agreement.

21 (20) The transition of rights and obligations,
22 including any associated equipment or other assets used in
23 the operation of the Lottery, from the manager to any
24 successor manager of the lottery, including the
25 Department, following the termination of or foreclosure
26 upon the management agreement.

1 (21) Right of use of copyrights, trademarks, and
2 service marks held by the Department in the name of the
3 State. The agreement must provide that any use of them by
4 the manager shall only be for the purpose of fulfilling its
5 obligations under the management agreement during the term
6 of the agreement.

7 (22) The disclosure of any information requested by the
8 Department to enable it to comply with the reporting
9 requirements and information requests provided for under
10 subsection (p) of this Section.

11 (e) Notwithstanding any other law to the contrary, the
12 Department shall select a private manager through a competitive
13 request for qualifications process consistent with Section
14 20-35 of the Illinois Procurement Code, which shall take into
15 account:

16 (1) the offeror's ability to market the Lottery to
17 those residents who are new, infrequent, or lapsed players
18 of the Lottery, especially those who are most likely to
19 make regular purchases on the Internet;

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

23 (3) the offeror's ability to provide the most
24 successful management of the Lottery for the benefit of the
25 people of the State based on current and past business
26 practices or plans of the offeror; and

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

6 (f) The Department may retain the services of an advisor or
7 advisors with significant experience in financial services or
8 the management, operation, and procurement of goods, services,
9 and equipment for a government-run lottery to assist in the
10 preparation of the terms of the request for qualifications and
11 selection of the private manager. Any prospective advisor
12 seeking to provide services under this subsection (f) shall
13 disclose any material business or financial relationship
14 during the past 3 years with any potential offeror, or with a
15 contractor or subcontractor presently providing goods,
16 services, or equipment to the Department to support the
17 Lottery. The Department shall evaluate the material business or
18 financial relationship of each prospective advisor. The
19 Department shall not select any prospective advisor with a
20 substantial business or financial relationship that the
21 Department deems to impair the objectivity of the services to
22 be provided by the prospective advisor. During the course of
23 the advisor's engagement by the Department, and for a period of
24 one year thereafter, the advisor shall not enter into any
25 business or financial relationship with any offeror or any
26 vendor identified to assist an offeror in performing its

1 obligations under the management agreement. Any advisor
2 retained by the Department shall be disqualified from being an
3 offeror. The Department shall not include terms in the request
4 for qualifications that provide a material advantage whether
5 directly or indirectly to any potential offeror, or any
6 contractor or subcontractor presently providing goods,
7 services, or equipment to the Department to support the
8 Lottery, including terms contained in previous responses to
9 requests for proposals or qualifications submitted to
10 Illinois, another State or foreign government when those terms
11 are uniquely associated with a particular potential offeror,
12 contractor, or subcontractor. The request for proposals
13 offered by the Department on December 22, 2008 as
14 "LOT08GAMESYS" and reference number "22016176" is declared
15 void.

16 (g) The Department shall select at least 2 offerors as
17 finalists to potentially serve as the private manager no later
18 than August 9, 2010. Upon making preliminary selections, the
19 Department shall schedule a public hearing on the finalists'
20 proposals and provide public notice of the hearing at least 7
21 calendar days before the hearing. The notice must include all
22 of the following:

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

24 (2) The subject matter of the hearing.

25 (3) A brief description of the management agreement to
26 be awarded.

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

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

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

24 (i) Any action to contest the private manager selected by
25 the Governor under this Section must be brought within 7
26 calendar days after the publication of the notice of the

1 designation of the private manager as provided in subsection
2 (h) of this Section.

3 (j) The Lottery shall remain, for so long as a private
4 manager manages the Lottery in accordance with provisions of
5 this Act, a Lottery conducted by the State, and the State shall
6 not be authorized to sell or transfer the Lottery to a third
7 party.

8 (k) Any tangible personal property used exclusively in
9 connection with the lottery that is owned by the Department and
10 leased to the private manager shall be owned by the Department
11 in the name of the State and shall be considered to be public
12 property devoted to an essential public and governmental
13 function.

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

17 (m) Neither this Section nor any management agreement
18 entered into under this Section prohibits the General Assembly
19 from authorizing forms of gambling that are not in direct
20 competition with the Lottery. The forms of gambling authorized
21 by this amendatory Act of the 100th General Assembly constitute
22 authorized forms of gambling that are not in direct competition
23 with the Lottery.

24 (n) The private manager shall be subject to a complete
25 investigation in the third, seventh, and tenth years of the
26 agreement (if the agreement is for a 10-year term) by the

1 Department in cooperation with the Auditor General to determine
2 whether the private manager has complied with this Section and
3 the management agreement. The private manager shall bear the
4 cost of an investigation or reinvestigation of the private
5 manager under this subsection.

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

25 Upon receipt of a written request from the Chief
26 Procurement Officer, the Department shall provide to the Chief

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

16 Notwithstanding any other provision of this Section to the
17 contrary, the Chief Procurement Officer shall adopt
18 administrative rules, including emergency rules, to establish
19 a procurement process to select a successor private manager if
20 a private management agreement has been terminated. The
21 selection process shall at a minimum take into account the
22 criteria set forth in items (1) through (4) of subsection (e)
23 of this Section and may include provisions consistent with
24 subsections (f), (g), (h), and (i) of this Section. The Chief
25 Procurement Officer shall also implement and administer the
26 adopted selection process upon the termination of a private

1 management agreement. The Department, after the Chief
2 Procurement Officer certifies that the procurement process has
3 been followed in accordance with the rules adopted under this
4 subsection (o), shall select a final offeror as the private
5 manager and sign the management agreement with the private
6 manager.

7 Except as provided in Sections 21.2, 21.5, 21.6, 21.7,
8 21.8, and 21.9, the Department shall distribute all proceeds of
9 lottery tickets and shares sold in the following priority and
10 manner:

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

12 (2) The payment of costs incurred in the operation and
13 administration of the Lottery, including the payment of
14 sums due to the private manager under the management
15 agreement with the Department.

16 (3) On the last day of each month or as soon thereafter
17 as possible, the State Comptroller shall direct and the
18 State Treasurer shall transfer from the State Lottery Fund
19 to the Common School Fund an amount that is equal to the
20 proceeds transferred in the corresponding month of fiscal
21 year 2009, as adjusted for inflation, to the Common School
22 Fund.

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

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

3 (1) the Department shall submit written quarterly
4 reports to the Governor and the General Assembly on the
5 activities and actions of the private manager selected
6 under this Section;

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

16 (3) at least 30 days prior to the beginning of the
17 Department's fiscal year, the Department shall prepare an
18 annual written report on the activities of the private
19 manager selected under this Section and deliver that report
20 to the Governor and General Assembly.

21 (Source: P.A. 97-464, eff. 8-19-11; 98-463, eff. 8-16-13;
22 98-649, eff. 6-16-14.)

23 Section 90-10. The Department of Revenue Law of the Civil
24 Administrative Code of Illinois is amended by changing Section
25 2505-305 as follows:

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

2 Sec. 2505-305. Investigators.

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

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

17 (c) The Department may enter into agreements with the
18 Illinois Gaming Board providing that investigators appointed
19 under this Section shall exercise the peace officer powers set
20 forth in paragraph (20.6) of subsection (c) of Section 5 of the
21 Illinois Riverboat ~~Riverboat~~ Gambling Act.

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

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

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

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

6 The Auditor General has jurisdiction over local government
7 agencies and private agencies only:

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

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

20 (c) to make audits of the records of local government
21 agencies to verify actual costs of state-mandated programs
22 when directed to do so by the Legislative Audit Commission
23 at the request of the State Board of Appeals under the
24 State Mandates Act.

25 In addition to the foregoing, the Auditor General may

1 conduct an audit of the Metropolitan Pier and Exposition
2 Authority, the Regional Transportation Authority, the Suburban
3 Bus Division, the Commuter Rail Division and the Chicago
4 Transit Authority and any other subsidized carrier when
5 authorized by the Legislative Audit Commission. Such audit may
6 be a financial, management or program audit, or any combination
7 thereof.

8 The audit shall determine whether they are operating in
9 accordance with all applicable laws and regulations. Subject to
10 the limitations of this Act, the Legislative Audit Commission
11 may by resolution specify additional determinations to be
12 included in the scope of the audit.

13 In addition to the foregoing, the Auditor General must also
14 conduct a financial audit of the Illinois Sports Facilities
15 Authority's expenditures of public funds in connection with the
16 reconstruction, renovation, remodeling, extension, or
17 improvement of all or substantially all of any existing
18 "facility", as that term is defined in the Illinois Sports
19 Facilities Authority Act.

20 The Auditor General may also conduct an audit, when
21 authorized by the Legislative Audit Commission, of any hospital
22 which receives 10% or more of its gross revenues from payments
23 from the State of Illinois, Department of Healthcare and Family
24 Services (formerly Department of Public Aid), Medical
25 Assistance Program.

26 The Auditor General is authorized to conduct financial and

1 compliance audits of the Illinois Distance Learning Foundation
2 and the Illinois Conservation Foundation.

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

14 The Auditor General shall conduct a financial and
15 compliance and program audit of distributions from the
16 Municipal Economic Development Fund during the immediately
17 preceding calendar year pursuant to Section 8-403.1 of the
18 Public Utilities Act at no cost to the city, village, or
19 incorporated town that received the distributions.

20 The Auditor General must conduct an audit of the Health
21 Facilities and Services Review Board pursuant to Section 19.5
22 of the Illinois Health Facilities Planning Act.

23 The Auditor General must conduct an audit of the Chicago
24 Casino Development Authority pursuant to Section 1-60 of the
25 Chicago Casino Development Authority Act.

26 The Auditor General of the State of Illinois shall annually

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

14 The Auditor General must conduct audits of the Rend Lake
15 Conservancy District as provided in Section 25.5 of the River
16 Conservancy Districts Act.

17 The Auditor General must conduct financial audits of the
18 Southeastern Illinois Economic Development Authority as
19 provided in Section 70 of the Southeastern Illinois Economic
20 Development Authority Act.

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

24 (Source: P.A. 95-331, eff. 8-21-07; 96-31, eff. 6-30-09;
25 96-939, eff. 6-24-10.)

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

4 (30 ILCS 105/5.878 new)

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

6 (30 ILCS 105/5.879 new)

7 Sec. 5.879. The Depressed Communities Economic Development
8 Fund.

9 (30 ILCS 105/5.880 new)

10 Sec. 5.880. The Latino Community Economic Development
11 Fund.

12 (30 ILCS 105/6z-45)

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

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

16 In addition to any other deposits authorized by law,
17 beginning January 1, 2000, on the first day of each month, or
18 as soon thereafter as may be practical, the State Treasurer and
19 State Comptroller shall transfer the sum of \$5,000,000 from the
20 General Revenue Fund to the School Infrastructure Fund, except
21 that, notwithstanding any other provision of law, and in
22 addition to any other transfers that may be provided for by

1 law, before June 30, 2012, the Comptroller and the Treasurer
2 shall transfer \$45,000,000 from the General Revenue Fund into
3 the School Infrastructure Fund, and, for fiscal year 2013 only,
4 the Treasurer and the Comptroller shall transfer \$1,250,000
5 from the General Revenue Fund to the School Infrastructure Fund
6 on the first day of each month; provided, however, that no such
7 transfers shall be made from July 1, 2001 through June 30,
8 2003.

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

17 In addition to other transfers to the General Obligation
18 Bond Retirement and Interest Fund made pursuant to Section 15
19 of the General Obligation Bond Act, upon each delivery of bonds
20 issued for construction of school improvements under the School
21 Construction Law, the State Comptroller shall compute and
22 certify to the State Treasurer the total amount of principal
23 of, interest on, and premium, if any, on such bonds during the
24 then current and each succeeding fiscal year. With respect to
25 the interest payable on variable rate bonds, such
26 certifications shall be calculated at the maximum rate of

1 interest that may be payable during the fiscal year, after
2 taking into account any credits permitted in the related
3 indenture or other instrument against the amount of such
4 interest required to be appropriated for that period.

5 On or before the last day of each month, the State
6 Treasurer and State Comptroller shall transfer from the School
7 Infrastructure Fund to the General Obligation Bond Retirement
8 and Interest Fund an amount sufficient to pay the aggregate of
9 the principal of, interest on, and premium, if any, on the
10 bonds payable on their next payment date, divided by the number
11 of monthly transfers occurring between the last previous
12 payment date (or the delivery date if no payment date has yet
13 occurred) and the next succeeding payment date. Interest
14 payable on variable rate bonds shall be calculated at the
15 maximum rate of interest that may be payable for the relevant
16 period, after taking into account any credits permitted in the
17 related indenture or other instrument against the amount of
18 such interest required to be appropriated for that period.
19 Interest for which moneys have already been deposited into the
20 capitalized interest account within the General Obligation
21 Bond Retirement and Interest Fund shall not be included in the
22 calculation of the amounts to be transferred under this
23 subsection.

24 (b-5) The money deposited into the School Infrastructure
25 Fund from transfers pursuant to subsections (c-30) and (c-35)
26 of Section 13 of the Illinois Riverboat Gambling Act shall be

1 applied, without further direction, as provided in subsection
2 (b-3) of Section 5-35 of the School Construction Law.

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

7 First - to make 3 payments to the School Technology
8 Revolving Loan Fund as follows:

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

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

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

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

16 Third - to pay any amounts due for grants for school
17 construction projects and debt service under the School
18 Construction Law.

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

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

22 (30 ILCS 105/6z-102 new)

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

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

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

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

20 (d) The Fund shall not be subject to administrative charges
21 or chargebacks, including, but not limited to, those authorized
22 under subsection (h) of Section 8 of this Act.

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

1 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

2 Sec. 201. Tax Imposed.

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

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

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

17 (2) In the case of an individual, trust or estate, for
18 taxable years beginning prior to July 1, 1989 and ending
19 after June 30, 1989, an amount equal to the sum of (i) 2
20 1/2% of the taxpayer's net income for the period prior to
21 July 1, 1989, as calculated under Section 202.3, and (ii)
22 3% of the taxpayer's net income for the period after June
23 30, 1989, as calculated under Section 202.3.

24 (3) In the case of an individual, trust or estate, for
25 taxable years beginning after June 30, 1989, and ending
26 prior to January 1, 2011, an amount equal to 3% of the

1 taxpayer's net income for the taxable year.

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

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

13 (5.1) In the case of an individual, trust, or estate,
14 for taxable years beginning prior to January 1, 2015, and
15 ending after December 31, 2014, an amount equal to the sum
16 of (i) 5% of the taxpayer's net income for the period prior
17 to January 1, 2015, as calculated under Section 202.5, and
18 (ii) 3.75% of the taxpayer's net income for the period
19 after December 31, 2014, as calculated under Section 202.5.

20 (5.2) In the case of an individual, trust, or estate,
21 for taxable years beginning on or after January 1, 2015,
22 and ending prior to January 1, 2025, an amount equal to
23 3.75% of the taxpayer's net income for the taxable year.

24 (5.3) In the case of an individual, trust, or estate,
25 for taxable years beginning prior to January 1, 2025, and
26 ending after December 31, 2024, an amount equal to the sum

1 of (i) 3.75% of the taxpayer's net income for the period
2 prior to January 1, 2025, as calculated under Section
3 202.5, and (ii) 3.25% of the taxpayer's net income for the
4 period after December 31, 2024, as calculated under Section
5 202.5.

6 (5.4) In the case of an individual, trust, or estate,
7 for taxable years beginning on or after January 1, 2025, an
8 amount equal to 3.25% of the taxpayer's net income for the
9 taxable year.

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

13 (7) In the case of a corporation, for taxable years
14 beginning prior to July 1, 1989 and ending after June 30,
15 1989, an amount equal to the sum of (i) 4% of the
16 taxpayer's net income for the period prior to July 1, 1989,
17 as calculated under Section 202.3, and (ii) 4.8% of the
18 taxpayer's net income for the period after June 30, 1989,
19 as calculated under Section 202.3.

20 (8) In the case of a corporation, for taxable years
21 beginning after June 30, 1989, and ending prior to January
22 1, 2011, an amount equal to 4.8% of the taxpayer's net
23 income for the taxable year.

24 (9) In the case of a corporation, for taxable years
25 beginning prior to January 1, 2011, and ending after
26 December 31, 2010, an amount equal to the sum of (i) 4.8%

1 of the taxpayer's net income for the period prior to
2 January 1, 2011, as calculated under Section 202.5, and
3 (ii) 7% of the taxpayer's net income for the period after
4 December 31, 2010, as calculated under Section 202.5.

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

9 (11) In the case of a corporation, for taxable years
10 beginning prior to January 1, 2015, and ending after
11 December 31, 2014, an amount equal to the sum of (i) 7% of
12 the taxpayer's net income for the period prior to January
13 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
14 of the taxpayer's net income for the period after December
15 31, 2014, as calculated under Section 202.5.

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

20 (13) In the case of a corporation, for taxable years
21 beginning prior to January 1, 2025, and ending after
22 December 31, 2024, an amount equal to the sum of (i) 5.25%
23 of the taxpayer's net income for the period prior to
24 January 1, 2025, as calculated under Section 202.5, and
25 (ii) 4.8% of the taxpayer's net income for the period after
26 December 31, 2024, as calculated under Section 202.5.

1 (14) In the case of a corporation, for taxable years
2 beginning on or after January 1, 2025, an amount equal to
3 4.8% of the taxpayer's net income for the taxable year.

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

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

18 (1) the electronic gaming license, organization
19 license, or race track property is transferred as a result
20 of any of the following:

21 (A) bankruptcy, a receivership, or a debt
22 adjustment initiated by or against the initial
23 licensee or the substantial owners of the initial
24 licensee;

25 (B) cancellation, revocation, or termination of
26 any such license by the Illinois Gaming Board or the

1 Illinois Racing Board;

2 (C) a determination by the Illinois Gaming Board
3 that transfer of the license is in the best interests
4 of Illinois gaming;

5 (D) the death of an owner of the equity interest in
6 a licensee;

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

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

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

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

21 (3) live horse racing was not conducted in 2011 under a
22 license issued pursuant to the Illinois Horse Racing Act of
23 1975.

24 The transfer of an electronic gaming license, organization
25 license, or race track property by a person other than the
26 initial licensee to receive the electronic gaming license is

1 not subject to a surcharge. The Department shall adopt rules
2 necessary to implement and administer this subsection.

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

16 (d) Additional Personal Property Tax Replacement Income
17 Tax Rates. The personal property tax replacement income tax
18 imposed by this subsection and subsection (c) of this Section
19 in the case of a corporation, other than a Subchapter S
20 corporation and except as adjusted by subsection (d-1), shall
21 be an additional amount equal to 2.85% of such taxpayer's net
22 income for the taxable year, except that beginning on January
23 1, 1981, and thereafter, the rate of 2.85% specified in this
24 subsection shall be reduced to 2.5%, and in the case of a
25 partnership, trust or a Subchapter S corporation shall be an
26 additional amount equal to 1.5% of such taxpayer's net income

1 for the taxable year.

2 (d-1) Rate reduction for certain foreign insurers. In the
3 case of a foreign insurer, as defined by Section 35A-5 of the
4 Illinois Insurance Code, whose state or country of domicile
5 imposes on insurers domiciled in Illinois a retaliatory tax
6 (excluding any insurer whose premiums from reinsurance assumed
7 are 50% or more of its total insurance premiums as determined
8 under paragraph (2) of subsection (b) of Section 304, except
9 that for purposes of this determination premiums from
10 reinsurance do not include premiums from inter-affiliate
11 reinsurance arrangements), beginning with taxable years ending
12 on or after December 31, 1999, the sum of the rates of tax
13 imposed by subsections (b) and (d) shall be reduced (but not
14 increased) to the rate at which the total amount of tax imposed
15 under this Act, net of all credits allowed under this Act,
16 shall equal (i) the total amount of tax that would be imposed
17 on the foreign insurer's net income allocable to Illinois for
18 the taxable year by such foreign insurer's state or country of
19 domicile if that net income were subject to all income taxes
20 and taxes measured by net income imposed by such foreign
21 insurer's state or country of domicile, net of all credits
22 allowed or (ii) a rate of zero if no such tax is imposed on such
23 income by the foreign insurer's state of domicile. For the
24 purposes of this subsection (d-1), an inter-affiliate includes
25 a mutual insurer under common management.

26 (1) For the purposes of subsection (d-1), in no event

1 shall the sum of the rates of tax imposed by subsections
2 (b) and (d) be reduced below the rate at which the sum of:

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

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

18 (2) Any reduction in the rates of tax imposed by this
19 subsection shall be applied first against the rates imposed
20 by subsection (b) and only after the tax imposed by
21 subsection (a) net of all credits allowed under this
22 Section other than the credit allowed under subsection (i)
23 has been reduced to zero, against the rates imposed by
24 subsection (d).

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

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

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

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

1 or, if the amount of the credit exceeds the tax liability
2 for that year, whether it exceeds the original liability or
3 the liability as later amended, such excess may be carried
4 forward and applied to the tax liability of the 5 taxable
5 years following the excess credit years. The credit shall
6 be applied to the earliest year for which there is a
7 liability. If there is credit from more than one tax year
8 that is available to offset a liability, earlier credit
9 shall be applied first.

10 (2) The term "qualified property" means property
11 which:

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

19 (B) is depreciable pursuant to Section 167 of the
20 Internal Revenue Code, except that "3-year property"
21 as defined in Section 168(c)(2)(A) of that Code is not
22 eligible for the credit provided by this subsection
23 (e);

24 (C) is acquired by purchase as defined in Section
25 179(d) of the Internal Revenue Code;

26 (D) is used in Illinois by a taxpayer who is

1 primarily engaged in manufacturing, or in mining coal
2 or fluorite, or in retailing, or was placed in service
3 on or after July 1, 2006 in a River Edge Redevelopment
4 Zone established pursuant to the River Edge
5 Redevelopment Zone Act; and

6 (E) has not previously been used in Illinois in
7 such a manner and by such a person as would qualify for
8 the credit provided by this subsection (e) or
9 subsection (f).

10 (3) For purposes of this subsection (e),
11 "manufacturing" means the material staging and production
12 of tangible personal property by procedures commonly
13 regarded as manufacturing, processing, fabrication, or
14 assembling which changes some existing material into new
15 shapes, new qualities, or new combinations. For purposes of
16 this subsection (e) the term "mining" shall have the same
17 meaning as the term "mining" in Section 613(c) of the
18 Internal Revenue Code. For purposes of this subsection (e),
19 the term "retailing" means the sale of tangible personal
20 property for use or consumption and not for resale, or
21 services rendered in conjunction with the sale of tangible
22 personal property for use or consumption and not for
23 resale. For purposes of this subsection (e), "tangible
24 personal property" has the same meaning as when that term
25 is used in the Retailers' Occupation Tax Act, and, for
26 taxable years ending after December 31, 2008, does not

1 include the generation, transmission, or distribution of
2 electricity.

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

6 (5) If the basis of the property for federal income tax
7 depreciation purposes is increased after it has been placed
8 in service in Illinois by the taxpayer, the amount of such
9 increase shall be deemed property placed in service on the
10 date of such increase in basis.

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

13 (7) If during any taxable year, any property ceases to
14 be qualified property in the hands of the taxpayer within
15 48 months after being placed in service, or the situs of
16 any qualified property is moved outside Illinois within 48
17 months after being placed in service, the Personal Property
18 Tax Replacement Income Tax for such taxable year shall be
19 increased. Such increase shall be determined by (i)
20 recomputing the investment credit which would have been
21 allowed for the year in which credit for such property was
22 originally allowed by eliminating such property from such
23 computation and, (ii) subtracting such recomputed credit
24 from the amount of credit previously allowed. For the
25 purposes of this paragraph (7), a reduction of the basis of
26 qualified property resulting from a redetermination of the

1 purchase price shall be deemed a disposition of qualified
2 property to the extent of such reduction.

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

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

24 For taxable years ending on or after December 31, 2000,
25 a partner that qualifies its partnership for a subtraction
26 under subparagraph (I) of paragraph (2) of subsection (d)

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

12 (f) Investment credit; Enterprise Zone; River Edge
13 Redevelopment Zone.

14 (1) A taxpayer shall be allowed a credit against the
15 tax imposed by subsections (a) and (b) of this Section for
16 investment in qualified property which is placed in service
17 in an Enterprise Zone created pursuant to the Illinois
18 Enterprise Zone Act or, for property placed in service on
19 or after July 1, 2006, a River Edge Redevelopment Zone
20 established pursuant to the River Edge Redevelopment Zone
21 Act. For partners, shareholders of Subchapter S
22 corporations, and owners of limited liability companies,
23 if the liability company is treated as a partnership for
24 purposes of federal and State income taxation, there shall
25 be allowed a credit under this subsection (f) to be
26 determined in accordance with the determination of income

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

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

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

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

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

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

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

7 (E) has not been previously used in Illinois in
8 such a manner and by such a person as would qualify for
9 the credit provided by this subsection (f) or
10 subsection (e).

11 (3) The basis of qualified property shall be the basis
12 used to compute the depreciation deduction for federal
13 income tax purposes.

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

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

22 (6) If during any taxable year, any property ceases to
23 be qualified property in the hands of the taxpayer within
24 48 months after being placed in service, or the situs of
25 any qualified property is moved outside the Enterprise Zone
26 or River Edge Redevelopment Zone within 48 months after

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

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

1 the additional credit shall be limited to that percentage
2 times a fraction, the numerator of which is 0.5% and the
3 denominator of which is 1%, but shall not exceed 0.5%.

4 (g) (Blank).

5 (h) Investment credit; High Impact Business.

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

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

19 Changes made in this subdivision (h) (1) by Public Act
20 88-670 restore changes made by Public Act 85-1182 and
21 reflect existing law.

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

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

25 (B) is depreciable pursuant to Section 167 of the
26 Internal Revenue Code, except that "3-year property"

1 as defined in Section 168(c)(2)(A) of that Code is not
2 eligible for the credit provided by this subsection
3 (h);

4 (C) is acquired by purchase as defined in Section
5 179(d) of the Internal Revenue Code; and

6 (D) is not eligible for the Enterprise Zone
7 Investment Credit provided by subsection (f) of this
8 Section.

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

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

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

20 (6) If during any taxable year ending on or before
21 December 31, 1996, any property ceases to be qualified
22 property in the hands of the taxpayer within 48 months
23 after being placed in service, or the situs of any
24 qualified property is moved outside Illinois within 48
25 months after being placed in service, the tax imposed under
26 subsections (a) and (b) of this Section for such taxable

1 year shall be increased. Such increase shall be determined
2 by (i) recomputing the investment credit which would have
3 been allowed for the year in which credit for such property
4 was originally allowed by eliminating such property from
5 such computation, and (ii) subtracting such recomputed
6 credit from the amount of credit previously allowed. For
7 the purposes of this paragraph (6), a reduction of the
8 basis of qualified property resulting from a
9 redetermination of the purchase price shall be deemed a
10 disposition of qualified property to the extent of such
11 reduction.

12 (7) Beginning with tax years ending after December 31,
13 1996, if a taxpayer qualifies for the credit under this
14 subsection (h) and thereby is granted a tax abatement and
15 the taxpayer relocates its entire facility in violation of
16 the explicit terms and length of the contract under Section
17 18-183 of the Property Tax Code, the tax imposed under
18 subsections (a) and (b) of this Section shall be increased
19 for the taxable year in which the taxpayer relocated its
20 facility by an amount equal to the amount of credit
21 received by the taxpayer under this subsection (h).

22 (i) Credit for Personal Property Tax Replacement Income
23 Tax. For tax years ending prior to December 31, 2003, a credit
24 shall be allowed against the tax imposed by subsections (a) and
25 (b) of this Section for the tax imposed by subsections (c) and
26 (d) of this Section. This credit shall be computed by

1 multiplying the tax imposed by subsections (c) and (d) of this
2 Section by a fraction, the numerator of which is base income
3 allocable to Illinois and the denominator of which is Illinois
4 base income, and further multiplying the product by the tax
5 rate imposed by subsections (a) and (b) of this Section.

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

20 If, during any taxable year ending on or after December 31,
21 1986, the tax imposed by subsections (c) and (d) of this
22 Section for which a taxpayer has claimed a credit under this
23 subsection (i) is reduced, the amount of credit for such tax
24 shall also be reduced. Such reduction shall be determined by
25 recomputing the credit to take into account the reduced tax
26 imposed by subsections (c) and (d). If any portion of the

1 reduced amount of credit has been carried to a different
2 taxable year, an amended return shall be filed for such taxable
3 year to reduce the amount of credit claimed.

4 (j) Training expense credit. Beginning with tax years
5 ending on or after December 31, 1986 and prior to December 31,
6 2003, a taxpayer shall be allowed a credit against the tax
7 imposed by subsections (a) and (b) under this Section for all
8 amounts paid or accrued, on behalf of all persons employed by
9 the taxpayer in Illinois or Illinois residents employed outside
10 of Illinois by a taxpayer, for educational or vocational
11 training in semi-technical or technical fields or semi-skilled
12 or skilled fields, which were deducted from gross income in the
13 computation of taxable income. The credit against the tax
14 imposed by subsections (a) and (b) shall be 1.6% of such
15 training expenses. For partners, shareholders of subchapter S
16 corporations, and owners of limited liability companies, if the
17 liability company is treated as a partnership for purposes of
18 federal and State income taxation, there shall be allowed a
19 credit under this subsection (j) to be determined in accordance
20 with the determination of income and distributive share of
21 income under Sections 702 and 704 and subchapter S of the
22 Internal Revenue Code.

23 Any credit allowed under this subsection which is unused in
24 the year the credit is earned may be carried forward to each of
25 the 5 taxable years following the year for which the credit is
26 first computed until it is used. This credit shall be applied

1 first to the earliest year for which there is a liability. If
2 there is a credit under this subsection from more than one tax
3 year that is available to offset a liability the earliest
4 credit arising under this subsection shall be applied first. No
5 carryforward credit may be claimed in any tax year ending on or
6 after December 31, 2003.

7 (k) Research and development credit. For tax years ending
8 after July 1, 1990 and prior to December 31, 2003, and
9 beginning again for tax years ending on or after December 31,
10 2004, and ending prior to January 1, 2016, a taxpayer shall be
11 allowed a credit against the tax imposed by subsections (a) and
12 (b) of this Section for increasing research activities in this
13 State. The credit allowed against the tax imposed by
14 subsections (a) and (b) shall be equal to 6 1/2% of the
15 qualifying expenditures for increasing research activities in
16 this State. For partners, shareholders of subchapter S
17 corporations, and owners of limited liability companies, if the
18 liability company is treated as a partnership for purposes of
19 federal and State income taxation, there shall be allowed a
20 credit under this subsection to be determined in accordance
21 with the determination of income and distributive share of
22 income under Sections 702 and 704 and subchapter S of the
23 Internal Revenue Code.

24 For purposes of this subsection, "qualifying expenditures"
25 means the qualifying expenditures as defined for the federal
26 credit for increasing research activities which would be

1 allowable under Section 41 of the Internal Revenue Code and
2 which are conducted in this State, "qualifying expenditures for
3 increasing research activities in this State" means the excess
4 of qualifying expenditures for the taxable year in which
5 incurred over qualifying expenditures for the base period,
6 "qualifying expenditures for the base period" means the average
7 of the qualifying expenditures for each year in the base
8 period, and "base period" means the 3 taxable years immediately
9 preceding the taxable year for which the determination is being
10 made.

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

19 If an unused credit is carried forward to a given year from
20 2 or more earlier years, that credit arising in the earliest
21 year will be applied first against the tax liability for the
22 given year. If a tax liability for the given year still
23 remains, the credit from the next earliest year will then be
24 applied, and so on, until all credits have been used or no tax
25 liability for the given year remains. Any remaining unused
26 credit or credits then will be carried forward to the next

1 following year in which a tax liability is incurred, except
2 that no credit can be carried forward to a year which is more
3 than 5 years after the year in which the expense for which the
4 credit is given was incurred.

5 No inference shall be drawn from this amendatory Act of the
6 91st General Assembly in construing this Section for taxable
7 years beginning before January 1, 1999.

8 (1) Environmental Remediation Tax Credit.

9 (i) For tax years ending after December 31, 1997 and on
10 or before December 31, 2001, a taxpayer shall be allowed a
11 credit against the tax imposed by subsections (a) and (b)
12 of this Section for certain amounts paid for unreimbursed
13 eligible remediation costs, as specified in this
14 subsection. For purposes of this Section, "unreimbursed
15 eligible remediation costs" means costs approved by the
16 Illinois Environmental Protection Agency ("Agency") under
17 Section 58.14 of the Environmental Protection Act that were
18 paid in performing environmental remediation at a site for
19 which a No Further Remediation Letter was issued by the
20 Agency and recorded under Section 58.10 of the
21 Environmental Protection Act. The credit must be claimed
22 for the taxable year in which Agency approval of the
23 eligible remediation costs is granted. The credit is not
24 available to any taxpayer if the taxpayer or any related
25 party caused or contributed to, in any material respect, a
26 release of regulated substances on, in, or under the site

1 that was identified and addressed by the remedial action
2 pursuant to the Site Remediation Program of the
3 Environmental Protection Act. After the Pollution Control
4 Board rules are adopted pursuant to the Illinois
5 Administrative Procedure Act for the administration and
6 enforcement of Section 58.9 of the Environmental
7 Protection Act, determinations as to credit availability
8 for purposes of this Section shall be made consistent with
9 those rules. For purposes of this Section, "taxpayer"
10 includes a person whose tax attributes the taxpayer has
11 succeeded to under Section 381 of the Internal Revenue Code
12 and "related party" includes the persons disallowed a
13 deduction for losses by paragraphs (b), (c), and (f) (1) of
14 Section 267 of the Internal Revenue Code by virtue of being
15 a related taxpayer, as well as any of its partners. The
16 credit allowed against the tax imposed by subsections (a)
17 and (b) shall be equal to 25% of the unreimbursed eligible
18 remediation costs in excess of \$100,000 per site, except
19 that the \$100,000 threshold shall not apply to any site
20 contained in an enterprise zone as determined by the
21 Department of Commerce and Community Affairs (now
22 Department of Commerce and Economic Opportunity). The
23 total credit allowed shall not exceed \$40,000 per year with
24 a maximum total of \$150,000 per site. For partners and
25 shareholders of subchapter S corporations, there shall be
26 allowed a credit under this subsection to be determined in

1 accordance with the determination of income and
2 distributive share of income under Sections 702 and 704 and
3 subchapter S of the Internal Revenue Code.

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

1 taxpayer if the taxpayer or a related party would not be
2 eligible under the provisions of subsection (i).

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

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

18 For purposes of this subsection:

19 "Qualifying pupils" means individuals who (i) are
20 residents of the State of Illinois, (ii) are under the age of
21 21 at the close of the school year for which a credit is
22 sought, and (iii) during the school year for which a credit is
23 sought were full-time pupils enrolled in a kindergarten through
24 twelfth grade education program at any school, as defined in
25 this subsection.

26 "Qualified education expense" means the amount incurred on

1 behalf of a qualifying pupil in excess of \$250 for tuition,
2 book fees, and lab fees at the school in which the pupil is
3 enrolled during the regular school year.

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

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

14 (n) River Edge Redevelopment Zone site remediation tax
15 credit.

16 (i) For tax years ending on or after December 31, 2006,
17 a taxpayer shall be allowed a credit against the tax
18 imposed by subsections (a) and (b) of this Section for
19 certain amounts paid for unreimbursed eligible remediation
20 costs, as specified in this subsection. For purposes of
21 this Section, "unreimbursed eligible remediation costs"
22 means costs approved by the Illinois Environmental
23 Protection Agency ("Agency") under Section 58.14a of the
24 Environmental Protection Act that were paid in performing
25 environmental remediation at a site within a River Edge
26 Redevelopment Zone for which a No Further Remediation

1 Letter was issued by the Agency and recorded under Section
2 58.10 of the Environmental Protection Act. The credit must
3 be claimed for the taxable year in which Agency approval of
4 the eligible remediation costs is granted. The credit is
5 not available to any taxpayer if the taxpayer or any
6 related party caused or contributed to, in any material
7 respect, a release of regulated substances on, in, or under
8 the site that was identified and addressed by the remedial
9 action pursuant to the Site Remediation Program of the
10 Environmental Protection Act. Determinations as to credit
11 availability for purposes of this Section shall be made
12 consistent with rules adopted by the Pollution Control
13 Board pursuant to the Illinois Administrative Procedure
14 Act for the administration and enforcement of Section 58.9
15 of the Environmental Protection Act. For purposes of this
16 Section, "taxpayer" includes a person whose tax attributes
17 the taxpayer has succeeded to under Section 381 of the
18 Internal Revenue Code and "related party" includes the
19 persons disallowed a deduction for losses by paragraphs
20 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
21 Code by virtue of being a related taxpayer, as well as any
22 of its partners. The credit allowed against the tax imposed
23 by subsections (a) and (b) shall be equal to 25% of the
24 unreimbursed eligible remediation costs in excess of
25 \$100,000 per site.

26 (ii) A credit allowed under this subsection that is

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

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

25 (o) For each of taxable years during the Compassionate Use
26 of Medical Cannabis Pilot Program, a surcharge is imposed on

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

9 (1) the medical cannabis cultivation center
10 registration, medical cannabis dispensary registration, or
11 the property of a registration is transferred as a result
12 of any of the following:

13 (A) bankruptcy, a receivership, or a debt
14 adjustment initiated by or against the initial
15 registration or the substantial owners of the initial
16 registration;

17 (B) cancellation, revocation, or termination of
18 any registration by the Illinois Department of Public
19 Health;

20 (C) a determination by the Illinois Department of
21 Public Health that transfer of the registration is in
22 the best interests of Illinois qualifying patients as
23 defined by the Compassionate Use of Medical Cannabis
24 Pilot Program Act;

25 (D) the death of an owner of the equity interest in
26 a registrant;

1 (E) the acquisition of a controlling interest in
2 the stock or substantially all of the assets of a
3 publicly traded company;

4 (F) a transfer by a parent company to a wholly
5 owned subsidiary; or

6 (G) the transfer or sale to or by one person to
7 another person where both persons were initial owners
8 of the registration when the registration was issued;
9 or

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

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

20 (35 ILCS 5/303) (from Ch. 120, par. 3-303)

21 Sec. 303. (a) In general. Any item of capital gain or loss,
22 and any item of income from rents or royalties from real or
23 tangible personal property, interest, dividends, and patent or
24 copyright royalties, and prizes awarded under the Illinois
25 Lottery Law, and, for taxable years ending on or after December

1 31, 2017, wagering and gambling winnings from Illinois sources
2 as set forth in subsection (e-1) of this Section, to the extent
3 such item constitutes nonbusiness income, together with any
4 item of deduction directly allocable thereto, shall be
5 allocated by any person other than a resident as provided in
6 this Section.

7 (b) Capital gains and losses.

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

11 (2) Tangible personal property. Capital gains and
12 losses from sales or exchanges of tangible personal
13 property are allocable to this State if, at the time of
14 such sale or exchange:

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

16 (B) The taxpayer had its commercial domicile in
17 this State and was not taxable in the state in which
18 the property had its situs.

19 (3) Intangibles. Capital gains and losses from sales or
20 exchanges of intangible personal property are allocable to
21 this State if the taxpayer had its commercial domicile in
22 this State at the time of such sale or exchange.

23 (c) Rents and royalties.

24 (1) Real property. Rents and royalties from real
25 property are allocable to this State if the property is
26 located in this State.

1 (2) Tangible personal property. Rents and royalties
2 from tangible personal property are allocable to this
3 State:

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

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

26 (d) Patent and copyright royalties.

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

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

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

11 (2) Utilization.

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

21 (B) A copyright is utilized in a state to the
22 extent that printing or other publication originates
23 in the state. If the basis of receipts from copyright
24 royalties does not permit allocation to states or if
25 the accounting procedures do not reflect states of
26 utilization, the copyright is utilized in this State if

1 the taxpayer has its commercial domicile in this State.

2 (e) Illinois lottery prizes. Prizes awarded under the
3 Illinois Lottery Law are allocable to this State. Payments
4 received in taxable years ending on or after December 31, 2013,
5 from the assignment of a prize under Section 13.1 of the
6 Illinois Lottery Law are allocable to this State.

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

14 (e-5) Unemployment benefits. Unemployment benefits paid by
15 the Illinois Department of Employment Security are allocable to
16 this State.

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

20 (1) In that state he is subject to a net income tax, a
21 franchise tax measured by net income, a franchise tax for
22 the privilege of doing business, or a corporate stock tax;
23 or

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

1 (g) Cross references.

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

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

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

7 (35 ILCS 5/304) (from Ch. 120, par. 3-304)

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

9 (a) In general. The business income of a person other than
10 a resident shall be allocated to this State if such person's
11 business income is derived solely from this State. If a person
12 other than a resident derives business income from this State
13 and one or more other states, then, for tax years ending on or
14 before December 30, 1998, and except as otherwise provided by
15 this Section, such person's business income shall be
16 apportioned to this State by multiplying the income by a
17 fraction, the numerator of which is the sum of the property
18 factor (if any), the payroll factor (if any) and 200% of the
19 sales factor (if any), and the denominator of which is 4
20 reduced by the number of factors other than the sales factor
21 which have a denominator of zero and by an additional 2 if the
22 sales factor has a denominator of zero. For tax years ending on
23 or after December 31, 1998, and except as otherwise provided by
24 this Section, persons other than residents who derive business
25 income from this State and one or more other states shall

1 compute their apportionment factor by weighting their
2 property, payroll, and sales factors as provided in subsection
3 (h) of this Section.

4 (1) Property factor.

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

13 (B) Property owned by the person is valued at its
14 original cost. Property rented by the person is valued at 8
15 times the net annual rental rate. Net annual rental rate is
16 the annual rental rate paid by the person less any annual
17 rental rate received by the person from sub-rentals.

18 (C) The average value of property shall be determined
19 by averaging the values at the beginning and ending of the
20 taxable year but the Director may require the averaging of
21 monthly values during the taxable year if reasonably
22 required to reflect properly the average value of the
23 person's property.

24 (2) Payroll factor.

25 (A) The payroll factor is a fraction, the numerator of
26 which is the total amount paid in this State during the

1 taxable year by the person for compensation, and the
2 denominator of which is the total compensation paid
3 everywhere during the taxable year.

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

5 (i) The individual's service is performed entirely
6 within this State;

7 (ii) The individual's service is performed both
8 within and without this State, but the service
9 performed without this State is incidental to the
10 individual's service performed within this State; or

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

19 (iv) Compensation paid to nonresident professional
20 athletes.

21 (a) General. The Illinois source income of a
22 nonresident individual who is a member of a
23 professional athletic team includes the portion of the
24 individual's total compensation for services performed
25 as a member of a professional athletic team during the
26 taxable year which the number of duty days spent within

1 this State performing services for the team in any
2 manner during the taxable year bears to the total
3 number of duty days spent both within and without this
4 State during the taxable year.

5 (b) Travel days. Travel days that do not involve
6 either a game, practice, team meeting, or other similar
7 team event are not considered duty days spent in this
8 State. However, such travel days are considered in the
9 total duty days spent both within and without this
10 State.

11 (c) Definitions. For purposes of this subpart
12 (iv):

13 (1) The term "professional athletic team"
14 includes, but is not limited to, any professional
15 baseball, basketball, football, soccer, or hockey
16 team.

17 (2) The term "member of a professional
18 athletic team" includes those employees who are
19 active players, players on the disabled list, and
20 any other persons required to travel and who travel
21 with and perform services on behalf of a
22 professional athletic team on a regular basis.
23 This includes, but is not limited to, coaches,
24 managers, and trainers.

25 (3) Except as provided in items (C) and (D) of
26 this subpart (3), the term "duty days" means all

1 days during the taxable year from the beginning of
2 the professional athletic team's official
3 pre-season training period through the last game
4 in which the team competes or is scheduled to
5 compete. Duty days shall be counted for the year in
6 which they occur, including where a team's
7 official pre-season training period through the
8 last game in which the team competes or is
9 scheduled to compete, occurs during more than one
10 tax year.

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

21 (B) Also included in duty days are game
22 days, practice days, days spent at team
23 meetings, promotional caravans, preseason
24 training camps, and days served with the team
25 through all post-season games in which the team
26 competes or is scheduled to compete.

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

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

22 (E) Days for which a member of a
23 professional athletic team is on the disabled
24 list and does not conduct rehabilitation
25 activities at facilities of the team, and is
26 not otherwise performing services for the team

1 in Illinois, shall not be considered duty days
2 spent in this State. All days on the disabled
3 list, however, are considered to be included in
4 total duty days spent both within and without
5 this State.

6 (4) The term "total compensation for services
7 performed as a member of a professional athletic
8 team" means the total compensation received during
9 the taxable year for services performed:

10 (A) from the beginning of the official
11 pre-season training period through the last
12 game in which the team competes or is scheduled
13 to compete during that taxable year; and

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

18 This compensation shall include, but is not
19 limited to, salaries, wages, bonuses as described
20 in this subpart, and any other type of compensation
21 paid during the taxable year to a member of a
22 professional athletic team for services performed
23 in that year. This compensation does not include
24 strike benefits, severance pay, termination pay,
25 contract or option year buy-out payments,
26 expansion or relocation payments, or any other

1 payments not related to services performed for the
2 team.

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

20 (3) Sales factor.

21 (A) The sales factor is a fraction, the numerator of
22 which is the total sales of the person in this State during
23 the taxable year, and the denominator of which is the total
24 sales of the person everywhere during the taxable year.

25 (B) Sales of tangible personal property are in this
26 State if:

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

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

21 (B-1) Patents, copyrights, trademarks, and similar
22 items of intangible personal property.

23 (i) Gross receipts from the licensing, sale, or
24 other disposition of a patent, copyright, trademark,
25 or similar item of intangible personal property, other
26 than gross receipts governed by paragraph (B-7) of this

1 item (3), are in this State to the extent the item is
2 utilized in this State during the year the gross
3 receipts are included in gross income.

4 (ii) Place of utilization.

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

19 (II) A copyright is utilized in a state to the
20 extent that printing or other publication
21 originates in the state. If a copyright is utilized
22 in more than one state, the extent to which it is
23 utilized in any one state shall be a fraction equal
24 to the gross receipts from sales or licenses of
25 materials printed or published in that state
26 divided by the total of such gross receipts for all

1 states in which the copyright is utilized.

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

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

15 (B-2) Gross receipts from the license, sale, or other
16 disposition of patents, copyrights, trademarks, and
17 similar items of intangible personal property, other than
18 gross receipts governed by paragraph (B-7) of this item
19 (3), may be included in the numerator or denominator of the
20 sales factor only if gross receipts from licenses, sales,
21 or other disposition of such items comprise more than 50%
22 of the taxpayer's total gross receipts included in gross
23 income during the tax year and during each of the 2
24 immediately preceding tax years; provided that, when a
25 taxpayer is a member of a unitary business group, such
26 determination shall be made on the basis of the gross

1 receipts of the entire unitary business group.

2 (B-5) For taxable years ending on or after December 31,
3 2008, except as provided in subsections (ii) through (vii),
4 receipts from the sale of telecommunications service or
5 mobile telecommunications service are in this State if the
6 customer's service address is in this State.

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

9 "Ancillary services" means services that are
10 associated with or incidental to the provision of
11 "telecommunications services", including but not
12 limited to "detailed telecommunications billing",
13 "directory assistance", "vertical service", and "voice
14 mail services".

15 "Air-to-Ground Radiotelephone service" means a
16 radio service, as that term is defined in 47 CFR 22.99,
17 in which common carriers are authorized to offer and
18 provide radio telecommunications service for hire to
19 subscribers in aircraft.

20 "Call-by-call Basis" means any method of charging
21 for telecommunications services where the price is
22 measured by individual calls.

23 "Communications Channel" means a physical or
24 virtual path of communications over which signals are
25 transmitted between or among customer channel
26 termination points.

1 "Conference bridging service" means an "ancillary
2 service" that links two or more participants of an
3 audio or video conference call and may include the
4 provision of a telephone number. "Conference bridging
5 service" does not include the "telecommunications
6 services" used to reach the conference bridge.

7 "Customer Channel Termination Point" means the
8 location where the customer either inputs or receives
9 the communications.

10 "Detailed telecommunications billing service"
11 means an "ancillary service" of separately stating
12 information pertaining to individual calls on a
13 customer's billing statement.

14 "Directory assistance" means an "ancillary
15 service" of providing telephone number information,
16 and/or address information.

17 "Home service provider" means the facilities based
18 carrier or reseller with which the customer contracts
19 for the provision of mobile telecommunications
20 services.

21 "Mobile telecommunications service" means
22 commercial mobile radio service, as defined in Section
23 20.3 of Title 47 of the Code of Federal Regulations as
24 in effect on June 1, 1999.

25 "Place of primary use" means the street address
26 representative of where the customer's use of the

1 telecommunications service primarily occurs, which
2 must be the residential street address or the primary
3 business street address of the customer. In the case of
4 mobile telecommunications services, "place of primary
5 use" must be within the licensed service area of the
6 home service provider.

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

19 "Prepaid telecommunication service" means the
20 right to access exclusively telecommunications
21 services, which must be paid for in advance and which
22 enables the origination of calls using an access number
23 or authorization code, whether manually or
24 electronically dialed, and that is sold in
25 predetermined units or dollars of which the number
26 declines with use in a known amount.

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

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

18 "Service address" means:

19 (a) The location of the telecommunications
20 equipment to which a customer's call is charged and
21 from which the call originates or terminates,
22 regardless of where the call is billed or paid;

23 (b) If the location in line (a) is not known,
24 service address means the origination point of the
25 signal of the telecommunications services first
26 identified by either the seller's

1 telecommunications system or in information
2 received by the seller from its service provider
3 where the system used to transport such signals is
4 not that of the seller; and

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

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

21 (a) Data processing and information services
22 that allow data to be generated, acquired, stored,
23 processed, or retrieved and delivered by an
24 electronic transmission to a purchaser when such
25 purchaser's primary purpose for the underlying
26 transaction is the processed data or information;

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

3 (c) Tangible personal property;

4 (d) Advertising, including but not limited to
5 directory advertising; ~~;~~

6 (e) Billing and collection services provided
7 to third parties;

8 (f) Internet access service;

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

19 (h) "Ancillary services"; or

20 (i) Digital products "delivered
21 electronically", including but not limited to
22 software, music, video, reading materials or ring
23 tones.

24 "Vertical service" means an "ancillary service"
25 that is offered in connection with one or more
26 "telecommunications services", which offers advanced

1 calling features that allow customers to identify
2 callers and to manage multiple calls and call
3 connections, including "conference bridging services".

4 "Voice mail service" means an "ancillary service"
5 that enables the customer to store, send or receive
6 recorded messages. "Voice mail service" does not
7 include any "vertical services" that the customer may
8 be required to have in order to utilize the "voice mail
9 service".

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

13 (a) The call both originates and terminates in
14 this State.

15 (b) The call either originates or terminates
16 in this State and the service address is located in
17 this State.

18 (iii) Receipts from the sale of postpaid
19 telecommunications service at retail are in this State
20 if the origination point of the telecommunication
21 signal, as first identified by the service provider's
22 telecommunication system or as identified by
23 information received by the seller from its service
24 provider if the system used to transport
25 telecommunication signals is not the seller's, is
26 located in this State.

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

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

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

14 (b) 100% of receipts from charges for the total
15 channel mileage between each channel termination
16 point in this State.

17 (c) 50% of the total receipts from charges for
18 service segments when those segments are between 2
19 customer channel termination points, 1 of which is
20 located in this State and the other is located
21 outside of this State, which segments are
22 separately charged.

23 (d) The receipts from charges for service
24 segments with a channel termination point located
25 in this State and in two or more other states, and
26 which segments are not separately billed, are in

1 this State based on a percentage determined by
2 dividing the number of customer channel
3 termination points in this State by the total
4 number of customer channel termination points.

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

14 (vii) Receipts to access a carrier's network or
15 from the sale of telecommunication services or
16 ancillary services for resale are in this State as
17 follows:

18 (a) 100% of the receipts from access fees
19 attributable to intrastate telecommunications
20 service that both originates and terminates in
21 this State.

22 (b) 50% of the receipts from access fees
23 attributable to interstate telecommunications
24 service if the interstate call either originates
25 or terminates in this State.

26 (c) 100% of the receipts from interstate end

1 user access line charges, if the customer's
2 service address is in this State. As used in this
3 subdivision, "interstate end user access line
4 charges" includes, but is not limited to, the
5 surcharge approved by the federal communications
6 commission and levied pursuant to 47 CFR 69.

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

18 (B-7) For taxable years ending on or after December 31,
19 2008, receipts from the sale of broadcasting services are
20 in this State if the broadcasting services are received in
21 this State. For purposes of this paragraph (B-7), the
22 following terms have the following meanings:

23 "Advertising revenue" means consideration received
24 by the taxpayer in exchange for broadcasting services
25 or allowing the broadcasting of commercials or
26 announcements in connection with the broadcasting of

1 film or radio programming, from sponsorships of the
2 programming, or from product placements in the
3 programming.

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

15 "Broadcast" or "broadcasting" or "broadcasting
16 services" means the transmission or provision of film
17 or radio programming, whether through the public
18 airwaves, by cable, by direct or indirect satellite
19 transmission, or by any other means of communication,
20 either through a station, a network, or a cable system.

21 "Film" or "film programming" means the broadcast
22 on television of any and all performances, events, or
23 productions, including but not limited to news,
24 sporting events, plays, stories, or other literary,
25 commercial, educational, or artistic works, either
26 live or through the use of video tape, disc, or any

1 other type of format or medium. Each episode of a
2 series of films produced for television shall
3 constitute separate "film" notwithstanding that the
4 series relates to the same principal subject and is
5 produced during one or more tax periods.

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

18 (i) In the case of advertising revenue from
19 broadcasting, the customer is the advertiser and
20 the service is received in this State if the
21 commercial domicile of the advertiser is in this
22 State.

23 (ii) In the case where film or radio
24 programming is broadcast by a station, a network,
25 or a cable system for a fee or other remuneration
26 received from the recipient of the broadcast, the

1 portion of the service that is received in this
2 State is measured by the portion of the recipients
3 of the broadcast located in this State.
4 Accordingly, the fee or other remuneration for
5 such service that is included in the Illinois
6 numerator of the sales factor is the total of those
7 fees or other remuneration received from
8 recipients in Illinois. For purposes of this
9 paragraph, a taxpayer may determine the location
10 of the recipients of its broadcast using the
11 address of the recipient shown in its contracts
12 with the recipient or using the billing address of
13 the recipient in the taxpayer's records.

14 (iii) In the case where film or radio
15 programming is broadcast by a station, a network,
16 or a cable system for a fee or other remuneration
17 from the person providing the programming, the
18 portion of the broadcast service that is received
19 by such station, network, or cable system in this
20 State is measured by the portion of recipients of
21 the broadcast located in this State. Accordingly,
22 the amount of revenue related to such an
23 arrangement that is included in the Illinois
24 numerator of the sales factor is the total fee or
25 other total remuneration from the person providing
26 the programming related to that broadcast

1 multiplied by the Illinois audience factor for
2 that broadcast.

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

16 (v) In the case where film or radio programming
17 is provided by a taxpayer that is not a network or
18 station to another person for broadcasting in
19 exchange for a fee or other remuneration from that
20 person, the broadcasting service is received at
21 the location of the office of the customer from
22 which the services were ordered in the regular
23 course of the customer's trade or business.
24 Accordingly, in such a case the revenue derived by
25 the taxpayer that is included in the taxpayer's
26 Illinois numerator of the sales factor is the

1 revenue from such customers who receive the
2 broadcasting service in Illinois.

3 (B-8) Gross receipts from winnings under the Illinois
4 Lottery Law from the assignment of a prize under Section
5 13.1 of the Illinois Lottery Law are received in this
6 State. This paragraph (B-8) applies only to taxable years
7 ending on or after December 31, 2013.

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

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

18 (i) The income-producing activity is performed in
19 this State; or

20 (ii) The income-producing activity is performed
21 both within and without this State and a greater
22 proportion of the income-producing activity is
23 performed within this State than without this State,
24 based on performance costs.

25 (C-5) For taxable years ending on or after December 31,
26 2008, sales, other than sales governed by paragraphs (B),

1 (B-1), (B-2), (B-5), and (B-7), are in this State if any of
2 the following criteria are met:

3 (i) Sales from the sale or lease of real property
4 are in this State if the property is located in this
5 State.

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

15 (iii) In the case of interest, net gains (but not
16 less than zero) and other items of income from
17 intangible personal property, the sale is in this State
18 if:

19 (a) in the case of a taxpayer who is a dealer
20 in the item of intangible personal property within
21 the meaning of Section 475 of the Internal Revenue
22 Code, the income or gain is received from a
23 customer in this State. For purposes of this
24 subparagraph, a customer is in this State if the
25 customer is an individual, trust or estate who is a
26 resident of this State and, for all other

1 customers, if the customer's commercial domicile
2 is in this State. Unless the dealer has actual
3 knowledge of the residence or commercial domicile
4 of a customer during a taxable year, the customer
5 shall be deemed to be a customer in this State if
6 the billing address of the customer, as shown in
7 the records of the dealer, is in this State; or

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

17 (iv) Sales of services are in this State if the
18 services are received in this State. For the purposes
19 of this section, gross receipts from the performance of
20 services provided to a corporation, partnership, or
21 trust may only be attributed to a state where that
22 corporation, partnership, or trust has a fixed place of
23 business. If the state where the services are received
24 is not readily determinable or is a state where the
25 corporation, partnership, or trust receiving the
26 service does not have a fixed place of business, the

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

14 (D) For taxable years ending on or after December 31,
15 1995, the following items of income shall not be included
16 in the numerator or denominator of the sales factor:
17 dividends; amounts included under Section 78 of the
18 Internal Revenue Code; and Subpart F income as defined in
19 Section 952 of the Internal Revenue Code. No inference
20 shall be drawn from the enactment of this paragraph (D) in
21 construing this Section for taxable years ending before
22 December 31, 1995.

23 (E) Paragraphs (B-1) and (B-2) shall apply to tax years
24 ending on or after December 31, 1999, provided that a
25 taxpayer may elect to apply the provisions of these
26 paragraphs to prior tax years. Such election shall be made

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

14 (b) Insurance companies.

15 (1) In general. Except as otherwise provided by
16 paragraph (2), business income of an insurance company for
17 a taxable year shall be apportioned to this State by
18 multiplying such income by a fraction, the numerator of
19 which is the direct premiums written for insurance upon
20 property or risk in this State, and the denominator of
21 which is the direct premiums written for insurance upon
22 property or risk everywhere. For purposes of this
23 subsection, the term "direct premiums written" means the
24 total amount of direct premiums written, assessments and
25 annuity considerations as reported for the taxable year on
26 the annual statement filed by the company with the Illinois

1 Director of Insurance in the form approved by the National
2 Convention of Insurance Commissioners or such other form as
3 may be prescribed in lieu thereof.

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

1 the sum of the total direct premiums written by each such
2 ceding company for the taxable year. The election made by a
3 company under this paragraph for its first taxable year
4 ending on or after December 31, 2011, shall be binding for
5 that company for that taxable year and for all subsequent
6 taxable years, and may be altered only with the written
7 permission of the Department, which shall not be
8 unreasonably withheld.

9 (c) Financial organizations.

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

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

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

26 (C) Dividends, and interest from Illinois

1 customers, which are received within this State;

2 (D) Interest charged to customers at places of
3 business maintained within this State for carrying
4 debit balances of margin accounts, without deduction
5 of any costs incurred in carrying such accounts; and

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

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

20 (A) Adjusted Income. The adjusted income of an
21 international banking facility is its income reduced
22 by the amount of the floor amount.

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

1 (i) The numerator shall be:

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

15 The average aggregate, determined on a
16 quarterly basis, of such loans (other than loans of
17 an international banking facility), as reported by
18 the financial institution for its branches,
19 agencies and offices within the state, on the
20 corresponding Schedule and lines of the
21 Consolidated Report of Condition for the current
22 taxable year, provided, however, that in no case
23 shall the amount determined in this clause (the
24 subtrahend) exceed the amount determined in the
25 preceding clause (the minuend); and

26 (ii) the denominator shall be the average

1 aggregate, determined on a quarterly basis, of the
2 international banking facility's loans to banks in
3 foreign countries, to foreign domiciled borrowers
4 (except where secured primarily by real estate)
5 and to foreign governments and other foreign
6 official institutions, which were recorded in its
7 financial accounts for the current taxable year.

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

25 (3) For taxable years ending on or after December 31,
26 2008, the business income of a financial organization shall

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

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

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

1 (iii) Interest income, commissions, fees, gains on
2 disposition, and other receipts from consumer loans
3 that are not secured by real or tangible personal
4 property are from sources in this State if the debtor
5 is a resident of this State.

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

19 (v) Interest income, fees, gains on disposition,
20 service charges, merchant discount income, and other
21 receipts from credit card receivables are from sources
22 in this State if the card charges are regularly billed
23 to a customer in this State.

24 (vi) Receipts from the performance of services,
25 including, but not limited to, fiduciary, advisory,
26 and brokerage services, are in this State if the

1 services are received in this State within the meaning
2 of subparagraph (a) (3) (C-5) (iv) of this Section.

3 (vii) Receipts from the issuance of travelers
4 checks and money orders are from sources in this State
5 if the checks and money orders are issued from a
6 location within this State.

7 (viii) Receipts from investment assets and
8 activities and trading assets and activities are
9 included in the receipts factor as follows:

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

1 (A) The receipts factor shall include the
2 amount by which interest from federal funds
3 sold and securities purchased under resale
4 agreements exceeds interest expense on federal
5 funds purchased and securities sold under
6 repurchase agreements.

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

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

22 (A) The amount of interest, dividends, net
23 gains (but not less than zero), and other
24 income from investment assets and activities
25 in the investment account to be attributed to
26 this State and included in the numerator is

1 determined by multiplying all such income from
2 such assets and activities by a fraction, the
3 numerator of which is the gross income from
4 such assets and activities which are properly
5 assigned to a fixed place of business of the
6 taxpayer within this State and the denominator
7 of which is the gross income from all such
8 assets and activities.

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

24 (C) The amount of interest, dividends,
25 gains, and other income from trading assets and
26 activities, including but not limited to

1 assets and activities in the matched book, in
2 the arbitrage book and foreign currency
3 transactions (but excluding amounts described
4 in subparagraphs (A) or (B) of this paragraph),
5 attributable to this State and included in the
6 numerator is determined by multiplying the
7 amount described in subparagraph (B) of
8 paragraph (1) of this subsection by a fraction,
9 the numerator of which is the gross income from
10 such trading assets and activities which are
11 properly assigned to a fixed place of business
12 of the taxpayer within this State and the
13 denominator of which is the gross income from
14 all such assets and activities.

15 (D) Properly assigned, for purposes of
16 this paragraph (2) of this subsection, means
17 the investment or trading asset or activity is
18 assigned to the fixed place of business with
19 which it has a preponderance of substantive
20 contacts. An investment or trading asset or
21 activity assigned by the taxpayer to a fixed
22 place of business without the State shall be
23 presumed to have been properly assigned if:

24 (i) the taxpayer has assigned, in the
25 regular course of its business, such asset
26 or activity on its records to a fixed place

1 of business consistent with federal or
2 state regulatory requirements;

3 (ii) such assignment on its records is
4 based upon substantive contacts of the
5 asset or activity to such fixed place of
6 business; and

7 (iii) the taxpayer uses such records
8 reflecting assignment of such assets or
9 activities for the filing of all state and
10 local tax returns for which an assignment
11 of such assets or activities to a fixed
12 place of business is required.

13 (E) The presumption of proper assignment
14 of an investment or trading asset or activity
15 provided in subparagraph (D) of paragraph (2)
16 of this subsection may be rebutted upon a
17 showing by the Department, supported by a
18 preponderance of the evidence, that the
19 preponderance of substantive contacts
20 regarding such asset or activity did not occur
21 at the fixed place of business to which it was
22 assigned on the taxpayer's records. If the
23 fixed place of business that has a
24 preponderance of substantive contacts cannot
25 be determined for an investment or trading
26 asset or activity to which the presumption in

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

17 (4) (Blank).

18 (5) (Blank).

19 (c-1) Federally regulated exchanges. For taxable years
20 ending on or after December 31, 2012, business income of a
21 federally regulated exchange shall, at the option of the
22 federally regulated exchange, be apportioned to this State by
23 multiplying such income by a fraction, the numerator of which
24 is its business income from sources within this State, and the
25 denominator of which is its business income from all sources.
26 For purposes of this subsection, the business income within

1 this State of a federally regulated exchange is the sum of the
2 following:

3 (1) Receipts attributable to transactions executed on
4 a physical trading floor if that physical trading floor is
5 located in this State.

6 (2) Receipts attributable to all other matching,
7 execution, or clearing transactions, including without
8 limitation receipts from the provision of matching,
9 execution, or clearing services to another entity,
10 multiplied by (i) for taxable years ending on or after
11 December 31, 2012 but before December 31, 2013, 63.77%; and
12 (ii) for taxable years ending on or after December 31,
13 2013, 27.54%.

14 (3) All other receipts not governed by subparagraphs
15 (1) or (2) of this subsection (c-1), to the extent the
16 receipts would be characterized as "sales in this State"
17 under item (3) of subsection (a) of this Section.

18 "Federally regulated exchange" means (i) a "registered
19 entity" within the meaning of 7 U.S.C. Section 1a(40) (A), (B),
20 or (C), (ii) an "exchange" or "clearing agency" within the
21 meaning of 15 U.S.C. Section 78c (a) (1) or (23), (iii) any such
22 entities regulated under any successor regulatory structure to
23 the foregoing, and (iv) all taxpayers who are members of the
24 same unitary business group as a federally regulated exchange,
25 determined without regard to the prohibition in Section
26 1501(a) (27) of this Act against including in a unitary business

1 group taxpayers who are ordinarily required to apportion
2 business income under different subsections of this Section;
3 provided that this subparagraph (iv) shall apply only if 50% or
4 more of the business receipts of the unitary business group
5 determined by application of this subparagraph (iv) for the
6 taxable year are attributable to the matching, execution, or
7 clearing of transactions conducted by an entity described in
8 subparagraph (i), (ii), or (iii) of this paragraph.

9 In no event shall the Illinois apportionment percentage
10 computed in accordance with this subsection (c-1) for any
11 taxpayer for any tax year be less than the Illinois
12 apportionment percentage computed under this subsection (c-1)
13 for that taxpayer for the first full tax year ending on or
14 after December 31, 2013 for which this subsection (c-1) applied
15 to the taxpayer.

16 (d) Transportation services. For taxable years ending
17 before December 31, 2008, business income derived from
18 furnishing transportation services shall be apportioned to
19 this State in accordance with paragraphs (1) and (2):

20 (1) Such business income (other than that derived from
21 transportation by pipeline) shall be apportioned to this
22 State by multiplying such income by a fraction, the
23 numerator of which is the revenue miles of the person in
24 this State, and the denominator of which is the revenue
25 miles of the person everywhere. For purposes of this
26 paragraph, a revenue mile is the transportation of 1

1 passenger or 1 net ton of freight the distance of 1 mile
2 for a consideration. Where a person is engaged in the
3 transportation of both passengers and freight, the
4 fraction above referred to shall be determined by means of
5 an average of the passenger revenue mile fraction and the
6 freight revenue mile fraction, weighted to reflect the
7 person's

8 (A) relative railway operating income from total
9 passenger and total freight service, as reported to the
10 Interstate Commerce Commission, in the case of
11 transportation by railroad, and

12 (B) relative gross receipts from passenger and
13 freight transportation, in case of transportation
14 other than by railroad.

15 (2) Such business income derived from transportation
16 by pipeline shall be apportioned to this State by
17 multiplying such income by a fraction, the numerator of
18 which is the revenue miles of the person in this State, and
19 the denominator of which is the revenue miles of the person
20 everywhere. For the purposes of this paragraph, a revenue
21 mile is the transportation by pipeline of 1 barrel of oil,
22 1,000 cubic feet of gas, or of any specified quantity of
23 any other substance, the distance of 1 mile for a
24 consideration.

25 (3) For taxable years ending on or after December 31,
26 2008, business income derived from providing

1 transportation services other than airline services shall
2 be apportioned to this State by using a fraction, (a) the
3 numerator of which shall be (i) all receipts from any
4 movement or shipment of people, goods, mail, oil, gas, or
5 any other substance (other than by airline) that both
6 originates and terminates in this State, plus (ii) that
7 portion of the person's gross receipts from movements or
8 shipments of people, goods, mail, oil, gas, or any other
9 substance (other than by airline) that originates in one
10 state or jurisdiction and terminates in another state or
11 jurisdiction, that is determined by the ratio that the
12 miles traveled in this State bears to total miles
13 everywhere and (b) the denominator of which shall be all
14 revenue derived from the movement or shipment of people,
15 goods, mail, oil, gas, or any other substance (other than
16 by airline). Where a taxpayer is engaged in the
17 transportation of both passengers and freight, the
18 fraction above referred to shall first be determined
19 separately for passenger miles and freight miles. Then an
20 average of the passenger miles fraction and the freight
21 miles fraction shall be weighted to reflect the taxpayer's:

22 (A) relative railway operating income from total
23 passenger and total freight service, as reported to the
24 Surface Transportation Board, in the case of
25 transportation by railroad; and

26 (B) relative gross receipts from passenger and

1 freight transportation, in case of transportation
2 other than by railroad.

3 (4) For taxable years ending on or after December 31,
4 2008, business income derived from furnishing airline
5 transportation services shall be apportioned to this State
6 by multiplying such income by a fraction, the numerator of
7 which is the revenue miles of the person in this State, and
8 the denominator of which is the revenue miles of the person
9 everywhere. For purposes of this paragraph, a revenue mile
10 is the transportation of one passenger or one net ton of
11 freight the distance of one mile for a consideration. If a
12 person is engaged in the transportation of both passengers
13 and freight, the fraction above referred to shall be
14 determined by means of an average of the passenger revenue
15 mile fraction and the freight revenue mile fraction,
16 weighted to reflect the person's relative gross receipts
17 from passenger and freight airline transportation.

18 (e) Combined apportionment. Where 2 or more persons are
19 engaged in a unitary business as described in subsection
20 (a) (27) of Section 1501, a part of which is conducted in this
21 State by one or more members of the group, the business income
22 attributable to this State by any such member or members shall
23 be apportioned by means of the combined apportionment method.

24 (f) Alternative allocation. If the allocation and
25 apportionment provisions of subsections (a) through (e) and of
26 subsection (h) do not, for taxable years ending before December

1 31, 2008, fairly represent the extent of a person's business
2 activity in this State, or, for taxable years ending on or
3 after December 31, 2008, fairly represent the market for the
4 person's goods, services, or other sources of business income,
5 the person may petition for, or the Director may, without a
6 petition, permit or require, in respect of all or any part of
7 the person's business activity, if reasonable:

8 (1) Separate accounting;

9 (2) The exclusion of any one or more factors;

10 (3) The inclusion of one or more additional factors
11 which will fairly represent the person's business
12 activities or market in this State; or

13 (4) The employment of any other method to effectuate an
14 equitable allocation and apportionment of the person's
15 business income.

16 (g) Cross reference. For allocation of business income by
17 residents, see Section 301(a).

18 (h) For tax years ending on or after December 31, 1998, the
19 apportionment factor of persons who apportion their business
20 income to this State under subsection (a) shall be equal to:

21 (1) for tax years ending on or after December 31, 1998
22 and before December 31, 1999, 16 2/3% of the property
23 factor plus 16 2/3% of the payroll factor plus 66 2/3% of
24 the sales factor;

25 (2) for tax years ending on or after December 31, 1999
26 and before December 31, 2000, 8 1/3% of the property factor

1 plus 8 1/3% of the payroll factor plus 83 1/3% of the sales
2 factor;

3 (3) for tax years ending on or after December 31, 2000,
4 the sales factor.

5 If, in any tax year ending on or after December 31, 1998 and
6 before December 31, 2000, the denominator of the payroll,
7 property, or sales factor is zero, the apportionment factor
8 computed in paragraph (1) or (2) of this subsection for that
9 year shall be divided by an amount equal to 100% minus the
10 percentage weight given to each factor whose denominator is
11 equal to zero.

12 (Source: P.A. 98-478, eff. 1-1-14; 98-496, eff. 1-1-14; 98-756,
13 eff. 7-16-14; 99-642, eff. 7-28-16; revised 11-14-16.)

14 (35 ILCS 5/710) (from Ch. 120, par. 7-710)

15 Sec. 710. Withholding from lottery winnings.

16 (a) In general.

17 (1) Any person making a payment to a resident or
18 nonresident of winnings under the Illinois Lottery Law and
19 not required to withhold Illinois income tax from such
20 payment under Subsection (b) of Section 701 of this Act
21 because those winnings are not subject to Federal income
22 tax withholding, must withhold Illinois income tax from
23 such payment at a rate equal to the percentage tax rate for
24 individuals provided in subsection (b) of Section 201,
25 provided that withholding is not required if such payment

1 of winnings is less than \$1,000.

2 (2) In the case of an assignment of a lottery prize
3 under Section 13.1 of the Illinois Lottery Law, any person
4 making a payment of the purchase price after December 31,
5 2013, shall withhold from the amount of each payment at a
6 rate equal to the percentage tax rate for individuals
7 provided in subsection (b) of Section 201.

8 (3) Any person making a payment after December 31, 2017
9 to a resident or nonresident of winnings from pari-mutuel
10 wagering conducted at a wagering facility licensed under
11 the Illinois Horse Racing Act of 1975 or from gambling
12 games conducted on a riverboat or in a casino or electronic
13 gaming facility licensed under the Illinois Gambling Act
14 must withhold Illinois income tax from such payment at a
15 rate equal to the percentage tax rate for individuals
16 provided in subsection (b) of Section 201, provided that
17 the person making the payment is required to withhold under
18 Section 3402(q) of the Internal Revenue Code.

19 (b) Credit for taxes withheld. Any amount withheld under
20 Subsection (a) shall be a credit against the Illinois income
21 tax liability of the person to whom the payment of winnings was
22 made for the taxable year in which that person incurred an
23 Illinois income tax liability with respect to those winnings.

24 (Source: P.A. 98-496, eff. 1-1-14.)

25 Section 90-23. The Property Tax Code is amended by adding

1 Section 15-144 as follows:

2 (35 ILCS 200/15-144 new)

3 Sec. 15-144. Chicago Casino Development Authority. All
4 property owned by the Chicago Casino Development Authority is
5 exempt. Any property owned by the Chicago Casino Development
6 Authority and leased to any other entity is not exempt.

7 Section 90-24. The Illinois Municipal Code is amended by
8 adding Section 8-10-2.6 as follows:

9 (65 ILCS 5/8-10-2.6 new)

10 Sec. 8-10-2.6. Chicago Casino Development Authority.
11 Except as otherwise provided in the Chicago Casino Development
12 Authority Act, this Division 10 applies to purchase orders and
13 contracts relating to the Chicago Casino Development
14 Authority.

15 Section 90-25. The Joliet Regional Port District Act is
16 amended by changing Section 5.1 as follows:

17 (70 ILCS 1825/5.1) (from Ch. 19, par. 255.1)

18 Sec. 5.1. Riverboat and casino gambling. Notwithstanding
19 any other provision of this Act, the District may not regulate
20 the operation, conduct, or navigation of any riverboat gambling
21 casino licensed under the Illinois ~~Riverboat~~ Gambling Act, and

1 the District may not license, tax, or otherwise levy any
2 assessment of any kind on any riverboat gambling casino
3 licensed under the Illinois Riverboat Gambling Act. The General
4 Assembly declares that the powers to regulate the operation,
5 conduct, and navigation of riverboat gambling casinos and to
6 license, tax, and levy assessments upon riverboat gambling
7 casinos are exclusive powers of the State of Illinois and the
8 Illinois Gaming Board as provided in the Illinois Riverboat
9 Gambling Act.

10 (Source: P.A. 87-1175.)

11 Section 90-30. The Consumer Installment Loan Act is amended
12 by changing Section 12.5 as follows:

13 (205 ILCS 670/12.5)

14 Sec. 12.5. Limited purpose branch.

15 (a) Upon the written approval of the Director, a licensee
16 may maintain a limited purpose branch for the sole purpose of
17 making loans as permitted by this Act. A limited purpose branch
18 may include an automatic loan machine. No other activity shall
19 be conducted at the site, including but not limited to,
20 accepting payments, servicing the accounts, or collections.

21 (b) The licensee must submit an application for a limited
22 purpose branch to the Director on forms prescribed by the
23 Director with an application fee of \$300. The approval for the
24 limited purpose branch must be renewed concurrently with the

1 renewal of the licensee's license along with a renewal fee of
2 \$300 for the limited purpose branch.

3 (c) The books, accounts, records, and files of the limited
4 purpose branch's transactions shall be maintained at the
5 licensee's licensed location. The licensee shall notify the
6 Director of the licensed location at which the books, accounts,
7 records, and files shall be maintained.

8 (d) The licensee shall prominently display at the limited
9 purpose branch the address and telephone number of the
10 licensee's licensed location.

11 (e) No other business shall be conducted at the site of the
12 limited purpose branch unless authorized by the Director.

13 (f) The Director shall make and enforce reasonable rules
14 for the conduct of a limited purpose branch.

15 (g) A limited purpose branch may not be located within
16 1,000 feet of a facility operated by an inter-track wagering
17 licensee or an organization licensee subject to the Illinois
18 Horse Racing Act of 1975, on a riverboat or in a casino subject
19 to the Illinois Riverboat Gambling Act, or within 1,000 feet of
20 the location at which the riverboat docks or within 1,000 feet
21 of a casino.

22 (Source: P.A. 90-437, eff. 1-1-98.)

23 Section 90-35. The Illinois Horse Racing Act of 1975 is
24 amended by changing Sections 1.2, 3.11, 3.12, 6, 9, 15, 18, 19,
25 20, 21, 24, 25, 26, 26.8, 26.9, 27, 30, 30.5, 31, 32.1, 36, 40,

1 and 54.75 and by adding Sections 3.31, 3.32, 3.33, 3.35, 3.36,
2 34.3, and 56 as follows:

3 (230 ILCS 5/1.2)

4 Sec. 1.2. Legislative intent. This Act is intended to
5 benefit the people of the State of Illinois by encouraging the
6 breeding and production of race horses, assisting economic
7 development and promoting Illinois tourism. The General
8 Assembly finds and declares it to be the public policy of the
9 State of Illinois to:

10 (a) support and enhance Illinois' horse racing industry,
11 which is a significant component within the agribusiness
12 industry;

13 (b) ensure that Illinois' horse racing industry remains
14 competitive with neighboring states;

15 (c) stimulate growth within Illinois' horse racing
16 industry, thereby encouraging new investment and development
17 to produce additional tax revenues and to create additional
18 jobs;

19 (d) promote the further growth of tourism;

20 (e) encourage the breeding of thoroughbred and
21 standardbred horses in this State; and

22 (f) ensure that public confidence and trust in the
23 credibility and integrity of racing operations and the
24 regulatory process is maintained.

25 (Source: P.A. 91-40, eff. 6-25-99.)

1 (230 ILCS 5/3.11) (from Ch. 8, par. 37-3.11)

2 Sec. 3.11. "Organization Licensee" means any person
3 receiving an organization license from the Board to conduct a
4 race meeting or meetings. With respect only to electronic
5 gaming, "organization licensee" includes the authorization for
6 an electronic gaming license under subsection (a) of Section 56
7 of this Act.

8 (Source: P.A. 79-1185.)

9 (230 ILCS 5/3.12) (from Ch. 8, par. 37-3.12)

10 Sec. 3.12. Pari-mutuel system of wagering. "Pari-mutuel
11 system of wagering" means a form of wagering on the outcome of
12 horse races in which wagers are made in various denominations
13 on a horse or horses and all wagers for each race are pooled
14 and held by a licensee for distribution in a manner approved by
15 the Board. "Pari-mutuel system of wagering" shall not include
16 wagering on historic races. Wagers may be placed via any method
17 or at any location authorized under this Act.

18 (Source: P.A. 96-762, eff. 8-25-09.)

19 (230 ILCS 5/3.31 new)

20 Sec. 3.31. Adjusted gross receipts. "Adjusted gross
21 receipts" means the gross receipts less winnings paid to
22 wagerers.

1 (230 ILCS 5/3.32 new)

2 Sec. 3.32. Gross receipts. "Gross receipts" means the total
3 amount of money exchanged for the purchase of chips, tokens, or
4 electronic cards by riverboat or casino patrons or electronic
5 gaming patrons.

6 (230 ILCS 5/3.33 new)

7 Sec. 3.33. Electronic gaming. "Electronic gaming" means
8 slot machine gambling, video game of chance gambling, or
9 gambling with electronic gambling games as defined in the
10 Illinois Gambling Act or defined by the Illinois Gaming Board
11 that is conducted at a race track pursuant to an electronic
12 gaming license.

13 (230 ILCS 5/3.35 new)

14 Sec. 3.35. Electronic gaming license. "Electronic gaming
15 license" means a license issued by the Illinois Gaming Board
16 under Section 7.7 of the Illinois Gambling Act authorizing
17 electronic gaming at an electronic gaming facility.

18 (230 ILCS 5/3.36 new)

19 Sec. 3.36. Electronic gaming facility. "Electronic gaming
20 facility" means that portion of an organization licensee's race
21 track facility at which electronic gaming is conducted.

22 (230 ILCS 5/6) (from Ch. 8, par. 37-6)

1 Sec. 6. Restrictions on Board members.

2 (a) No person shall be appointed a member of the Board or
3 continue to be a member of the Board if the person or any
4 member of their immediate family is a member of the Board of
5 Directors, employee, or financially interested in any of the
6 following: (i) any licensee or other person who has applied for
7 racing dates to the Board, or the operations thereof including,
8 but not limited to, concessions, data processing, track
9 maintenance, track security, and pari-mutuel operations,
10 located, scheduled or doing business within the State of
11 Illinois, (ii) any race horse competing at a meeting under the
12 Board's jurisdiction, or (iii) any licensee under the Illinois
13 Gambling Act. ~~No person shall be appointed a member of the~~
14 ~~Board or continue to be a member of the Board who is (or any~~
15 ~~member of whose family is) a member of the Board of Directors~~
16 ~~of, or who is a person financially interested in, any licensee~~
17 ~~or other person who has applied for racing dates to the Board,~~
18 ~~or the operations thereof including, but not limited to,~~
19 ~~concessions, data processing, track maintenance, track~~
20 ~~security and pari-mutuel operations, located, scheduled or~~
21 ~~doing business within the State of Illinois, or in any race~~
22 ~~horse competing at a meeting under the Board's jurisdiction. No~~
23 ~~Board member shall hold any other public office for which he~~
24 ~~shall receive compensation other than necessary travel or other~~
25 ~~incidental expenses.~~

26 (b) No person shall be a member of the Board who is not of

1 good moral character or who has been convicted of, or is under
2 indictment for, a felony under the laws of Illinois or any
3 other state, or the United States.

4 (c) No member of the Board or employee shall engage in any
5 political activity.

6 For the purposes of this subsection (c):

7 "Political" means any activity in support of or in
8 connection with any campaign for State or local elective office
9 or any political organization, but does not include activities
10 (i) relating to the support or opposition of any executive,
11 legislative, or administrative action (as those terms are
12 defined in Section 2 of the Lobbyist Registration Act), (ii)
13 relating to collective bargaining, or (iii) that are otherwise
14 in furtherance of the person's official State duties or
15 governmental and public service functions.

16 "Political organization" means a party, committee,
17 association, fund, or other organization (whether or not
18 incorporated) that is required to file a statement of
19 organization with the State Board of Elections or county clerk
20 under Section 9-3 of the Election Code, but only with regard to
21 those activities that require filing with the State Board of
22 Elections or county clerk.

23 (d) Board members and employees may not engage in
24 communications or any activity that may cause or have the
25 appearance of causing a conflict of interest. A conflict of
26 interest exists if a situation influences or creates the

1 appearance that it may influence judgment or performance of
2 regulatory duties and responsibilities. This prohibition shall
3 extend to any act identified by Board action that, in the
4 judgment of the Board, could represent the potential for or the
5 appearance of a conflict of interest.

6 (e) Board members and employees may not accept any gift,
7 gratuity, service, compensation, travel, lodging, or thing of
8 value, with the exception of unsolicited items of an incidental
9 nature, from any person, corporation, limited liability
10 company, or entity doing business with the Board.

11 (f) A Board member or employee shall not use or attempt to
12 use his or her official position to secure, or attempt to
13 secure, any privilege, advantage, favor, or influence for
14 himself or herself or others. No Board member or employee,
15 within a period of one year immediately preceding nomination by
16 the Governor or employment, shall have been employed or
17 received compensation or fees for services from a person or
18 entity, or its parent or affiliate, that has engaged in
19 business with the Board, a licensee or a licensee under the
20 Illinois Gambling Act. In addition, all Board members and
21 employees are subject to the restrictions set forth in Section
22 5-45 of the State Officials and Employees Ethics Act.

23 (Source: P.A. 89-16, eff. 5-30-95.)

24 (230 ILCS 5/9) (from Ch. 8, par. 37-9)

25 Sec. 9. The Board shall have all powers necessary and

1 proper to fully and effectively execute the provisions of this
2 Act, including, but not limited to, the following:

3 (a) The Board is vested with jurisdiction and supervision
4 over all race meetings in this State, over all licensees doing
5 business in this State, over all occupation licensees, and over
6 all persons on the facilities of any licensee. Such
7 jurisdiction shall include the power to issue licenses to the
8 Illinois Department of Agriculture authorizing the pari-mutuel
9 system of wagering on harness and Quarter Horse races held (1)
10 at the Illinois State Fair in Sangamon County, and (2) at the
11 DuQuoin State Fair in Perry County. The jurisdiction of the
12 Board shall also include the power to issue licenses to county
13 fairs which are eligible to receive funds pursuant to the
14 Agricultural Fair Act, as now or hereafter amended, or their
15 agents, authorizing the pari-mutuel system of wagering on horse
16 races conducted at the county fairs receiving such licenses.
17 Such licenses shall be governed by subsection (n) of this
18 Section.

19 Upon application, the Board shall issue a license to the
20 Illinois Department of Agriculture to conduct harness and
21 Quarter Horse races at the Illinois State Fair and at the
22 DuQuoin State Fairgrounds during the scheduled dates of each
23 fair. The Board shall not require and the Department of
24 Agriculture shall be exempt from the requirements of Sections
25 15.3, 18 and 19, paragraphs (a)(2), (b), (c), (d), (e), (e-5),
26 (e-10), (f), (g), and (h) of Section 20, and Sections 21, 24

1 and 25. The Board and the Department of Agriculture may extend
2 any or all of these exemptions to any contractor or agent
3 engaged by the Department of Agriculture to conduct its race
4 meetings when the Board determines that this would best serve
5 the public interest and the interest of horse racing.

6 Notwithstanding any provision of law to the contrary, it
7 shall be lawful for any licensee to operate pari-mutuel
8 wagering or contract with the Department of Agriculture to
9 operate pari-mutuel wagering at the DuQuoin State Fairgrounds
10 or for the Department to enter into contracts with a licensee,
11 employ its owners, employees or agents and employ such other
12 occupation licensees as the Department deems necessary in
13 connection with race meetings and wagerings.

14 (b) The Board is vested with the full power to promulgate
15 reasonable rules and regulations for the purpose of
16 administering the provisions of this Act and to prescribe
17 reasonable rules, regulations and conditions under which all
18 horse race meetings or wagering in the State shall be
19 conducted. Such reasonable rules and regulations are to provide
20 for the prevention of practices detrimental to the public
21 interest and to promote the best interests of horse racing and
22 to impose penalties for violations thereof.

23 (c) The Board, and any person or persons to whom it
24 delegates this power, is vested with the power to enter the
25 facilities and other places of business of any licensee to
26 determine whether there has been compliance with the provisions

1 of this Act and its rules and regulations.

2 (d) The Board, and any person or persons to whom it
3 delegates this power, is vested with the authority to
4 investigate alleged violations of the provisions of this Act,
5 its reasonable rules and regulations, orders and final
6 decisions; the Board shall take appropriate disciplinary
7 action against any licensee or occupation licensee for
8 violation thereof or institute appropriate legal action for the
9 enforcement thereof.

10 (e) The Board, and any person or persons to whom it
11 delegates this power, may eject or exclude from any race
12 meeting or the facilities of any licensee, or any part thereof,
13 any occupation licensee or any other individual whose conduct
14 or reputation is such that his presence on those facilities
15 may, in the opinion of the Board, call into question the
16 honesty and integrity of horse racing or wagering or interfere
17 with the orderly conduct of horse racing or wagering; provided,
18 however, that no person shall be excluded or ejected from the
19 facilities of any licensee solely on the grounds of race,
20 color, creed, national origin, ancestry, or sex. The power to
21 eject or exclude an occupation licensee or other individual may
22 be exercised for just cause by the licensee or the Board,
23 subject to subsequent hearing by the Board as to the propriety
24 of said exclusion.

25 (f) The Board is vested with the power to acquire,
26 establish, maintain and operate (or provide by contract to

1 maintain and operate) testing laboratories and related
2 facilities, for the purpose of conducting saliva, blood, urine
3 and other tests on the horses run or to be run in any horse race
4 meeting, including races run at county fairs, and to purchase
5 all equipment and supplies deemed necessary or desirable in
6 connection with any such testing laboratories and related
7 facilities and all such tests.

8 (g) The Board may require that the records, including
9 financial or other statements of any licensee or any person
10 affiliated with the licensee who is involved directly or
11 indirectly in the activities of any licensee as regulated under
12 this Act to the extent that those financial or other statements
13 relate to such activities be kept in such manner as prescribed
14 by the Board, and that Board employees shall have access to
15 those records during reasonable business hours. Within 120 days
16 of the end of its fiscal year, each licensee shall transmit to
17 the Board an audit of the financial transactions and condition
18 of the licensee's total operations. All audits shall be
19 conducted by certified public accountants. Each certified
20 public accountant must be registered in the State of Illinois
21 under the Illinois Public Accounting Act. The compensation for
22 each certified public accountant shall be paid directly by the
23 licensee to the certified public accountant. A licensee shall
24 also submit any other financial or related information the
25 Board deems necessary to effectively administer this Act and
26 all rules, regulations, and final decisions promulgated under

1 this Act.

2 (h) The Board shall name and appoint in the manner provided
3 by the rules and regulations of the Board: an Executive
4 Director; a State director of mutuels; State veterinarians and
5 representatives to take saliva, blood, urine and other tests on
6 horses; licensing personnel; revenue inspectors; and State
7 seasonal employees (excluding admission ticket sellers and
8 mutuel clerks). All of those named and appointed as provided in
9 this subsection shall serve during the pleasure of the Board;
10 their compensation shall be determined by the Board and be paid
11 in the same manner as other employees of the Board under this
12 Act.

13 (i) The Board shall require that there shall be 3 stewards
14 at each horse race meeting, at least 2 of whom shall be named
15 and appointed by the Board. Stewards appointed or approved by
16 the Board, while performing duties required by this Act or by
17 the Board, shall be entitled to the same rights and immunities
18 as granted to Board members and Board employees in Section 10
19 of this Act.

20 (j) The Board may discharge any Board employee who fails or
21 refuses for any reason to comply with the rules and regulations
22 of the Board, or who, in the opinion of the Board, is guilty of
23 fraud, dishonesty or who is proven to be incompetent. The Board
24 shall have no right or power to determine who shall be
25 officers, directors or employees of any licensee, or their
26 salaries except the Board may, by rule, require that all or any

1 officials or employees in charge of or whose duties relate to
2 the actual running of races be approved by the Board.

3 (k) The Board is vested with the power to appoint delegates
4 to execute any of the powers granted to it under this Section
5 for the purpose of administering this Act and any rules or
6 regulations promulgated in accordance with this Act.

7 (l) The Board is vested with the power to impose civil
8 penalties of up to \$5,000 against an individual and up to
9 \$10,000 against a licensee for each violation of any provision
10 of this Act, any rules adopted by the Board, any order of the
11 Board or any other action which, in the Board's discretion, is
12 a detriment or impediment to horse racing or wagering.
13 Beginning on the date when any organization licensee begins
14 conducting electronic gaming pursuant to an electronic gaming
15 license issued under the Illinois Gambling Act, the power
16 granted to the Board pursuant to this subsection (l) shall
17 authorize the Board to impose penalties of up to \$10,000
18 against an individual and up to \$25,000 against a licensee. All
19 such civil penalties shall be deposited into the Horse Racing
20 Fund.

21 (m) The Board is vested with the power to prescribe a form
22 to be used by licensees as an application for employment for
23 employees of each licensee.

24 (n) The Board shall have the power to issue a license to
25 any county fair, or its agent, authorizing the conduct of the
26 pari-mutuel system of wagering. The Board is vested with the

1 full power to promulgate reasonable rules, regulations and
2 conditions under which all horse race meetings licensed
3 pursuant to this subsection shall be held and conducted,
4 including rules, regulations and conditions for the conduct of
5 the pari-mutuel system of wagering. The rules, regulations and
6 conditions shall provide for the prevention of practices
7 detrimental to the public interest and for the best interests
8 of horse racing, and shall prescribe penalties for violations
9 thereof. Any authority granted the Board under this Act shall
10 extend to its jurisdiction and supervision over county fairs,
11 or their agents, licensed pursuant to this subsection. However,
12 the Board may waive any provision of this Act or its rules or
13 regulations which would otherwise apply to such county fairs or
14 their agents.

15 (o) Whenever the Board is authorized or required by law to
16 consider some aspect of criminal history record information for
17 the purpose of carrying out its statutory powers and
18 responsibilities, then, upon request and payment of fees in
19 conformance with the requirements of Section 2605-400 of the
20 Department of State Police Law (20 ILCS 2605/2605-400), the
21 Department of State Police is authorized to furnish, pursuant
22 to positive identification, such information contained in
23 State files as is necessary to fulfill the request.

24 (p) To insure the convenience, comfort, and wagering
25 accessibility of race track patrons, to provide for the
26 maximization of State revenue, and to generate increases in

1 purse allotments to the horsemen, the Board shall require any
2 licensee to staff the pari-mutuel department with adequate
3 personnel.

4 (Source: P.A. 97-1060, eff. 8-24-12.)

5 (230 ILCS 5/15) (from Ch. 8, par. 37-15)

6 Sec. 15. (a) The Board shall, in its discretion, issue
7 occupation licenses to horse owners, trainers, harness
8 drivers, jockeys, agents, apprentices, grooms, stable foremen,
9 exercise persons, veterinarians, valets, blacksmiths,
10 concessionaires and others designated by the Board whose work,
11 in whole or in part, is conducted upon facilities within the
12 State. Such occupation licenses will be obtained prior to the
13 persons engaging in their vocation upon such facilities. The
14 Board shall not license pari-mutuel clerks, parking
15 attendants, security guards and employees of concessionaires.
16 No occupation license shall be required of any person who works
17 at facilities within this State as a pari-mutuel clerk, parking
18 attendant, security guard or as an employee of a
19 concessionaire. Concessionaires of the Illinois State Fair and
20 DuQuoin State Fair and employees of the Illinois Department of
21 Agriculture shall not be required to obtain an occupation
22 license by the Board.

23 (b) Each application for an occupation license shall be on
24 forms prescribed by the Board. Such license, when issued, shall
25 be for the period ending December 31 of each year, except that

1 the Board in its discretion may grant 3-year licenses. The
2 application shall be accompanied by a fee of not more than \$25
3 per year or, in the case of 3-year occupation license
4 applications, a fee of not more than \$60. Each applicant shall
5 set forth in the application his full name and address, and if
6 he had been issued prior occupation licenses or has been
7 licensed in any other state under any other name, such name,
8 his age, whether or not a permit or license issued to him in
9 any other state has been suspended or revoked and if so whether
10 such suspension or revocation is in effect at the time of the
11 application, and such other information as the Board may
12 require. Fees for registration of stable names shall not exceed
13 \$50.00. Beginning on the date when any organization licensee
14 begins conducting electronic gaming pursuant to an electronic
15 gambling license issued under the Illinois Gambling Act, the
16 fee for registration of stable names shall not exceed \$150, and
17 the application fee for an occupation license shall not exceed
18 \$75, per year or, in the case of a 3-year occupation license
19 application, the fee shall not exceed \$180.

20 (c) The Board may in its discretion refuse an occupation
21 license to any person:

22 (1) who has been convicted of a crime;

23 (2) who is unqualified to perform the duties required
24 of such applicant;

25 (3) who fails to disclose or states falsely any
26 information called for in the application;

1 (4) who has been found guilty of a violation of this
2 Act or of the rules and regulations of the Board; or

3 (5) whose license or permit has been suspended, revoked
4 or denied for just cause in any other state.

5 (d) The Board may suspend or revoke any occupation license:

6 (1) for violation of any of the provisions of this Act;
7 or

8 (2) for violation of any of the rules or regulations of
9 the Board; or

10 (3) for any cause which, if known to the Board, would
11 have justified the Board in refusing to issue such
12 occupation license; or

13 (4) for any other just cause.

14 (e) Each applicant shall submit his or her fingerprints
15 to the Department of State Police in the form and manner
16 prescribed by the Department of State Police. These
17 fingerprints shall be checked against the fingerprint records
18 now and hereafter filed in the Department of State Police and
19 Federal Bureau of Investigation criminal history records
20 databases. The Department of State Police shall charge a fee
21 for conducting the criminal history records check, which shall
22 be deposited in the State Police Services Fund and shall not
23 exceed the actual cost of the records check. The Department of
24 State Police shall furnish, pursuant to positive
25 identification, records of conviction to the Board. Each
26 applicant for licensure shall submit with his occupation

1 license application, on forms provided by the Board, 2 sets of
2 his fingerprints. All such applicants shall appear in person at
3 the location designated by the Board for the purpose of
4 submitting such sets of fingerprints; however, with the prior
5 approval of a State steward, an applicant may have such sets of
6 fingerprints taken by an official law enforcement agency and
7 submitted to the Board.

8 (f) The Board may, in its discretion, issue an occupation
9 license without submission of fingerprints if an applicant has
10 been duly licensed in another recognized racing jurisdiction
11 after submitting fingerprints that were subjected to a Federal
12 Bureau of Investigation criminal history background check in
13 that jurisdiction.

14 (g) Beginning on the date when any organization licensee
15 begins conducting electronic gambling pursuant to an
16 electronic gaming license issued under the Illinois Gambling
17 Act, the Board may charge each applicant a reasonable
18 non-refundable fee to defray the costs associated with the
19 background investigation conducted by the Board. This fee shall
20 be exclusive of any other fee or fees charged in connection
21 with an application for and, if applicable, the issuance of, an
22 electronic gaming license. If the costs of the investigation
23 exceed the amount of the fee charged, the Board shall
24 immediately notify the applicant of the additional amount owed,
25 payment of which must be submitted to the Board within 7 days
26 after such notification. All information, records, interviews,

1 reports, statements, memoranda, or other data supplied to or
2 used by the Board in the course of its review or investigation
3 of an applicant for a license or renewal under this Act shall
4 be privileged, strictly confidential, and shall be used only
5 for the purpose of evaluating an applicant for a 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.

11 (Source: P.A. 93-418, eff. 1-1-04.)

12 (230 ILCS 5/18) (from Ch. 8, par. 37-18)

13 Sec. 18. (a) Together with its application, each applicant
14 for racing dates shall deliver to the Board a certified check
15 or bank draft payable to the order of the Board for \$1,000. In
16 the event the applicant applies for racing dates in 2 or 3
17 successive calendar years as provided in subsection (b) of
18 Section 21, the fee shall be \$2,000. Filing fees shall not be
19 refunded in the event the application is denied. Beginning on
20 the date when any organization licensee begins conducting
21 electronic gaming pursuant to an electronic gaming license
22 issued under the Illinois Gambling Act, the application fee for
23 racing dates imposed by this subsection (a) shall be \$10,000
24 and the application fee for racing dates in 2 or 3 successive
25 calendar years as provided in subsection (b) of Section 21

1 shall be \$20,000. All filing fees shall be deposited into the
2 Horse Racing Fund.

3 (b) In addition to the filing fee imposed by subsection (a)
4 ~~of \$1000~~ and the fees provided in subsection (j) of Section 20,
5 each organization licensee shall pay a license fee of \$100 for
6 each racing program on which its daily pari-mutuel handle is
7 \$400,000 or more but less than \$700,000, and a license fee of
8 \$200 for each racing program on which its daily pari-mutuel
9 handle is \$700,000 or more. The additional fees required to be
10 paid under this Section by this amendatory Act of 1982 shall be
11 remitted by the organization licensee to the Illinois Racing
12 Board with each day's graduated privilege tax or pari-mutuel
13 tax and breakage as provided under Section 27. Beginning on the
14 date when any organization licensee begins conducting
15 electronic gaming pursuant to an electronic gaming license
16 issued under the Illinois Gambling Act, the license fee imposed
17 by this subsection (b) shall be \$200 for each racing program on
18 which the organization licensee's daily pari-mutuel handle is
19 \$100,000 or more, but less than \$400,000, and the license fee
20 imposed by this subsection (b) shall be \$400 for each racing
21 program on which the organization licensee's daily pari-mutuel
22 handle is \$400,000 or more.

23 (c) Sections 11-42-1, 11-42-5, and 11-54-1 of the "Illinois
24 Municipal Code," approved May 29, 1961, as now or hereafter
25 amended, shall not apply to any license under this Act.

26 (Source: P.A. 97-1060, eff. 8-24-12.)

1 (230 ILCS 5/19) (from Ch. 8, par. 37-19)

2 Sec. 19. (a) No organization license may be granted to
3 conduct a horse race meeting:

4 (1) except as provided in subsection (c) of Section 21
5 of this Act, to any person at any place within 35 miles of
6 any other place licensed by the Board to hold a race
7 meeting on the same date during the same hours, the mileage
8 measurement used in this subsection (a) shall be certified
9 to the Board by the Bureau of Systems and Services in the
10 Illinois Department of Transportation as the most commonly
11 used public way of vehicular travel;

12 (2) to any person in default in the payment of any
13 obligation or debt due the State under this Act, provided
14 no applicant shall be deemed in default in the payment of
15 any obligation or debt due to the State under this Act as
16 long as there is pending a hearing of any kind relevant to
17 such matter;

18 (3) to any person who has been convicted of the
19 violation of any law of the United States or any State law
20 which provided as all or part of its penalty imprisonment
21 in any penal institution; to any person against whom there
22 is pending a Federal or State criminal charge; to any
23 person who is or has been connected with or engaged in the
24 operation of any illegal business; to any person who does
25 not enjoy a general reputation in his community of being an

1 honest, upright, law-abiding person; provided that none of
2 the matters set forth in this subparagraph (3) shall make
3 any person ineligible to be granted an organization license
4 if the Board determines, based on circumstances of any such
5 case, that the granting of a license would not be
6 detrimental to the interests of horse racing and of the
7 public;

8 (4) to any person who does not at the time of
9 application for the organization license own or have a
10 contract or lease for the possession of a finished race
11 track suitable for the type of racing intended to be held
12 by the applicant and for the accommodation of the public.

13 (b) (Blank) ~~Horse racing on Sunday shall be prohibited~~
14 ~~unless authorized by ordinance or referendum of the~~
15 ~~municipality in which a race track or any of its appurtenances~~
16 ~~or facilities are located, or utilized.~~

17 (c) If any person is ineligible to receive an organization
18 license because of any of the matters set forth in subsection
19 (a) (2) or subsection (a) (3) of this Section, any other or
20 separate person that either (i) controls, directly or
21 indirectly, such ineligible person or (ii) is controlled,
22 directly or indirectly, by such ineligible person or by a
23 person which controls, directly or indirectly, such ineligible
24 person shall also be ineligible.

25 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)

1 (230 ILCS 5/20) (from Ch. 8, par. 37-20)

2 Sec. 20. (a) Any person desiring to conduct a horse race
3 meeting may apply to the Board for an organization license. The
4 application shall be made on a form prescribed and furnished by
5 the Board. The application shall specify:

6 (1) the dates on which it intends to conduct the horse
7 race meeting, which dates shall be provided under Section
8 21;

9 (2) the hours of each racing day between which it
10 intends to hold or conduct horse racing at such meeting;

11 (3) the location where it proposes to conduct the
12 meeting; and

13 (4) any other information the Board may reasonably
14 require.

15 (b) A separate application for an organization license
16 shall be filed for each horse race meeting which such person
17 proposes to hold. Any such application, if made by an
18 individual, or by any individual as trustee, shall be signed
19 and verified under oath by such individual. If the application
20 is made by individuals, then it shall be signed and verified
21 under oath by at least 2 of the individuals; if the application
22 is made by ~~or a partnership, it shall be signed and verified~~
23 ~~under oath by at least 2 of such individuals or members of such~~
24 ~~partnership as the case may be. If made by an association, a~~
25 ~~corporation, a corporate trustee, a limited liability company,~~
26 or any other entity, it shall be signed by an authorized

1 officer, a partner, a member, or a manager, as the case may be,
2 of the entity ~~the president and attested by the secretary or~~
3 ~~assistant secretary under the seal of such association, trust~~
4 ~~or corporation if it has a seal, and shall also be verified~~
5 ~~under oath by one of the signing officers.~~

6 (c) The application shall specify:

7 (1) the name of the persons, association, trust, or
8 corporation making such application; ~~and~~

9 (2) the principal ~~post office~~ address of the applicant;

10 (3) if the applicant is a trustee, the names and
11 addresses of the beneficiaries; if the applicant is a
12 corporation, the names and ~~post office~~ addresses of all
13 officers, stockholders and directors; or if such
14 stockholders hold stock as a nominee or fiduciary, the
15 names and ~~post office~~ addresses of the parties ~~these~~
16 ~~persons, partnerships, corporations, or trusts~~ who are the
17 beneficial owners thereof or who are beneficially
18 interested therein; ~~and~~ if the applicant is a partnership,
19 the names and ~~post office~~ addresses of all partners,
20 general or limited; if the applicant is a limited liability
21 company, the names and addresses of the manager and
22 members; and if the applicant is any other entity, the
23 names and addresses of all officers or other authorized
24 persons of the entity ~~corporation, the name of the state of~~
25 ~~its incorporation shall be specified.~~

26 (d) The applicant shall execute and file with the Board a

1 good faith affirmative action plan to recruit, train, and
2 upgrade minorities in all classifications within the
3 association.

4 (e) With such application there shall be delivered to the
5 Board a certified check or bank draft payable to the order of
6 the Board for an amount equal to \$1,000. All applications for
7 the issuance of an organization license shall be filed with the
8 Board before August 1 of the year prior to the year for which
9 application is made and shall be acted upon by the Board at a
10 meeting to be held on such date as shall be fixed by the Board
11 during the last 15 days of September of such prior year. At
12 such meeting, the Board shall announce the award of the racing
13 meets, live racing schedule, and designation of host track to
14 the applicants and its approval or disapproval of each
15 application. No announcement shall be considered binding until
16 a formal order is executed by the Board, which shall be
17 executed no later than October 15 of that prior year. Absent
18 the agreement of the affected organization licensees, the Board
19 shall not grant overlapping race meetings to 2 or more tracks
20 that are within 100 miles of each other to conduct the
21 thoroughbred racing.

22 (e-1) In awarding standardbred racing dates for calendar
23 year 2018 and thereafter, the Board shall award at least 310
24 racing days, and each organization licensee shall average at
25 least 12 races for each racing day awarded. The Board shall
26 have the discretion to allocate those racing days among

1 organization licensees requesting standardbred racing dates.
2 Once awarded by the Board, organization licensees awarded
3 standardbred racing dates shall run at least 3,500 races in
4 total during that calendar year. Standardbred racing conducted
5 in Sangamon County shall not be considered races under this
6 subsection (e-1).

7 (e-2) In awarding racing dates for calendar year 2018 and
8 thereafter, the Board shall award thoroughbred racing days to
9 Cook County organization licensees commensurate with these
10 organization licensees' requirement that they shall run at
11 least 1,950 thoroughbred races in the aggregate, so long as 2
12 organization licensees are conducting electronic gaming
13 operations. Additionally, if the organization licensees that
14 run thoroughbred races in Cook County are conducting electronic
15 gaming operations, the Board shall increase the number of
16 thoroughbred races to be run in Cook County in the aggregate to
17 at least the following:

18 (i) 2,050 races in any year following the most recent
19 preceding complete calendar year when the combined
20 adjusted gross receipts of the electronic gaming licensees
21 operating at Cook County race tracks total in excess of
22 \$200,000,000, but do not exceed \$250,000,000;

23 (ii) 2,125 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 \$250,000,000, but do not exceed \$300,000,000;

2 (iii) 2,200 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 \$300,000,000, but do not exceed \$350,000,000;

7 (iv) 2,300 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 \$350,000,000, but do not exceed \$400,000,000;

12 (v) 2,375 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 \$400,000,000, but do not exceed \$450,000,000;

17 (vi) 2,450 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 \$450,000,000, but do not exceed \$500,000,000;

22 (vii) 2,550 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 exceeds \$500,000,000.

26 In awarding racing dates under this subsection (e-2), the

1 Board shall have the discretion to allocate those thoroughbred
2 racing dates among these Cook County organization licensees.

3 (e-3) In awarding racing dates for calendar year 2018 and
4 thereafter in connection with a race track in Madison County,
5 the Board shall award racing dates and such organization
6 licensee shall run at least 700 thoroughbred races at the race
7 track in Madison County each year.

8 Notwithstanding Section 7.7 of the Illinois Gambling Act or
9 any provision of this Act other than subsection (e-4.5), for
10 each calendar year for which an electronic gaming licensee
11 located in Madison County requests racing dates resulting in
12 less than 700 live thoroughbred races at its race track
13 facility, the electronic gaming licensee may not conduct
14 electronic gaming for the calendar year of such requested live
15 races.

16 (e-4) Notwithstanding the provisions of Section 7.7 of the
17 Illinois Gambling Act or any provision of this Act other than
18 subsections (e-3) and (e-4.5), for each calendar year for which
19 an electronic gaming licensee requests racing dates for a
20 specific horse breed which results in a number of live races
21 for that specific breed under its organization license that is
22 less than the total number of live races for that specific
23 breed which it conducted in 2011 for standardbred racing and in
24 2016 for thoroughbred racing at its race track facility, the
25 electronic gaming licensee may not conduct electronic gaming
26 for the calendar year of such requested live races.

1 (e-4.5) The Board shall ensure that each organization
2 licensee shall individually run a sufficient number of races
3 per year to qualify for an electronic gaming license under this
4 Act. The General Assembly finds that the minimum live racing
5 guarantees contained in subsections (e-1), (e-2), and (e-3) are
6 in the best interest of the sport of horse racing, and that
7 such guarantees may only be reduced in the limited
8 circumstances described in this subsection. The Board may
9 decrease the number of racing days without affecting an
10 organization licensee's ability to conduct electronic gaming
11 only if the Board determines, after notice and hearing, that:

12 (i) a decrease is necessary to maintain a sufficient
13 number of betting interests per race to ensure the
14 integrity of racing;

15 (ii) there are unsafe track conditions due to weather
16 or acts of God;

17 (iii) there is an agreement between an organization
18 licensee and the breed association that is applicable to
19 the involved live racing guarantee, such association
20 representing either the largest number of thoroughbred
21 owners and trainers or the largest number of standardbred
22 owners, trainers and drivers who race horses at the
23 involved organization licensee's racing meeting, so long
24 as the agreement does not compromise the integrity of the
25 sport of horse racing; or

26 (iv) the horse population or purse levels are

1 insufficient to provide the number of racing opportunities
2 otherwise required in this Act.

3 In decreasing the number of racing dates in accordance with
4 this subsection, the Board shall hold a hearing and shall
5 provide the public and all interested parties notice and an
6 opportunity to be heard. The Board shall accept testimony from
7 all interested parties, including any association representing
8 owners, trainers, jockeys, or drivers who will be affected by
9 the decrease in racing dates. The Board shall provide a written
10 explanation of the reasons for the decrease and the Board's
11 findings. The written explanation shall include a listing and
12 content of all communication between any party and any Illinois
13 Racing Board member or staff that does not take place at a
14 public meeting of the Board.

15 (e-5) In reviewing an application for the purpose of
16 granting an organization license consistent with the best
17 interests of the public and the sport of horse racing, the
18 Board shall consider:

19 (1) the character, reputation, experience, and
20 financial integrity of the applicant and of any other
21 separate person that either:

22 (i) controls the applicant, directly or
23 indirectly, or

24 (ii) is controlled, directly or indirectly, by
25 that applicant or by a person who controls, directly or
26 indirectly, that applicant;

1 (2) the applicant's facilities or proposed facilities
2 for conducting horse racing;

3 (3) the total revenue without regard to Section 32.1 to
4 be derived by the State and horsemen from the applicant's
5 conducting a race meeting;

6 (4) the applicant's good faith affirmative action plan
7 to recruit, train, and upgrade minorities in all employment
8 classifications;

9 (5) the applicant's financial ability to purchase and
10 maintain adequate liability and casualty insurance;

11 (6) the applicant's proposed and prior year's
12 promotional and marketing activities and expenditures of
13 the applicant associated with those activities;

14 (7) an agreement, if any, among organization licensees
15 as provided in subsection (b) of Section 21 of this Act;
16 and

17 (8) the extent to which the applicant exceeds or meets
18 other standards for the issuance of an organization license
19 that the Board shall adopt by rule.

20 In granting organization licenses and allocating dates for
21 horse race meetings, the Board shall have discretion to
22 determine an overall schedule, including required simulcasts
23 of Illinois races by host tracks that will, in its judgment, be
24 conducive to the best interests of the public and the sport of
25 horse racing.

26 (e-10) The Illinois Administrative Procedure Act shall

1 apply to administrative procedures of the Board under this Act
2 for the granting of an organization license, except that (1)
3 notwithstanding the provisions of subsection (b) of Section
4 10-40 of the Illinois Administrative Procedure Act regarding
5 cross-examination, the Board may prescribe rules limiting the
6 right of an applicant or participant in any proceeding to award
7 an organization license to conduct cross-examination of
8 witnesses at that proceeding where that cross-examination
9 would unduly obstruct the timely award of an organization
10 license under subsection (e) of Section 20 of this Act; (2) the
11 provisions of Section 10-45 of the Illinois Administrative
12 Procedure Act regarding proposals for decision are excluded
13 under this Act; (3) notwithstanding the provisions of
14 subsection (a) of Section 10-60 of the Illinois Administrative
15 Procedure Act regarding ex parte communications, the Board may
16 prescribe rules allowing ex parte communications with
17 applicants or participants in a proceeding to award an
18 organization license where conducting those communications
19 would be in the best interest of racing, provided all those
20 communications are made part of the record of that proceeding
21 pursuant to subsection (c) of Section 10-60 of the Illinois
22 Administrative Procedure Act; (4) the provisions of Section 14a
23 of this Act and the rules of the Board promulgated under that
24 Section shall apply instead of the provisions of Article 10 of
25 the Illinois Administrative Procedure Act regarding
26 administrative law judges; and (5) the provisions of subsection

1 (d) of Section 10-65 of the Illinois Administrative Procedure
2 Act that prevent summary suspension of a license pending
3 revocation or other action shall not apply.

4 (f) The Board may allot racing dates to an organization
5 licensee for more than one calendar year but for no more than 3
6 successive calendar years in advance, provided that the Board
7 shall review such allotment for more than one calendar year
8 prior to each year for which such allotment has been made. The
9 granting of an organization license to a person constitutes a
10 privilege to conduct a horse race meeting under the provisions
11 of this Act, and no person granted an organization license
12 shall be deemed to have a vested interest, property right, or
13 future expectation to receive an organization license in any
14 subsequent year as a result of the granting of an organization
15 license. Organization licenses shall be subject to revocation
16 if the organization licensee has violated any provision of this
17 Act or the rules and regulations promulgated under this Act or
18 has been convicted of a crime or has failed to disclose or has
19 stated falsely any information called for in the application
20 for an organization license. Any organization license
21 revocation proceeding shall be in accordance with Section 16
22 regarding suspension and revocation of occupation licenses.

23 (f-5) If, (i) an applicant does not file an acceptance of
24 the racing dates awarded by the Board as required under part
25 (1) of subsection (h) of this Section 20, or (ii) an
26 organization licensee has its license suspended or revoked

1 under this Act, the Board, upon conducting an emergency hearing
2 as provided for in this Act, may reaward on an emergency basis
3 pursuant to rules established by the Board, racing dates not
4 accepted or the racing dates associated with any suspension or
5 revocation period to one or more organization licensees, new
6 applicants, or any combination thereof, upon terms and
7 conditions that the Board determines are in the best interest
8 of racing, provided, the organization licensees or new
9 applicants receiving the awarded racing dates file an
10 acceptance of those reawarded racing dates as required under
11 paragraph (1) of subsection (h) of this Section 20 and comply
12 with the other provisions of this Act. The Illinois
13 Administrative Procedure Act shall not apply to the
14 administrative procedures of the Board in conducting the
15 emergency hearing and the reallocation of racing dates on an
16 emergency basis.

17 (g) (Blank).

18 (h) The Board shall send the applicant a copy of its
19 formally executed order by certified mail addressed to the
20 applicant at the address stated in his application, which
21 notice shall be mailed within 5 days of the date the formal
22 order is executed.

23 Each applicant notified shall, within 10 days after receipt
24 of the final executed order of the Board awarding racing dates:

25 (1) file with the Board an acceptance of such award in
26 the form prescribed by the Board;

1 (2) pay to the Board an additional amount equal to \$110
2 for each racing date awarded; and

3 (3) file with the Board the bonds required in Sections
4 21 and 25 at least 20 days prior to the first day of each
5 race meeting.

6 Upon compliance with the provisions of paragraphs (1), (2), and
7 (3) of this subsection (h), the applicant shall be issued an
8 organization license.

9 If any applicant fails to comply with this Section or fails
10 to pay the organization license fees herein provided, no
11 organization license shall be issued to such applicant.

12 (Source: P.A. 97-333, eff. 8-12-11.)

13 (230 ILCS 5/21) (from Ch. 8, par. 37-21)

14 Sec. 21. (a) Applications for organization licenses must be
15 filed with the Board at a time and place prescribed by the
16 rules and regulations of the Board. The Board shall examine the
17 applications within 21 days after the date allowed for filing
18 with respect to their conformity with this Act and such rules
19 and regulations as may be prescribed by the Board. If any
20 application does not comply with this Act or the rules and
21 regulations prescribed by the Board, such application may be
22 rejected and an organization license refused to the applicant,
23 or the Board may, within 21 days of the receipt of such
24 application, advise the applicant of the deficiencies of the
25 application under the Act or the rules and regulations of the

1 Board, and require the submittal of an amended application
2 within a reasonable time determined by the Board; and upon
3 submittal of the amended application by the applicant, the
4 Board may consider the application consistent with the process
5 described in subsection (e-5) of Section 20 of this Act. If it
6 is found to be in compliance with this Act and the rules and
7 regulations of the Board, the Board may then issue an
8 organization license to such applicant.

9 (b) The Board may exercise discretion in granting racing
10 dates to qualified applicants different from those requested by
11 the applicants in their applications. However, if all eligible
12 applicants for organization licenses whose tracks are located
13 within 100 miles of each other execute and submit to the Board
14 a written agreement among such applicants as to the award of
15 racing dates, including where applicable racing programs, for
16 up to 3 consecutive years, then subject to annual review of
17 each applicant's compliance with Board rules and regulations,
18 provisions of this Act and conditions contained in annual dates
19 orders issued by the Board, the Board may grant such dates and
20 programs to such applicants as so agreed by them if the Board
21 determines that the grant of these racing dates is in the best
22 interests of racing. The Board shall treat any such agreement
23 as the agreement signatories' joint and several application for
24 racing dates during the term of the agreement.

25 (c) Where 2 or more applicants propose to conduct horse
26 race meetings within 35 miles of each other, as certified to

1 the Board under Section 19 (a) (1) of this Act, on conflicting
2 dates, the Board may determine and grant the number of racing
3 days to be awarded to the several applicants in accordance with
4 the provisions of subsection (e-5) of Section 20 of this Act.

5 (d) (Blank).

6 (e) Prior to the issuance of an organization license, the
7 applicant shall file with the Board a bond payable to the State
8 of Illinois in the sum of \$200,000, executed by the applicant
9 and a surety company or companies authorized to do business in
10 this State, and conditioned upon the payment by the
11 organization licensee of all taxes due under Section 27, other
12 monies due and payable under this Act, all purses due and
13 payable, and that the organization licensee will upon
14 presentation of the winning ticket or tickets distribute all
15 sums due to the patrons of pari-mutuel pools. Beginning on the
16 date when any organization licensee begins conducting
17 electronic gaming pursuant to an electronic gaming license
18 issued under the Illinois Gambling Act, the amount of the bond
19 required under this subsection (e) shall be \$500,000.

20 (f) Each organization license shall specify the person to
21 whom it is issued, the dates upon which horse racing is
22 permitted, and the location, place, track, or enclosure where
23 the horse race meeting is to be held.

24 (g) Any person who owns one or more race tracks within the
25 State may seek, in its own name, a separate organization
26 license for each race track.

1 (h) All racing conducted under such organization license is
2 subject to this Act and to the rules and regulations from time
3 to time prescribed by the Board, and every such organization
4 license issued by the Board shall contain a recital to that
5 effect.

6 (i) Each such organization licensee may provide that at
7 least one race per day may be devoted to the racing of quarter
8 horses, appaloosas, arabians, or paints.

9 (j) In acting on applications for organization licenses,
10 the Board shall give weight to an organization license which
11 has implemented a good faith affirmative action effort to
12 recruit, train and upgrade minorities in all classifications
13 within the organization license.

14 (Source: P.A. 90-754, eff. 1-1-99; 91-40, eff. 6-25-99.)

15 (230 ILCS 5/24) (from Ch. 8, par. 37-24)

16 Sec. 24. (a) No license shall be issued to or held by an
17 organization licensee unless all of its officers, directors,
18 and holders of ownership interests of at least 5% are first
19 approved by the Board. The Board shall not give approval of an
20 organization license application to any person who has been
21 convicted of or is under an indictment for a crime of moral
22 turpitude or has violated any provision of the racing law of
23 this State or any rules of the Board.

24 (b) An organization licensee must notify the Board within
25 10 days of any change in the holders of a direct or indirect

1 interest in the ownership of the organization licensee. The
2 Board may, after hearing, revoke the organization license of
3 any person who registers on its books or knowingly permits a
4 direct or indirect interest in the ownership of that person
5 without notifying the Board of the name of the holder in
6 interest within this period.

7 (c) In addition to the provisions of subsection (a) of this
8 Section, no person shall be granted an organization license if
9 any public official of the State or member of his or her family
10 holds any ownership or financial interest, directly or
11 indirectly, in the person.

12 (d) No person which has been granted an organization
13 license to hold a race meeting shall give to any public
14 official or member of his family, directly or indirectly, for
15 or without consideration, any interest in the person. The Board
16 shall, after hearing, revoke the organization license granted
17 to a person which has violated this subsection.

18 (e) (Blank).

19 (f) No organization licensee or concessionaire or officer,
20 director or holder or controller of 5% or more legal or
21 beneficial interest in any organization licensee or concession
22 shall make any sort of gift or contribution that is prohibited
23 under Article 10 of the State Officials and Employees Ethics
24 Act of any kind or pay or give any money or other thing of value
25 to any person who is a public official, or a candidate or
26 nominee for public office if that payment or gift is prohibited

1 under Article 10 of the State Officials and Employees Ethics
2 Act.

3 (Source: P.A. 89-16, eff. 5-30-95.)

4 (230 ILCS 5/25) (from Ch. 8, par. 37-25)

5 Sec. 25. Admission charge; bond; fine.

6 (a) There shall be paid to the Board at such time or times
7 as it shall prescribe, the sum of fifteen cents (15¢) 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 except as provided in subsection (g) of Section 27 of
11 this Act. If tickets are issued for more than one day then the
12 sum of fifteen cents (15¢) shall be paid for each person using
13 such ticket on each day that the same shall be used. Provided,
14 however, that no charge shall be made on tickets of admission
15 issued to and in the name of directors, officers, agents or
16 employees of the organization licensee, or inter-track
17 wagering licensee, or to owners, trainers, jockeys, drivers and
18 their employees or to any person or persons entering the
19 grounds or enclosure for the transaction of business in
20 connection with such race meeting. The organization licensee or
21 inter-track wagering licensee may, if it desires, collect such
22 amount from each ticket holder in addition to the amount or
23 amounts charged for such ticket of admission. Beginning on the
24 date when any organization licensee begins conducting
25 electronic gaming pursuant to an electronic gaming license

1 issued under the Illinois Gambling Act, the admission charge
2 imposed by this subsection (a) shall be 40 cents for each
3 person entering the grounds or enclosure of each organization
4 licensee and inter-track wagering licensee upon a ticket of
5 admission, and if such tickets are issued for more than one
6 day, 40 cents shall be paid for each person using such ticket
7 on each day that the same shall be used.

8 (b) Accurate records and books shall at all times be kept
9 and maintained by the organization licensees and inter-track
10 wagering licensees showing the admission tickets issued and
11 used on each racing day and the attendance thereat of each
12 horse racing meeting. The Board or its duly authorized
13 representative or representatives shall at all reasonable
14 times have access to the admission records of any organization
15 licensee and inter-track wagering licensee for the purpose of
16 examining and checking the same and ascertaining whether or not
17 the proper amount has been or is being paid the State of
18 Illinois as herein provided. The Board shall also require,
19 before issuing any license, that the licensee shall execute and
20 deliver to it a bond, payable to the State of Illinois, in such
21 sum as it shall determine, not, however, in excess of fifty
22 thousand dollars (\$50,000), with a surety or sureties to be
23 approved by it, conditioned for the payment of all sums due and
24 payable or collected by it under this Section upon admission
25 fees received for any particular racing meetings. The Board may
26 also from time to time require sworn statements of the number

1 or numbers of such admissions and may prescribe blanks upon
2 which such reports shall be made. Any organization licensee or
3 inter-track wagering licensee failing or refusing to pay the
4 amount found to be due as herein provided, shall be deemed
5 guilty of a business offense and upon conviction shall be
6 punished by a fine of not more than five thousand dollars
7 (\$5,000) in addition to the amount due from such organization
8 licensee or inter-track wagering licensee as herein provided.
9 All fines paid into court by an organization licensee or
10 inter-track wagering licensee found guilty of violating this
11 Section shall be transmitted and paid over by the clerk of the
12 court to the Board. Beginning on the date when any organization
13 licensee begins conducting electronic gaming pursuant to an
14 electronic gaming license issued under the Illinois Gambling
15 Act, any fine imposed pursuant to this subsection (b) shall not
16 exceed \$10,000.

17 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)

18 (230 ILCS 5/26) (from Ch. 8, par. 37-26)

19 Sec. 26. Wagering.

20 (a) Any licensee may conduct and supervise the pari-mutuel
21 system of wagering, as defined in Section 3.12 of this Act, on
22 horse races conducted by an Illinois organization licensee or
23 conducted at a racetrack located in another state or country
24 ~~and televised in Illinois~~ in accordance with subsection (g) of
25 Section 26 of this Act. Subject to the prior consent of the

1 Board, licensees may supplement any pari-mutuel pool in order
2 to guarantee a minimum distribution. Such pari-mutuel method of
3 wagering shall not, under any circumstances if conducted under
4 the provisions of this Act, be held or construed to be
5 unlawful, other statutes of this State to the contrary
6 notwithstanding. Subject to rules for advance wagering
7 promulgated by the Board, any licensee may accept wagers in
8 advance of the day of the race wagered upon occurs.

9 (b) Except for those gaming activities for which a license
10 is obtained and authorized under the Illinois Lottery Law, the
11 Charitable Games Act, the Raffles and Poker Runs Act, or the
12 Illinois Gambling Act, no ~~no~~ other method of betting, pool
13 making, wagering or gambling shall be used or permitted by the
14 licensee. Each licensee may retain, subject to the payment of
15 all applicable taxes and purses, an amount not to exceed 17% of
16 all money wagered under subsection (a) of this Section, except
17 as may otherwise be permitted under this Act.

18 (b-5) An individual may place a wager under the pari-mutuel
19 system from any licensed location authorized under this Act
20 provided that wager is electronically recorded in the manner
21 described in Section 3.12 of this Act. Any wager made
22 electronically by an individual while physically on the
23 premises of a licensee shall be deemed to have been made at the
24 premises of that licensee.

25 (c) Until January 1, 2000, the sum held by any licensee for
26 payment of outstanding pari-mutuel tickets, if unclaimed prior

1 to December 31 of the next year, shall be retained by the
2 licensee for payment of such tickets until that date. Within 10
3 days thereafter, the balance of such sum remaining unclaimed,
4 less any uncashed supplements contributed by such licensee for
5 the purpose of guaranteeing minimum distributions of any
6 pari-mutuel pool, shall be paid to the Illinois Veterans'
7 Rehabilitation Fund of the State treasury, except as provided
8 in subsection (g) of Section 27 of this Act.

9 (c-5) Beginning January 1, 2000, the sum held by any
10 licensee for payment of outstanding pari-mutuel tickets, if
11 unclaimed prior to December 31 of the next year, shall be
12 retained by the licensee for payment of such tickets until that
13 date. Within 10 days thereafter, the balance of such sum
14 remaining unclaimed, less any uncashed supplements contributed
15 by such licensee for the purpose of guaranteeing minimum
16 distributions of any pari-mutuel pool, shall be evenly
17 distributed to the purse account of the organization licensee
18 and the organization licensee.

19 (d) A pari-mutuel ticket shall be honored until December 31
20 of the next calendar year, and the licensee shall pay the same
21 and may charge the amount thereof against unpaid money
22 similarly accumulated on account of pari-mutuel tickets not
23 presented for payment.

24 (e) No licensee shall knowingly permit any minor, other
25 than an employee of such licensee or an owner, trainer, jockey,
26 driver, or employee thereof, to be admitted during a racing

1 program unless accompanied by a parent or guardian, or any
2 minor to be a patron of the pari-mutuel system of wagering
3 conducted or supervised by it. The admission of any
4 unaccompanied minor, other than an employee of the licensee or
5 an owner, trainer, jockey, driver, or employee thereof at a
6 race track is a Class C misdemeanor.

7 (f) Notwithstanding the other provisions of this Act, an
8 organization licensee may contract with an entity in another
9 state or country to permit any legal wagering entity in another
10 state or country to accept wagers solely within such other
11 state or country on races conducted by the organization
12 licensee in this State. Beginning January 1, 2000, these wagers
13 shall not be subject to State taxation. Until January 1, 2000,
14 when the out-of-State entity conducts a pari-mutuel pool
15 separate from the organization licensee, a privilege tax equal
16 to 7 1/2% of all monies received by the organization licensee
17 from entities in other states or countries pursuant to such
18 contracts is imposed on the organization licensee, and such
19 privilege tax shall be remitted to the Department of Revenue
20 within 48 hours of receipt of the moneys from the simulcast.
21 When the out-of-State entity conducts a combined pari-mutuel
22 pool with the organization licensee, the tax shall be 10% of
23 all monies received by the organization licensee with 25% of
24 the receipts from this 10% tax to be distributed to the county
25 in which the race was conducted.

26 An organization licensee may permit one or more of its

1 races to be utilized for pari-mutuel wagering at one or more
2 locations in other states and may transmit audio and visual
3 signals of races the organization licensee conducts to one or
4 more locations outside the State or country and may also permit
5 pari-mutuel pools in other states or countries to be combined
6 with its gross or net wagering pools or with wagering pools
7 established by other states.

8 (g) A host track may accept interstate simulcast wagers on
9 horse races conducted in other states or countries and shall
10 control the number of signals and types of breeds of racing in
11 its simulcast program, subject to the disapproval of the Board.
12 The Board may prohibit a simulcast program only if it finds
13 that the simulcast program is clearly adverse to the integrity
14 of racing. The host track simulcast program shall include the
15 signal of live racing of all organization licensees. All
16 non-host licensees and advance deposit wagering licensees
17 shall carry the signal of and accept wagers on live racing of
18 all organization licensees. Advance deposit wagering licensees
19 shall not be permitted to accept out-of-state wagers on any
20 Illinois signal provided pursuant to this Section without the
21 approval and consent of the organization licensee providing the
22 signal. For one year after August 15, 2014 (the effective date
23 of Public Act 98-968) ~~this amendatory Act of the 98th General~~
24 ~~Assembly~~, non-host licensees may carry the host track simulcast
25 program and shall accept wagers on all races included as part
26 of the simulcast program of horse races conducted at race

1 tracks located within North America upon which wagering is
2 permitted. For a period of one year after August 15, 2014 (the
3 effective date of Public Act 98-968) ~~this amendatory Act of the~~
4 ~~98th General Assembly~~, on horse races conducted at race tracks
5 located outside of North America, non-host licensees may accept
6 wagers on all races included as part of the simulcast program
7 upon which wagering is permitted. Beginning August 15, 2015
8 (one year after the effective date of Public Act 98-968) ~~this~~
9 ~~amendatory Act of the 98th General Assembly~~, non-host licensees
10 may carry the host track simulcast program and shall accept
11 wagers on all races included as part of the simulcast program
12 upon which wagering is permitted. All organization licensees
13 shall provide their live signal to all advance deposit wagering
14 licensees for a simulcast commission fee not to exceed 6% of
15 the advance deposit wagering licensee's Illinois handle on the
16 organization licensee's signal without prior approval by the
17 Board. The Board may adopt rules under which it may permit
18 simulcast commission fees in excess of 6%. The Board shall
19 adopt rules limiting the interstate commission fees charged to
20 an advance deposit wagering licensee. The Board shall adopt
21 rules regarding advance deposit wagering on interstate
22 simulcast races that shall reflect, among other things, the
23 General Assembly's desire to maximize revenues to the State,
24 horsemen purses, and organizational licensees. However,
25 organization licensees providing live signals pursuant to the
26 requirements of this subsection (g) may petition the Board to

1 withhold their live signals from an advance deposit wagering
2 licensee if the organization licensee discovers and the Board
3 finds reputable or credible information that the advance
4 deposit wagering licensee is under investigation by another
5 state or federal governmental agency, the advance deposit
6 wagering licensee's license has been suspended in another
7 state, or the advance deposit wagering licensee's license is in
8 revocation proceedings in another state. The organization
9 licensee's provision of their live signal to an advance deposit
10 wagering licensee under this subsection (g) pertains to wagers
11 placed from within Illinois. Advance deposit wagering
12 licensees may place advance deposit wagering terminals at
13 wagering facilities as a convenience to customers. The advance
14 deposit wagering licensee shall not charge or collect any fee
15 from purses for the placement of the advance deposit wagering
16 terminals. The costs and expenses of the host track and
17 non-host licensees associated with interstate simulcast
18 wagering, other than the interstate commission fee, shall be
19 borne by the host track and all non-host licensees incurring
20 these costs. The interstate commission fee shall not exceed 5%
21 of Illinois handle on the interstate simulcast race or races
22 without prior approval of the Board. The Board shall promulgate
23 rules under which it may permit interstate commission fees in
24 excess of 5%. The interstate commission fee and other fees
25 charged by the sending racetrack, including, but not limited
26 to, satellite decoder fees, shall be uniformly applied to the

1 host track and all non-host licensees.

2 Notwithstanding any other provision of this Act, ~~through~~
3 ~~December 31, 2018,~~ an organization licensee, with the consent
4 of the horsemen association representing the largest number of
5 owners, trainers, jockeys, or standardbred drivers who race
6 horses at that organization licensee's racing meeting, may
7 maintain a system whereby advance deposit wagering may take
8 place or an organization licensee, with the consent of the
9 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 contract with another person to carry out a system of advance
13 deposit wagering. Such consent may not be unreasonably
14 withheld. Only with respect to an appeal to the Board that
15 consent for an organization licensee that maintains its own
16 advance deposit wagering system is being unreasonably
17 withheld, the Board shall issue a final order within 30 days
18 after initiation of the appeal, and the organization licensee's
19 advance deposit wagering system may remain operational during
20 that 30-day period. The actions of any organization licensee
21 who conducts advance deposit wagering or any person who has a
22 contract with an organization licensee to conduct advance
23 deposit wagering who conducts advance deposit wagering on or
24 after January 1, 2013 and prior to June 7, 2013 (the effective
25 date of Public Act 98-18) ~~this amendatory Act of the 98th~~
26 ~~General Assembly~~ taken in reliance on the changes made to this

1 subsection (g) by Public Act 98-18 ~~this amendatory Act of the~~
2 ~~98th General Assembly~~ are hereby validated, provided payment of
3 all applicable pari-mutuel taxes are remitted to the Board. All
4 advance deposit wagers placed from within Illinois must be
5 placed through a Board-approved advance deposit wagering
6 licensee; no other entity may accept an advance deposit wager
7 from a person within Illinois. All advance deposit wagering is
8 subject to any rules adopted by the Board. The Board may adopt
9 rules necessary to regulate advance deposit wagering through
10 the use of emergency rulemaking in accordance with Section 5-45
11 of the Illinois Administrative Procedure Act. The General
12 Assembly finds that the adoption of rules to regulate advance
13 deposit wagering is deemed an emergency and necessary for the
14 public interest, safety, and welfare. An advance deposit
15 wagering licensee may retain all moneys as agreed to by
16 contract with an organization licensee. Any moneys retained by
17 the organization licensee from advance deposit wagering, not
18 including moneys retained by the advance deposit wagering
19 licensee, shall be paid 50% to the organization licensee's
20 purse account and 50% to the organization licensee. With the
21 exception of any organization licensee that is owned by a
22 publicly traded company that is incorporated in a state other
23 than Illinois and advance deposit wagering licensees under
24 contract with such organization licensees, organization
25 licensees that maintain advance deposit wagering systems and
26 advance deposit wagering licensees that contract with

1 organization licensees shall provide sufficiently detailed
2 monthly accountings to the horsemen association representing
3 the largest number of owners, trainers, jockeys, or
4 standardbred drivers who race horses at that organization
5 licensee's racing meeting so that the horsemen association, as
6 an interested party, can confirm the accuracy of the amounts
7 paid to the purse account at the horsemen association's
8 affiliated organization licensee from advance deposit
9 wagering. If more than one breed races at the same race track
10 facility, then the 50% of the moneys to be paid to an
11 organization licensee's purse account shall be allocated among
12 all organization licensees' purse accounts operating at that
13 race track facility proportionately based on the actual number
14 of host days that the Board grants to that breed at that race
15 track facility in the current calendar year. To the extent any
16 fees from advance deposit wagering conducted in Illinois for
17 wagers in Illinois or other states have been placed in escrow
18 or otherwise withheld from wagers pending a determination of
19 the legality of advance deposit wagering, no action shall be
20 brought to declare such wagers or the disbursement of any fees
21 previously escrowed illegal.

22 (1) Between the hours of 6:30 a.m. and 6:30 p.m. an
23 inter-track ~~intertrack~~ wagering licensee other than the
24 host track may supplement the host track simulcast program
25 with additional simulcast races or race programs, provided
26 that between January 1 and the third Friday in February of

1 any year, inclusive, if no live thoroughbred racing is
2 occurring in Illinois during this period, only
3 thoroughbred races may be used for supplemental interstate
4 simulcast purposes. The Board shall withhold approval for a
5 supplemental interstate simulcast only if it finds that the
6 simulcast is clearly adverse to the integrity of racing. A
7 supplemental interstate simulcast may be transmitted from
8 an inter-track ~~intertrack~~ wagering licensee to its
9 affiliated non-host licensees. The interstate commission
10 fee for a supplemental interstate simulcast shall be paid
11 by the non-host licensee and its affiliated non-host
12 licensees receiving the simulcast.

13 (2) Between the hours of 6:30 p.m. and 6:30 a.m. an
14 inter-track ~~intertrack~~ wagering licensee other than the
15 host track may receive supplemental interstate simulcasts
16 only with the consent of the host track, except when the
17 Board finds that the simulcast is clearly adverse to the
18 integrity of racing. Consent granted under this paragraph
19 (2) to any inter-track ~~intertrack~~ wagering licensee shall
20 be deemed consent to all non-host licensees. The interstate
21 commission fee for the supplemental interstate simulcast
22 shall be paid by all participating non-host licensees.

23 (3) Each licensee conducting interstate simulcast
24 wagering may retain, subject to the payment of all
25 applicable taxes and the purses, an amount not to exceed
26 17% of all money wagered. If any licensee conducts the

1 pari-mutuel system wagering on races conducted at
2 racetracks in another state or country, each such race or
3 race program shall be considered a separate racing day for
4 the purpose of determining the daily handle and computing
5 the privilege tax of that daily handle as provided in
6 subsection (a) of Section 27. Until January 1, 2000, from
7 the sums permitted to be retained pursuant to this
8 subsection, each inter-track ~~intertrack~~ wagering location
9 licensee shall pay 1% of the pari-mutuel handle wagered on
10 simulcast wagering to the Horse Racing Tax Allocation Fund,
11 subject to the provisions of subparagraph (B) of paragraph
12 (11) of subsection (h) of Section 26 of this Act.

13 (4) A licensee who receives an interstate simulcast may
14 combine its gross or net pools with pools at the sending
15 racetracks pursuant to rules established by the Board. All
16 licensees combining their gross pools at a sending
17 racetrack shall adopt the take-out percentages of the
18 sending racetrack. A licensee may also establish a separate
19 pool and takeout structure for wagering purposes on races
20 conducted at race tracks outside of the State of Illinois.
21 The licensee may permit pari-mutuel wagers placed in other
22 states or countries to be combined with its gross or net
23 wagering pools or other wagering pools.

24 (5) After the payment of the interstate commission fee
25 (except for the interstate commission fee on a supplemental
26 interstate simulcast, which shall be paid by the host track

1 and by each non-host licensee through the host-track) and
2 all applicable State and local taxes, except as provided in
3 subsection (g) of Section 27 of this Act, the remainder of
4 moneys retained from simulcast wagering pursuant to this
5 subsection (g), and Section 26.2 shall be divided as
6 follows:

7 (A) For interstate simulcast wagers made at a host
8 track, 50% to the host track and 50% to purses at the
9 host track.

10 (B) For wagers placed on interstate simulcast
11 races, supplemental simulcasts as defined in
12 subparagraphs (1) and (2), and separately pooled races
13 conducted outside of the State of Illinois made at a
14 non-host licensee, 25% to the host track, 25% to the
15 non-host licensee, and 50% to the purses at the host
16 track.

17 (6) Notwithstanding any provision in this Act to the
18 contrary, non-host licensees who derive their licenses
19 from a track located in a county with a population in
20 excess of 230,000 and that borders the Mississippi River
21 may receive supplemental interstate simulcast races at all
22 times subject to Board approval, which shall be withheld
23 only upon a finding that a supplemental interstate
24 simulcast is clearly adverse to the integrity of racing.

25 (7) Notwithstanding any provision of this Act to the
26 contrary, after payment of all applicable State and local

1 taxes and interstate commission fees, non-host licensees
2 who derive their licenses from a track located in a county
3 with a population in excess of 230,000 and that borders the
4 Mississippi River shall retain 50% of the retention from
5 interstate simulcast wagers and shall pay 50% to purses at
6 the track from which the non-host licensee derives its
7 license as follows:

8 (A) Between January 1 and the third Friday in
9 February, inclusive, if no live thoroughbred racing is
10 occurring in Illinois during this period, when the
11 interstate simulcast is a standardbred race, the purse
12 share to its standardbred purse account;

13 (B) Between January 1 and the third Friday in
14 February, inclusive, if no live thoroughbred racing is
15 occurring in Illinois during this period, and the
16 interstate simulcast is a thoroughbred race, the purse
17 share to its interstate simulcast purse pool to be
18 distributed under paragraph (10) of this subsection
19 (g);

20 (C) Between January 1 and the third Friday in
21 February, inclusive, if live thoroughbred racing is
22 occurring in Illinois, between 6:30 a.m. and 6:30 p.m.
23 the purse share from wagers made during this time
24 period to its thoroughbred purse account and between
25 6:30 p.m. and 6:30 a.m. the purse share from wagers
26 made during this time period to its standardbred purse

1 accounts;

2 (D) Between the third Saturday in February and
3 December 31, when the interstate simulcast occurs
4 between the hours of 6:30 a.m. and 6:30 p.m., the purse
5 share to its thoroughbred purse account;

6 (E) Between the third Saturday in February and
7 December 31, when the interstate simulcast occurs
8 between the hours of 6:30 p.m. and 6:30 a.m., the purse
9 share to its standardbred purse account.

10 (7.1) Notwithstanding any other provision of this Act
11 to the contrary, if no standardbred racing is conducted at
12 a racetrack located in Madison County during any calendar
13 year beginning on or after January 1, 2002, all moneys
14 derived by that racetrack from simulcast wagering and
15 inter-track wagering that (1) are to be used for purses and
16 (2) are generated between the hours of 6:30 p.m. and 6:30
17 a.m. during that calendar year shall be paid as follows:

18 (A) If the licensee that conducts horse racing at
19 that racetrack requests from the Board at least as many
20 racing dates as were conducted in calendar year 2000,
21 80% shall be paid to its thoroughbred purse account;
22 and

23 (B) Twenty percent shall be deposited into the
24 Illinois Colt Stakes Purse Distribution Fund and shall
25 be paid to purses for standardbred races for Illinois
26 conceived and foaled horses conducted at any county

1 fairgrounds. The moneys deposited into the Fund
2 pursuant to this subparagraph (B) shall be deposited
3 within 2 weeks after the day they were generated, shall
4 be in addition to and not in lieu of any other moneys
5 paid to standardbred purses under this Act, and shall
6 not be commingled with other moneys paid into that
7 Fund. The moneys deposited pursuant to this
8 subparagraph (B) shall be allocated as provided by the
9 Department of Agriculture, with the advice and
10 assistance of the Illinois Standardbred Breeders Fund
11 Advisory Board.

12 (7.2) Notwithstanding any other provision of this Act
13 to the contrary, if no thoroughbred racing is conducted at
14 a racetrack located in Madison County during any calendar
15 year beginning on or after January 1, 2002, all moneys
16 derived by that racetrack from simulcast wagering and
17 inter-track wagering that (1) are to be used for purses and
18 (2) are generated between the hours of 6:30 a.m. and 6:30
19 p.m. during that calendar year shall be deposited as
20 follows:

21 (A) If the licensee that conducts horse racing at
22 that racetrack requests from the Board at least as many
23 racing dates as were conducted in calendar year 2000,
24 80% shall be deposited into its standardbred purse
25 account; and

26 (B) Twenty percent shall be deposited into the

1 Illinois Colt Stakes Purse Distribution Fund. Moneys
2 deposited into the Illinois Colt Stakes Purse
3 Distribution Fund pursuant to this subparagraph (B)
4 shall be paid to Illinois conceived and foaled
5 thoroughbred breeders' programs and to thoroughbred
6 purses for races conducted at any county fairgrounds
7 for Illinois conceived and foaled horses at the
8 discretion of the Department of Agriculture, with the
9 advice and assistance of the Illinois Thoroughbred
10 Breeders Fund Advisory Board. The moneys deposited
11 into the Illinois Colt Stakes Purse Distribution Fund
12 pursuant to this subparagraph (B) shall be deposited
13 within 2 weeks after the day they were generated, shall
14 be in addition to and not in lieu of any other moneys
15 paid to thoroughbred purses under this Act, and shall
16 not be commingled with other moneys deposited into that
17 Fund.

18 (7.3) If no live standardbred racing is conducted at a
19 racetrack located in Madison County in calendar year 2000
20 or 2001, an organization licensee who is licensed to
21 conduct horse racing at that racetrack shall, before
22 January 1, 2002, pay all moneys derived from simulcast
23 wagering and inter-track wagering in calendar years 2000
24 and 2001 and paid into the licensee's standardbred purse
25 account as follows:

26 (A) Eighty percent to that licensee's thoroughbred

1 purse account to be used for thoroughbred purses; and

2 (B) Twenty percent to the Illinois Colt Stakes
3 Purse Distribution Fund.

4 Failure to make the payment to the Illinois Colt Stakes
5 Purse Distribution Fund before January 1, 2002 shall result
6 in the immediate revocation of the licensee's organization
7 license, inter-track wagering license, and inter-track
8 wagering location license.

9 Moneys paid into the Illinois Colt Stakes Purse
10 Distribution Fund pursuant to this paragraph (7.3) shall be
11 paid to purses for standardbred races for Illinois
12 conceived and foaled horses conducted at any county
13 fairgrounds. Moneys paid into the Illinois Colt Stakes
14 Purse Distribution Fund pursuant to this paragraph (7.3)
15 shall be used as determined by the Department of
16 Agriculture, with the advice and assistance of the Illinois
17 Standardbred Breeders Fund Advisory Board, shall be in
18 addition to and not in lieu of any other moneys paid to
19 standardbred purses under this Act, and shall not be
20 commingled with any other moneys paid into that Fund.

21 (7.4) If live standardbred racing is conducted at a
22 racetrack located in Madison County at any time in calendar
23 year 2001 before the payment required under paragraph (7.3)
24 has been made, the organization licensee who is licensed to
25 conduct racing at that racetrack shall pay all moneys
26 derived by that racetrack from simulcast wagering and

1 inter-track wagering during calendar years 2000 and 2001
2 that (1) are to be used for purses and (2) are generated
3 between the hours of 6:30 p.m. and 6:30 a.m. during 2000 or
4 2001 to the standardbred purse account at that racetrack to
5 be used for standardbred purses.

6 (8) Notwithstanding any provision in this Act to the
7 contrary, an organization licensee from a track located in
8 a county with a population in excess of 230,000 and that
9 borders the Mississippi River and its affiliated non-host
10 licensees shall not be entitled to share in any retention
11 generated on racing, inter-track wagering, or simulcast
12 wagering at any other Illinois wagering facility.

13 (8.1) Notwithstanding any provisions in this Act to the
14 contrary, if 2 organization licensees are conducting
15 standardbred race meetings concurrently between the hours
16 of 6:30 p.m. and 6:30 a.m., after payment of all applicable
17 State and local taxes and interstate commission fees, the
18 remainder of the amount retained from simulcast wagering
19 otherwise attributable to the host track and to host track
20 purses shall be split daily between the 2 organization
21 licensees and the purses at the tracks of the 2
22 organization licensees, respectively, based on each
23 organization licensee's share of the total live handle for
24 that day, provided that this provision shall not apply to
25 any non-host licensee that derives its license from a track
26 located in a county with a population in excess of 230,000

1 and that borders the Mississippi River.

2 (9) (Blank).

3 (10) (Blank).

4 (11) (Blank).

5 (12) The Board shall have authority to compel all host
6 tracks to receive the simulcast of any or all races
7 conducted at the Springfield or DuQuoin State fairgrounds
8 and include all such races as part of their simulcast
9 programs.

10 (13) Notwithstanding any other provision of this Act,
11 in the event that the total Illinois pari-mutuel handle on
12 Illinois horse races at all wagering facilities in any
13 calendar year is less than 75% of the total Illinois
14 pari-mutuel handle on Illinois horse races at all such
15 wagering facilities for calendar year 1994, then each
16 wagering facility that has an annual total Illinois
17 pari-mutuel handle on Illinois horse races that is less
18 than 75% of the total Illinois pari-mutuel handle on
19 Illinois horse races at such wagering facility for calendar
20 year 1994, shall be permitted to receive, from any amount
21 otherwise payable to the purse account at the race track
22 with which the wagering facility is affiliated in the
23 succeeding calendar year, an amount equal to 2% of the
24 differential in total Illinois pari-mutuel handle on
25 Illinois horse races at the wagering facility between that
26 calendar year in question and 1994 provided, however, that

1 a wagering facility shall not be entitled to any such
2 payment until the Board certifies in writing to the
3 wagering facility the amount to which the wagering facility
4 is entitled and a schedule for payment of the amount to the
5 wagering facility, based on: (i) the racing dates awarded
6 to the race track affiliated with the wagering facility
7 during the succeeding year; (ii) the sums available or
8 anticipated to be available in the purse account of the
9 race track affiliated with the wagering facility for purses
10 during the succeeding year; and (iii) the need to ensure
11 reasonable purse levels during the payment period. The
12 Board's certification shall be provided no later than
13 January 31 of the succeeding year. In the event a wagering
14 facility entitled to a payment under this paragraph (13) is
15 affiliated with a race track that maintains purse accounts
16 for both standardbred and thoroughbred racing, the amount
17 to be paid to the wagering facility shall be divided
18 between each purse account pro rata, based on the amount of
19 Illinois handle on Illinois standardbred and thoroughbred
20 racing respectively at the wagering facility during the
21 previous calendar year. Annually, the General Assembly
22 shall appropriate sufficient funds from the General
23 Revenue Fund to the Department of Agriculture for payment
24 into the thoroughbred and standardbred horse racing purse
25 accounts at Illinois pari-mutuel tracks. The amount paid to
26 each purse account shall be the amount certified by the

1 Illinois Racing Board in January to be transferred from
2 each account to each eligible racing facility in accordance
3 with the provisions of this Section. Beginning in the
4 calendar year in which an organization licensee that is
5 eligible to receive payment under this paragraph (13)
6 begins to receive funds from electronic gaming, the amount
7 of the payment due to all wagering facilities licensed
8 under that organization licensee under this paragraph (13)
9 shall be the amount certified by the Board in January of
10 that year. An organization licensee and its related
11 wagering facilities shall no longer be able to receive
12 payments under this paragraph (13) beginning in the year
13 subsequent to the first year in which the organization
14 licensee begins to receive funds from electronic gaming.

15 (h) The Board may approve and license the conduct of
16 inter-track wagering and simulcast wagering by inter-track
17 wagering licensees and inter-track wagering location licensees
18 subject to the following terms and conditions:

19 (1) Any person licensed to conduct a race meeting (i)
20 at a track where 60 or more days of racing were conducted
21 during the immediately preceding calendar year or where
22 over the 5 immediately preceding calendar years an average
23 of 30 or more days of racing were conducted annually may be
24 issued an inter-track wagering license; (ii) at a track
25 located in a county that is bounded by the Mississippi
26 River, which has a population of less than 150,000

1 according to the 1990 decennial census, and an average of
2 at least 60 days of racing per year between 1985 and 1993
3 may be issued an inter-track wagering license; or (iii) at
4 a track located in Madison County that conducted at least
5 100 days of live racing during the immediately preceding
6 calendar year may be issued an inter-track wagering
7 license, unless a lesser schedule of live racing is the
8 result of (A) weather, unsafe track conditions, or other
9 acts of God; (B) an agreement between the organization
10 licensee and the associations representing the largest
11 number of owners, trainers, jockeys, or standardbred
12 drivers who race horses at that organization licensee's
13 racing meeting; or (C) a finding by the Board of
14 extraordinary circumstances and that it was in the best
15 interest of the public and the sport to conduct fewer than
16 100 days of live racing. Any such person having operating
17 control of the racing facility may receive inter-track
18 wagering location licenses. An eligible race track located
19 in a county that has a population of more than 230,000 and
20 that is bounded by the Mississippi River may establish up
21 to 9 inter-track wagering locations, ~~and~~ and an eligible race
22 track located in Stickney Township in Cook County may
23 establish up to 16 inter-track wagering locations, ~~and~~ and an
24 eligible race track located in Palatine Township in Cook
25 County may establish up to 18 inter-track wagering
26 locations. An application for said license shall be filed

1 with the Board prior to such dates as may be fixed by the
2 Board. With an application for an inter-track wagering
3 location license there shall be delivered to the Board a
4 certified check or bank draft payable to the order of the
5 Board for an amount equal to \$500. The application shall be
6 on forms prescribed and furnished by the Board. The
7 application shall comply with all other rules, regulations
8 and conditions imposed by the Board in connection
9 therewith.

10 (2) The Board shall examine the applications with
11 respect to their conformity with this Act and the rules and
12 regulations imposed by the Board. If found to be in
13 compliance with the Act and rules and regulations of the
14 Board, the Board may then issue a license to conduct
15 inter-track wagering and simulcast wagering to such
16 applicant. All such applications shall be acted upon by the
17 Board at a meeting to be held on such date as may be fixed
18 by the Board.

19 (3) In granting licenses to conduct inter-track
20 wagering and simulcast wagering, the Board shall give due
21 consideration to the best interests of the public, of horse
22 racing, and of maximizing revenue to the State.

23 (4) Prior to the issuance of a license to conduct
24 inter-track wagering and simulcast wagering, the applicant
25 shall file with the Board a bond payable to the State of
26 Illinois in the sum of \$50,000, executed by the applicant

1 and a surety company or companies authorized to do business
2 in this State, and conditioned upon (i) the payment by the
3 licensee of all taxes due under Section 27 or 27.1 and any
4 other monies due and payable under this Act, and (ii)
5 distribution by the licensee, upon presentation of the
6 winning ticket or tickets, of all sums payable to the
7 patrons of pari-mutuel pools.

8 (5) Each license to conduct inter-track wagering and
9 simulcast wagering shall specify the person to whom it is
10 issued, the dates on which such wagering is permitted, and
11 the track or location where the wagering is to be
12 conducted.

13 (6) All wagering under such license is subject to this
14 Act and to the rules and regulations from time to time
15 prescribed by the Board, and every such license issued by
16 the Board shall contain a recital to that effect.

17 (7) An inter-track wagering licensee or inter-track
18 wagering location licensee may accept wagers at the track
19 or location where it is licensed, or as otherwise provided
20 under this Act.

21 (8) Inter-track wagering or simulcast wagering shall
22 not be conducted at any track less than 4 ~~5~~ miles from a
23 track at which a racing meeting is in progress.

24 (8.1) Inter-track wagering location licensees who
25 derive their licenses from a particular organization
26 licensee shall conduct inter-track wagering and simulcast

1 wagering only at locations that are within 160 miles of
2 that race track where the particular organization licensee
3 is licensed to conduct racing. However, inter-track
4 wagering and simulcast wagering shall not be conducted by
5 those licensees at any location within 5 miles of any race
6 track at which a horse race meeting has been licensed in
7 the current year, unless the person having operating
8 control of such race track has given its written consent to
9 such inter-track wagering location licensees, which
10 consent must be filed with the Board at or prior to the
11 time application is made. In the case of any inter-track
12 wagering location licensee initially licensed after
13 December 31, 2013, inter-track wagering and simulcast
14 wagering shall not be conducted by those inter-track
15 wagering location licensees that are located outside the
16 City of Chicago at any location within 8 miles of any race
17 track at which a horse race meeting has been licensed in
18 the current year, unless the person having operating
19 control of such race track has given its written consent to
20 such inter-track wagering location licensees, which
21 consent must be filed with the Board at or prior to the
22 time application is made.

23 (8.2) Inter-track wagering or simulcast wagering shall
24 not be conducted by an inter-track wagering location
25 licensee at any location within 500 feet of an existing
26 church, an ~~or~~ existing elementary or secondary public

1 school, or an existing elementary or secondary private
2 school registered with or recognized by the State Board of
3 Education ~~school~~, nor within 500 feet of the residences of
4 more than 50 registered voters without receiving written
5 permission from a majority of the registered voters at such
6 residences. Such written permission statements shall be
7 filed with the Board. The distance of 500 feet shall be
8 measured to the nearest part of any building used for
9 worship services, education programs, residential
10 purposes, or conducting inter-track wagering by an
11 inter-track wagering location licensee, and not to
12 property boundaries. However, inter-track wagering or
13 simulcast wagering may be conducted at a site within 500
14 feet of a church, school or residences of 50 or more
15 registered voters if such church, school or residences have
16 been erected or established, or such voters have been
17 registered, after the Board issues the original
18 inter-track wagering location license at the site in
19 question. Inter-track wagering location licensees may
20 conduct inter-track wagering and simulcast wagering only
21 in areas that are zoned for commercial or manufacturing
22 purposes or in areas for which a special use has been
23 approved by the local zoning authority. However, no license
24 to conduct inter-track wagering and simulcast wagering
25 shall be granted by the Board with respect to any
26 inter-track wagering location within the jurisdiction of

1 any local zoning authority which has, by ordinance or by
2 resolution, prohibited the establishment of an inter-track
3 wagering location within its jurisdiction. However,
4 inter-track wagering and simulcast wagering may be
5 conducted at a site if such ordinance or resolution is
6 enacted after the Board licenses the original inter-track
7 wagering location licensee for the site in question.

8 (9) (Blank).

9 (10) An inter-track wagering licensee or an
10 inter-track wagering location licensee may retain, subject
11 to the payment of the privilege taxes and the purses, an
12 amount not to exceed 17% of all money wagered. Each program
13 of racing conducted by each inter-track wagering licensee
14 or inter-track wagering location licensee shall be
15 considered a separate racing day for the purpose of
16 determining the daily handle and computing the privilege
17 tax or pari-mutuel tax on such daily handle as provided in
18 Section 27.

19 (10.1) Except as provided in subsection (g) of Section
20 27 of this Act, inter-track wagering location licensees
21 shall pay 1% of the pari-mutuel handle at each location to
22 the municipality in which such location is situated and 1%
23 of the pari-mutuel handle at each location to the county in
24 which such location is situated. In the event that an
25 inter-track wagering location licensee is situated in an
26 unincorporated area of a county, such licensee shall pay 2%

1 of the pari-mutuel handle from such location to such
2 county.

3 (10.2) Notwithstanding any other provision of this
4 Act, with respect to inter-track ~~intertrack~~ wagering at a
5 race track located in a county that has a population of
6 more than 230,000 and that is bounded by the Mississippi
7 River ("the first race track"), or at a facility operated
8 by an inter-track wagering licensee or inter-track
9 wagering location licensee that derives its license from
10 the organization licensee that operates the first race
11 track, on races conducted at the first race track or on
12 races conducted at another Illinois race track and
13 simultaneously televised to the first race track or to a
14 facility operated by an inter-track wagering licensee or
15 inter-track wagering location licensee that derives its
16 license from the organization licensee that operates the
17 first race track, those moneys shall be allocated as
18 follows:

19 (A) That portion of all moneys wagered on
20 standardbred racing that is required under this Act to
21 be paid to purses shall be paid to purses for
22 standardbred races.

23 (B) That portion of all moneys wagered on
24 thoroughbred racing that is required under this Act to
25 be paid to purses shall be paid to purses for
26 thoroughbred races.

1 (11) (A) After payment of the privilege or pari-mutuel
2 tax, any other applicable taxes, and the costs and expenses
3 in connection with the gathering, transmission, and
4 dissemination of all data necessary to the conduct of
5 inter-track wagering, the remainder of the monies retained
6 under either Section 26 or Section 26.2 of this Act by the
7 inter-track wagering licensee on inter-track wagering
8 shall be allocated with 50% to be split between the 2
9 participating licensees and 50% to purses, except that an
10 inter-track ~~intertrack~~ wagering 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 Illinois
14 organization licensee that provides the race or races, and
15 an inter-track ~~intertrack~~ wagering licensee that accepts
16 wagers on races conducted by an organization licensee that
17 conducts a race meet in a county with a population in
18 excess of 230,000 and that borders the Mississippi River
19 shall not divide any remaining retention with that
20 organization licensee.

21 (B) From the sums permitted to be retained pursuant to
22 this Act each inter-track wagering location licensee shall
23 pay (i) the privilege or pari-mutuel tax to the State; (ii)
24 4.75% of the pari-mutuel handle on inter-track ~~intertrack~~
25 wagering at such location on races as purses, except that
26 an inter-track ~~intertrack~~ wagering location licensee that

1 derives its license from a track located in a county with a
2 population in excess of 230,000 and that borders the
3 Mississippi River shall retain all purse moneys for its own
4 purse account consistent with distribution set forth in
5 this subsection (h), and inter-track ~~intertrack~~ wagering
6 location licensees that accept wagers on races conducted by
7 an organization licensee located in a county with a
8 population in excess of 230,000 and that borders the
9 Mississippi River shall distribute all purse moneys to
10 purses at the operating host track; (iii) until January 1,
11 2000, except as provided in subsection (g) of Section 27 of
12 this Act, 1% of the pari-mutuel handle wagered on
13 inter-track wagering and simulcast wagering at each
14 inter-track wagering location licensee facility to the
15 Horse Racing Tax Allocation Fund, provided that, to the
16 extent the total amount collected and distributed to the
17 Horse Racing Tax Allocation Fund under this subsection (h)
18 during any calendar year exceeds the amount collected and
19 distributed to the Horse Racing Tax Allocation Fund during
20 calendar year 1994, that excess amount shall be
21 redistributed (I) to all inter-track wagering location
22 licensees, based on each licensee's pro-rata share of the
23 total handle from inter-track wagering and simulcast
24 wagering for all inter-track wagering location licensees
25 during the calendar year in which this provision is
26 applicable; then (II) the amounts redistributed to each

1 inter-track wagering location licensee as described in
2 subpart (I) shall be further redistributed as provided in
3 subparagraph (B) of paragraph (5) of subsection (g) of this
4 Section 26 provided first, that the shares of those
5 amounts, which are to be redistributed to the host track or
6 to purses at the host track under subparagraph (B) of
7 paragraph (5) of subsection (g) of this Section 26 shall be
8 redistributed based on each host track's pro rata share of
9 the total inter-track wagering and simulcast wagering
10 handle at all host tracks during the calendar year in
11 question, and second, that any amounts redistributed as
12 described in part (I) to an inter-track wagering location
13 licensee that accepts wagers on races conducted by an
14 organization licensee that conducts a race meet in a county
15 with a population in excess of 230,000 and that borders the
16 Mississippi River shall be further redistributed as
17 provided in subparagraphs (D) and (E) of paragraph (7) of
18 subsection (g) of this Section 26, with the portion of that
19 further redistribution allocated to purses at that
20 organization licensee to be divided between standardbred
21 purses and thoroughbred purses based on the amounts
22 otherwise allocated to purses at that organization
23 licensee during the calendar year in question; and (iv) 8%
24 of the pari-mutuel handle on inter-track wagering wagered
25 at such location to satisfy all costs and expenses of
26 conducting its wagering. The remainder of the monies

1 retained by the inter-track wagering location licensee
2 shall be allocated 40% to the location licensee and 60% to
3 the organization licensee which provides the Illinois
4 races to the location, except that an inter-track
5 ~~intertrack~~ wagering location licensee that derives its
6 license from a track located in a county with a population
7 in excess of 230,000 and that borders the Mississippi River
8 shall not divide any remaining retention with the
9 organization licensee that provides the race or races and
10 an inter-track ~~intertrack~~ wagering location licensee that
11 accepts wagers on races conducted by an organization
12 licensee that conducts a race meet in a county with a
13 population in excess of 230,000 and that borders the
14 Mississippi River shall not divide any remaining retention
15 with the organization licensee. Notwithstanding the
16 provisions of clauses (ii) and (iv) of this paragraph, in
17 the case of the additional inter-track wagering location
18 licenses authorized under paragraph (1) of this subsection
19 (h) by Public Act 87-110 ~~this amendatory Act of 1991~~, those
20 licensees shall pay the following amounts as purses: during
21 the first 12 months the licensee is in operation, 5.25% of
22 the pari-mutuel handle wagered at the location on races;
23 during the second 12 months, 5.25%; during the third 12
24 months, 5.75%; during the fourth 12 months, 6.25%; and
25 during the fifth 12 months and thereafter, 6.75%. The
26 following amounts shall be retained by the licensee to

1 satisfy all costs and expenses of conducting its wagering:
2 during the first 12 months the licensee is in operation,
3 8.25% of the pari-mutuel handle wagered at the location;
4 during the second 12 months, 8.25%; during the third 12
5 months, 7.75%; during the fourth 12 months, 7.25%; and
6 during the fifth 12 months and thereafter, 6.75%. For
7 additional inter-track ~~intertrack~~ wagering location
8 licensees authorized under Public Act 89-16 ~~this~~
9 ~~amendatory Act of 1995~~, purses for the first 12 months the
10 licensee is in operation shall be 5.75% of the pari-mutuel
11 wagered at the location, purses for the second 12 months
12 the licensee is in operation shall be 6.25%, and purses
13 thereafter shall be 6.75%. For additional inter-track
14 ~~intertrack~~ location licensees authorized under Public Act
15 89-16 ~~this amendatory Act of 1995~~, the licensee shall be
16 allowed to retain to satisfy all costs and expenses: 7.75%
17 of the pari-mutuel handle wagered at the location during
18 its first 12 months of operation, 7.25% during its second
19 12 months of operation, and 6.75% thereafter.

20 (C) There is hereby created the Horse Racing Tax
21 Allocation Fund which shall remain in existence until
22 December 31, 1999. Moneys remaining in the Fund after
23 December 31, 1999 shall be paid into the General Revenue
24 Fund. Until January 1, 2000, all monies paid into the Horse
25 Racing Tax Allocation Fund pursuant to this paragraph (11)
26 by inter-track wagering location licensees located in park

1 districts of 500,000 population or less, or in a
2 municipality that is not included within any park district
3 but is included within a conservation district and is the
4 county seat of a county that (i) is contiguous to the state
5 of Indiana and (ii) has a 1990 population of 88,257
6 according to the United States Bureau of the Census, and
7 operating on May 1, 1994 shall be allocated by
8 appropriation as follows:

9 Two-sevenths to the Department of Agriculture.
10 Fifty percent of this two-sevenths shall be used to
11 promote the Illinois horse racing and breeding
12 industry, and shall be distributed by the Department of
13 Agriculture upon the advice of a 9-member committee
14 appointed by the Governor consisting of the following
15 members: the Director of Agriculture, who shall serve
16 as chairman; 2 representatives of organization
17 licensees conducting thoroughbred race meetings in
18 this State, recommended by those licensees; 2
19 representatives of organization licensees conducting
20 standardbred race meetings in this State, recommended
21 by those licensees; a representative of the Illinois
22 Thoroughbred Breeders and Owners Foundation,
23 recommended by that Foundation; a representative of
24 the Illinois Standardbred Owners and Breeders
25 Association, recommended by that Association; a
26 representative of the Horsemen's Benevolent and

1 Protective Association or any successor organization
2 thereto established in Illinois comprised of the
3 largest number of owners and trainers, recommended by
4 that Association or that successor organization; and a
5 representative of the Illinois Harness Horsemen's
6 Association, recommended by that Association.
7 Committee members shall serve for terms of 2 years,
8 commencing January 1 of each even-numbered year. If a
9 representative of any of the above-named entities has
10 not been recommended by January 1 of any even-numbered
11 year, the Governor shall appoint a committee member to
12 fill that position. Committee members shall receive no
13 compensation for their services as members but shall be
14 reimbursed for all actual and necessary expenses and
15 disbursements incurred in the performance of their
16 official duties. The remaining 50% of this
17 two-sevenths shall be distributed to county fairs for
18 premiums and rehabilitation as set forth in the
19 Agricultural Fair Act;

20 Four-sevenths to park districts or municipalities
21 that do not have a park district of 500,000 population
22 or less for museum purposes (if an inter-track wagering
23 location licensee is located in such a park district)
24 or to conservation districts for museum purposes (if an
25 inter-track wagering location licensee is located in a
26 municipality that is not included within any park

1 district but is included within a conservation
2 district and is the county seat of a county that (i) is
3 contiguous to the state of Indiana and (ii) has a 1990
4 population of 88,257 according to the United States
5 Bureau of the Census, except that if the conservation
6 district does not maintain a museum, the monies shall
7 be allocated equally between the county and the
8 municipality in which the inter-track wagering
9 location licensee is located for general purposes) or
10 to a municipal recreation board for park purposes (if
11 an inter-track wagering location licensee is located
12 in a municipality that is not included within any park
13 district and park maintenance is the function of the
14 municipal recreation board and the municipality has a
15 1990 population of 9,302 according to the United States
16 Bureau of the Census); provided that the monies are
17 distributed to each park district or conservation
18 district or municipality that does not have a park
19 district in an amount equal to four-sevenths of the
20 amount collected by each inter-track wagering location
21 licensee within the park district or conservation
22 district or municipality for the Fund. Monies that were
23 paid into the Horse Racing Tax Allocation Fund before
24 August 9, 1991 (the effective date of Public Act
25 87-110) ~~this amendatory Act of 1991~~ by an inter-track
26 wagering location licensee located in a municipality

1 that is not included within any park district but is
2 included within a conservation district as provided in
3 this paragraph shall, as soon as practicable after
4 August 9, 1991 (the effective date of Public Act
5 87-110) ~~this amendatory Act of 1991~~, be allocated and
6 paid to that conservation district as provided in this
7 paragraph. Any park district or municipality not
8 maintaining a museum may deposit the monies in the
9 corporate fund of the park district or municipality
10 where the inter-track wagering location is located, to
11 be used for general purposes; and

12 One-seventh to the Agricultural Premium Fund to be
13 used for distribution to agricultural home economics
14 extension councils in accordance with "An Act in
15 relation to additional support and finances for the
16 Agricultural and Home Economic Extension Councils in
17 the several counties of this State and making an
18 appropriation therefor", approved July 24, 1967.

19 Until January 1, 2000, all other monies paid into the
20 Horse Racing Tax Allocation Fund pursuant to this paragraph
21 (11) shall be allocated by appropriation as follows:

22 Two-sevenths to the Department of Agriculture.
23 Fifty percent of this two-sevenths shall be used to
24 promote the Illinois horse racing and breeding
25 industry, and shall be distributed by the Department of
26 Agriculture upon the advice of a 9-member committee

1 appointed by the Governor consisting of the following
2 members: the Director of Agriculture, who shall serve
3 as chairman; 2 representatives of organization
4 licensees conducting thoroughbred race meetings in
5 this State, recommended by those licensees; 2
6 representatives of organization licensees conducting
7 standardbred race meetings in this State, recommended
8 by those licensees; a representative of the Illinois
9 Thoroughbred Breeders and Owners Foundation,
10 recommended by that Foundation; a representative of
11 the Illinois Standardbred Owners and Breeders
12 Association, recommended by that Association; a
13 representative of the Horsemen's Benevolent and
14 Protective Association or any successor organization
15 thereto established in Illinois comprised of the
16 largest number of owners and trainers, recommended by
17 that Association or that successor organization; and a
18 representative of the Illinois Harness Horsemen's
19 Association, recommended by that Association.
20 Committee members shall serve for terms of 2 years,
21 commencing January 1 of each even-numbered year. If a
22 representative of any of the above-named entities has
23 not been recommended by January 1 of any even-numbered
24 year, the Governor shall appoint a committee member to
25 fill that position. Committee members shall receive no
26 compensation for their services as members but shall be

1 reimbursed for all actual and necessary expenses and
2 disbursements incurred in the performance of their
3 official duties. The remaining 50% of this
4 two-sevenths shall be distributed to county fairs for
5 premiums and rehabilitation as set forth in the
6 Agricultural Fair Act;

7 Four-sevenths to museums and aquariums located in
8 park districts of over 500,000 population; provided
9 that the monies are distributed in accordance with the
10 previous year's distribution of the maintenance tax
11 for such museums and aquariums as provided in Section 2
12 of the Park District Aquarium and Museum Act; and

13 One-seventh to the Agricultural Premium Fund to be
14 used for distribution to agricultural home economics
15 extension councils in accordance with "An Act in
16 relation to additional support and finances for the
17 Agricultural and Home Economic Extension Councils in
18 the several counties of this State and making an
19 appropriation therefor", approved July 24, 1967. This
20 subparagraph (C) shall be inoperative and of no force
21 and effect on and after January 1, 2000.

22 (D) Except as provided in paragraph (11) of this
23 subsection (h), with respect to purse allocation from
24 inter-track ~~intertrack~~ wagering, the monies so
25 retained shall be divided as follows:

26 (i) If the inter-track wagering licensee,

1 except an inter-track ~~intertrack~~ wagering licensee
2 that derives its license from an organization
3 licensee located in a county with a population in
4 excess of 230,000 and bounded by the Mississippi
5 River, is not conducting its own race meeting
6 during the same dates, then the entire purse
7 allocation shall be to purses at the track where
8 the races wagered on are being conducted.

9 (ii) If the inter-track wagering licensee,
10 except an inter-track ~~intertrack~~ wagering licensee
11 that derives its license from an organization
12 licensee located in a county with a population in
13 excess of 230,000 and bounded by the Mississippi
14 River, is also conducting its own race meeting
15 during the same dates, then the purse allocation
16 shall be as follows: 50% to purses at the track
17 where the races wagered on are being conducted; 50%
18 to purses at the track where the inter-track
19 wagering licensee is accepting such wagers.

20 (iii) If the inter-track wagering is being
21 conducted by an inter-track wagering location
22 licensee, except an inter-track ~~intertrack~~
23 wagering location licensee that derives its
24 license from an organization licensee located in a
25 county with a population in excess of 230,000 and
26 bounded by the Mississippi River, the entire purse

1 allocation for Illinois races shall be to purses at
2 the track where the race meeting being wagered on
3 is being held.

4 (12) The Board shall have all powers necessary and
5 proper to fully supervise and control the conduct of
6 inter-track wagering and simulcast wagering by inter-track
7 wagering licensees and inter-track wagering location
8 licensees, including, but not limited to the following:

9 (A) The Board is vested with power to promulgate
10 reasonable rules and regulations for the purpose of
11 administering the conduct of this wagering and to
12 prescribe reasonable rules, regulations and conditions
13 under which such wagering shall be held and conducted.
14 Such rules and regulations are to provide for the
15 prevention of practices detrimental to the public
16 interest and for the best interests of said wagering
17 and to impose penalties for violations thereof.

18 (B) The Board, and any person or persons to whom it
19 delegates this power, is vested with the power to enter
20 the facilities of any licensee to determine whether
21 there has been compliance with the provisions of this
22 Act and the rules and regulations relating to the
23 conduct of such wagering.

24 (C) The Board, and any person or persons to whom it
25 delegates this power, may eject or exclude from any
26 licensee's facilities, any person whose conduct or

1 reputation is such that his presence on such premises
2 may, in the opinion of the Board, call into the
3 question the honesty and integrity of, or interfere
4 with the orderly conduct of such wagering; provided,
5 however, that no person shall be excluded or ejected
6 from such premises solely on the grounds of race,
7 color, creed, national origin, ancestry, or sex.

8 (D) (Blank).

9 (E) The Board is vested with the power to appoint
10 delegates to execute any of the powers granted to it
11 under this Section for the purpose of administering
12 this wagering and any rules and regulations
13 promulgated in accordance with this Act.

14 (F) The Board shall name and appoint a State
15 director of this wagering who shall be a representative
16 of the Board and whose duty it shall be to supervise
17 the conduct of inter-track wagering as may be provided
18 for by the rules and regulations of the Board; such
19 rules and regulation shall specify the method of
20 appointment and the Director's powers, authority and
21 duties.

22 (G) The Board is vested with the power to impose
23 civil penalties of up to \$5,000 against individuals and
24 up to \$10,000 against licensees for each violation of
25 any provision of this Act relating to the conduct of
26 this wagering, any rules adopted by the Board, any

1 order of the Board or any other action which in the
2 Board's discretion, is a detriment or impediment to
3 such wagering.

4 (13) The Department of Agriculture may enter into
5 agreements with licensees authorizing such licensees to
6 conduct inter-track wagering on races to be held at the
7 licensed race meetings conducted by the Department of
8 Agriculture. Such agreement shall specify the races of the
9 Department of Agriculture's licensed race meeting upon
10 which the licensees will conduct wagering. In the event
11 that a licensee conducts inter-track pari-mutuel wagering
12 on races from the Illinois State Fair or DuQuoin State Fair
13 which are in addition to the licensee's previously approved
14 racing program, those races shall be considered a separate
15 racing day for the purpose of determining the daily handle
16 and computing the privilege or pari-mutuel tax on that
17 daily handle as provided in Sections 27 and 27.1. Such
18 agreements shall be approved by the Board before such
19 wagering may be conducted. In determining whether to grant
20 approval, the Board shall give due consideration to the
21 best interests of the public and of horse racing. The
22 provisions of paragraphs (1), (8), (8.1), and (8.2) of
23 subsection (h) of this Section which are not specified in
24 this paragraph (13) shall not apply to licensed race
25 meetings conducted by the Department of Agriculture at the
26 Illinois State Fair in Sangamon County or the DuQuoin State

1 Fair in Perry County, or to any wagering conducted on those
2 race meetings.

3 (14) An inter-track wagering location license
4 authorized by the Board in 2016 that is owned and operated
5 by a race track in Rock Island County shall be transferred
6 to a commonly owned race track in Cook County on August 12,
7 2016 (the effective date of Public Act 99-757) ~~this~~
8 ~~amendatory Act of the 99th General Assembly~~. The licensee
9 shall retain its status in relation to purse distribution
10 under paragraph (11) of this subsection (h) following the
11 transfer to the new entity. The pari-mutuel tax credit
12 under Section 32.1 shall not be applied toward any
13 pari-mutuel tax obligation of the inter-track wagering
14 location licensee of the license that is transferred under
15 this paragraph (14).

16 (i) Notwithstanding the other provisions of this Act, the
17 conduct of wagering at wagering facilities is authorized on all
18 days, except as limited by subsection (b) of Section 19 of this
19 Act.

20 (Source: P.A. 98-18, eff. 6-7-13; 98-624, eff. 1-29-14; 98-968,
21 eff. 8-15-14; 99-756, eff. 8-12-16; 99-757, eff. 8-12-16;
22 revised 9-14-16.)

23 (230 ILCS 5/26.8)

24 Sec. 26.8. Beginning on February 1, 2014 ~~and through~~
25 ~~December 31, 2018~~, each wagering licensee may impose a

1 surcharge of up to 0.5% on winning wagers and winnings from
2 wagers. The surcharge shall be deducted from winnings prior to
3 payout. All amounts collected from the imposition of this
4 surcharge shall be evenly distributed to the organization
5 licensee and the purse account of the organization licensee
6 with which the licensee is affiliated. The amounts distributed
7 under this Section shall be in addition to the amounts paid
8 pursuant to paragraph (10) of subsection (h) of Section 26,
9 Section 26.3, Section 26.4, Section 26.5, and Section 26.7.

10 (Source: P.A. 98-624, eff. 1-29-14; 99-756, eff. 8-12-16.)

11 (230 ILCS 5/26.9)

12 Sec. 26.9. Beginning on February 1, 2014 ~~and through~~
13 ~~December 31, 2018~~, in addition to the surcharge imposed in
14 Sections 26.3, 26.4, 26.5, 26.7, and 26.8 of this Act, each
15 licensee shall impose a surcharge of 0.2% on winning wagers and
16 winnings from wagers. The surcharge shall be deducted from
17 winnings prior to payout. All amounts collected from the
18 surcharges imposed under this Section shall be remitted to the
19 Board. From amounts collected under this Section, the Board
20 shall deposit an amount not to exceed \$100,000 annually into
21 the Quarter Horse Purse Fund and all remaining amounts into the
22 Horse Racing Fund.

23 (Source: P.A. 98-624, eff. 1-29-14; 99-756, eff. 8-12-16.)

24 (230 ILCS 5/27) (from Ch. 8, par. 37-27)

1 Sec. 27. (a) In addition to the organization license fee
2 provided by this Act, until January 1, 2000, a graduated
3 privilege tax is hereby imposed for conducting the pari-mutuel
4 system of wagering permitted under this Act. Until January 1,
5 2000, except as provided in subsection (g) of Section 27 of
6 this Act, all of the breakage of each racing day held by any
7 licensee in the State shall be paid to the State. Until January
8 1, 2000, such daily graduated privilege tax shall be paid by
9 the licensee from the amount permitted to be retained under
10 this Act. Until January 1, 2000, each day's graduated privilege
11 tax, breakage, and Horse Racing Tax Allocation funds shall be
12 remitted to the Department of Revenue within 48 hours after the
13 close of the racing day upon which it is assessed or within
14 such other time as the Board prescribes. The privilege tax
15 hereby imposed, until January 1, 2000, shall be a flat tax at
16 the rate of 2% of the daily pari-mutuel handle except as
17 provided in Section 27.1.

18 In addition, every organization licensee, except as
19 provided in Section 27.1 of this Act, which conducts multiple
20 wagering shall pay, until January 1, 2000, as a privilege tax
21 on multiple wagers an amount equal to 1.25% of all moneys
22 wagered each day on such multiple wagers, plus an additional
23 amount equal to 3.5% of the amount wagered each day on any
24 other multiple wager which involves a single betting interest
25 on 3 or more horses. The licensee shall remit the amount of
26 such taxes to the Department of Revenue within 48 hours after

1 the close of the racing day on which it is assessed or within
2 such other time as the Board prescribes.

3 This subsection (a) shall be inoperative and of no force
4 and effect on and after January 1, 2000.

5 (a-5) Beginning on January 1, 2000, a flat pari-mutuel tax
6 at the rate of 1.5% of the daily pari-mutuel handle is imposed
7 at all pari-mutuel wagering facilities and on advance deposit
8 wagering from a location other than a wagering facility, except
9 as otherwise provided for in this subsection (a-5). In addition
10 to the pari-mutuel tax imposed on advance deposit wagering
11 pursuant to this subsection (a-5), beginning on August 24, 2012
12 (the effective date of Public Act 97-1060) ~~and through December~~
13 ~~31, 2018~~, an additional pari-mutuel tax at the rate of 0.25%
14 shall be imposed on advance deposit wagering. Until August 25,
15 2012, the additional 0.25% pari-mutuel tax imposed on advance
16 deposit wagering by Public Act 96-972 shall be deposited into
17 the Quarter Horse Purse Fund, which shall be created as a
18 non-appropriated trust fund administered by the Board for
19 grants to thoroughbred organization licensees for payment of
20 purses for quarter horse races conducted by the organization
21 licensee. Beginning on August 26, 2012, the additional 0.25%
22 pari-mutuel tax imposed on advance deposit wagering shall be
23 deposited into the Standardbred Purse Fund, which shall be
24 created as a non-appropriated trust fund administered by the
25 Board, for grants to the standardbred organization licensees
26 for payment of purses for standardbred horse races conducted by

1 the organization licensee. Thoroughbred organization licensees
2 may petition the Board to conduct quarter horse racing and
3 receive purse grants from the Quarter Horse Purse Fund. The
4 Board shall have complete discretion in distributing the
5 Quarter Horse Purse Fund to the petitioning organization
6 licensees. Beginning on July 26, 2010 (the effective date of
7 Public Act 96-1287), a pari-mutuel tax at the rate of 0.75% of
8 the daily pari-mutuel handle is imposed at a pari-mutuel
9 facility whose license is derived from a track located in a
10 county that borders the Mississippi River and conducted live
11 racing in the previous year. The pari-mutuel tax imposed by
12 this subsection (a-5) shall be remitted to the Department of
13 Revenue within 48 hours after the close of the racing day upon
14 which it is assessed or within such other time as the Board
15 prescribes.

16 (a-10) Beginning on the date when an organization licensee
17 begins conducting electronic gaming pursuant to an electronic
18 gaming license, the following pari-mutuel tax is imposed upon
19 an organization licensee on Illinois races at the licensee's
20 race track:

21 1.5% of the pari-mutuel handle at or below the average
22 daily pari-mutuel handle for 2011.

23 2% of the pari-mutuel handle above the average daily
24 pari-mutuel handle for 2011 up to 125% of the average daily
25 pari-mutuel handle for 2011.

26 2.5% of the pari-mutuel handle 125% or more above the

1 average daily pari-mutuel handle for 2011 up to 150% of the
2 average daily pari-mutuel handle for 2011.

3 3% of the pari-mutuel handle 150% or more above the
4 average daily pari-mutuel handle for 2011 up to 175% of the
5 average daily pari-mutuel handle for 2011.

6 3.5% of the pari-mutuel handle 175% or more above the
7 average daily pari-mutuel handle for 2011.

8 The pari-mutuel tax imposed by this subsection (a-10) shall
9 be remitted to the Board within 48 hours after the close of the
10 racing day upon which it is assessed or within such other time
11 as the Board prescribes.

12 (b) On or before December 31, 1999, in the event that any
13 organization licensee conducts 2 separate programs of races on
14 any day, each such program shall be considered a separate
15 racing day for purposes of determining the daily handle and
16 computing the privilege tax on such daily handle as provided in
17 subsection (a) of this Section.

18 (c) Licensees shall at all times keep accurate books and
19 records of all monies wagered on each day of a race meeting and
20 of the taxes paid to the Department of Revenue under the
21 provisions of this Section. The Board or its duly authorized
22 representative or representatives shall at all reasonable
23 times have access to such records for the purpose of examining
24 and checking the same and ascertaining whether the proper
25 amount of taxes is being paid as provided. The Board shall
26 require verified reports and a statement of the total of all

1 monies wagered daily at each wagering facility upon which the
2 taxes are assessed and may prescribe forms upon which such
3 reports and statement shall be made.

4 (d) Before a license is issued or re-issued, the licensee
5 shall post a bond in the sum of \$500,000 to the State of
6 Illinois. The bond shall be used to guarantee that the licensee
7 faithfully makes the payments, keeps the books and records and
8 makes reports, and conducts games of chance in conformity with
9 this Act and the rules adopted by the Board. The bond shall not
10 be canceled by a surety on less than 30 days' notice in writing
11 to the Board. If a bond is canceled and the licensee fails to
12 file a new bond with the Board in the required amount on or
13 before the effective date of cancellation, the licensee's
14 license shall be revoked. The total and aggregate liability of
15 the surety on the bond is limited to the amount specified in
16 the bond. ~~Any licensee failing or refusing to pay the amount of~~
17 ~~any tax due under this Section shall be guilty of a business~~
18 ~~offense and upon conviction shall be fined not more than \$5,000~~
19 ~~in addition to the amount found due as tax under this Section.~~
20 ~~Each day's violation shall constitute a separate offense. All~~
21 ~~finer paid into Court by a licensee hereunder shall be~~
22 ~~transmitted and paid over by the Clerk of the Court to the~~
23 ~~Board.~~

24 (e) No other license fee, privilege tax, excise tax, or
25 racing fee, except as provided in this Act, shall be assessed
26 or collected from any such licensee by the State.

1 (f) No other license fee, privilege tax, excise tax or
2 racing fee shall be assessed or collected from any such
3 licensee by units of local government except as provided in
4 paragraph 10.1 of subsection (h) and subsection (f) of Section
5 26 of this Act. However, any municipality that has a Board
6 licensed horse race meeting at a race track wholly within its
7 corporate boundaries or a township that has a Board licensed
8 horse race meeting at a race track wholly within the
9 unincorporated area of the township may charge a local
10 amusement tax not to exceed 10¢ per admission to such horse
11 race meeting by the enactment of an ordinance. However, any
12 municipality or county that has a Board licensed inter-track
13 wagering location facility wholly within its corporate
14 boundaries may each impose an admission fee not to exceed \$1.00
15 per admission to such inter-track wagering location facility,
16 so that a total of not more than \$2.00 per admission may be
17 imposed. Except as provided in subparagraph (g) of Section 27
18 of this Act, the inter-track wagering location licensee shall
19 collect any and all such fees and ~~within 48 hours~~ remit the
20 fees to the Board as the Board prescribes, which shall,
21 pursuant to rule, cause the fees to be distributed to the
22 county or municipality.

23 (g) Notwithstanding any provision in this Act to the
24 contrary, if in any calendar year the total taxes and fees from
25 wagering on live racing and from inter-track wagering required
26 to be collected from licensees and distributed under this Act

1 to all State and local governmental authorities exceeds the
2 amount of such taxes and fees distributed to each State and
3 local governmental authority to which each State and local
4 governmental authority was entitled under this Act for calendar
5 year 1994, then the first \$11 million of that excess amount
6 shall be allocated at the earliest possible date for
7 distribution as purse money for the succeeding calendar year.
8 Upon reaching the 1994 level, and until the excess amount of
9 taxes and fees exceeds \$11 million, the Board shall direct all
10 licensees to cease paying the subject taxes and fees and the
11 Board shall direct all licensees to allocate any such excess
12 amount for purses as follows:

13 (i) the excess amount shall be initially divided
14 between thoroughbred and standardbred purses based on the
15 thoroughbred's and standardbred's respective percentages
16 of total Illinois live wagering in calendar year 1994;

17 (ii) each thoroughbred and standardbred organization
18 licensee issued an organization licensee in that
19 succeeding allocation year shall be allocated an amount
20 equal to the product of its percentage of total Illinois
21 live thoroughbred or standardbred wagering in calendar
22 year 1994 (the total to be determined based on the sum of
23 1994 on-track wagering for all organization licensees
24 issued organization licenses in both the allocation year
25 and the preceding year) multiplied by the total amount
26 allocated for standardbred or thoroughbred purses,

1 provided that the first \$1,500,000 of the amount allocated
2 to standardbred purses under item (i) shall be allocated to
3 the Department of Agriculture to be expended with the
4 assistance and advice of the Illinois Standardbred
5 Breeders Funds Advisory Board for the purposes listed in
6 subsection (g) of Section 31 of this Act, before the amount
7 allocated to standardbred purses under item (i) is
8 allocated to standardbred organization licensees in the
9 succeeding allocation year.

10 To the extent the excess amount of taxes and fees to be
11 collected and distributed to State and local governmental
12 authorities exceeds \$11 million, that excess amount shall be
13 collected and distributed to State and local authorities as
14 provided for under this Act.

15 (Source: P.A. 98-18, eff. 6-7-13; 98-624, eff. 1-29-14; 99-756,
16 eff. 8-12-16.)

17 (230 ILCS 5/30) (from Ch. 8, par. 37-30)

18 Sec. 30. (a) The General Assembly declares that it is the
19 policy of this State to encourage the breeding of thoroughbred
20 horses in this State and the ownership of such horses by
21 residents of this State in order to provide for: sufficient
22 numbers of high quality thoroughbred horses to participate in
23 thoroughbred racing meetings in this State, and to establish
24 and preserve the agricultural and commercial benefits of such
25 breeding and racing industries to the State of Illinois. It is

1 the intent of the General Assembly to further this policy by
2 the provisions of this Act.

3 (b) Each organization licensee conducting a thoroughbred
4 racing meeting pursuant to this Act shall provide at least two
5 races each day limited to Illinois conceived and foaled horses
6 or Illinois foaled horses or both. A minimum of 6 races shall
7 be conducted each week limited to Illinois conceived and foaled
8 or Illinois foaled horses or both. No horses shall be permitted
9 to start in such races unless duly registered under the rules
10 of the Department of Agriculture.

11 (c) Conditions of races under subsection (b) shall be
12 commensurate with past performance, quality, and class of
13 Illinois conceived and foaled and Illinois foaled horses
14 available. If, however, sufficient competition cannot be had
15 among horses of that class on any day, the races may, with
16 consent of the Board, be eliminated for that day and substitute
17 races provided.

18 (d) There is hereby created a special fund of the State
19 Treasury to be known as the Illinois Thoroughbred Breeders
20 Fund.

21 Beginning on the effective date of this amendatory Act of
22 the 100th General Assembly, the Illinois Thoroughbred Breeders
23 Fund shall become a non-appropriated trust fund held separately
24 from State moneys. Expenditures from this Fund shall no longer
25 be subject to appropriation.

26 Except as provided in subsection (g) of Section 27 of this

1 Act, 8.5% of all the monies received by the State as privilege
2 taxes on Thoroughbred racing meetings shall be paid into the
3 Illinois Thoroughbred Breeders Fund.

4 Notwithstanding any provision of law to the contrary,
5 amounts deposited into the Illinois Thoroughbred Breeders Fund
6 from revenues generated by electronic gaming after the
7 effective date of this amendatory Act of the 100th General
8 Assembly shall be in addition to tax and fee amounts paid under
9 this Section for calendar year 2017 and thereafter.

10 (e) The Illinois Thoroughbred Breeders Fund shall be
11 administered by the Department of Agriculture with the advice
12 and assistance of the Advisory Board created in subsection (f)
13 of this Section.

14 (f) The Illinois Thoroughbred Breeders Fund Advisory Board
15 shall consist of the Director of the Department of Agriculture,
16 who shall serve as Chairman; a member of the Illinois Racing
17 Board, designated by it; 2 representatives of the organization
18 licensees conducting thoroughbred racing meetings, recommended
19 by them; 2 representatives of the Illinois Thoroughbred
20 Breeders and Owners Foundation, recommended by it; one
21 representative ~~and 2 representatives~~ of the Horsemen's
22 Benevolent Protective Association; and one representative from
23 the Illinois Thoroughbred Horsemen's Association ~~or any~~
24 ~~successor organization established in Illinois comprised of~~
25 ~~the largest number of owners and trainers, recommended by it,~~
26 ~~with one representative of the Horsemen's Benevolent and~~

1 ~~Protective Association to come from its Illinois Division, and~~
2 ~~one from its Chicago Division.~~ Advisory Board members shall
3 serve for 2 years commencing January 1 of each odd numbered
4 year. If representatives of the organization licensees
5 conducting thoroughbred racing meetings, the Illinois
6 Thoroughbred Breeders and Owners Foundation, ~~and~~ the
7 Horsemen's Benevolent Protection Association, and the Illinois
8 Thoroughbred Horsemen's Association have not been recommended
9 by January 1, of each odd numbered year, the Director of the
10 Department of Agriculture shall make an appointment for the
11 organization failing to so recommend a member of the Advisory
12 Board. Advisory Board members shall receive no compensation for
13 their services as members but shall be reimbursed for all
14 actual and necessary expenses and disbursements incurred in the
15 execution of their official duties.

16 (g) ~~No monies shall be expended from the Illinois~~
17 ~~Thoroughbred Breeders Fund except as appropriated by the~~
18 ~~General Assembly.~~ Monies expended ~~appropriated~~ from the
19 Illinois Thoroughbred Breeders Fund shall be expended by the
20 Department of Agriculture, with the advice and assistance of
21 the Illinois Thoroughbred Breeders Fund Advisory Board, for the
22 following purposes only:

23 (1) To provide purse supplements to owners of horses
24 participating in races limited to Illinois conceived and
25 foaled and Illinois foaled horses. Any such purse
26 supplements shall not be included in and shall be paid in

1 addition to any purses, stakes, or breeders' awards offered
2 by each organization licensee as determined by agreement
3 between such organization licensee and an organization
4 representing the horsemen. No monies from the Illinois
5 Thoroughbred Breeders Fund shall be used to provide purse
6 supplements for claiming races in which the minimum
7 claiming price is less than \$7,500.

8 (2) To provide stakes and awards to be paid to the
9 owners of the winning horses in certain races limited to
10 Illinois conceived and foaled and Illinois foaled horses
11 designated as stakes races.

12 (2.5) To provide an award to the owner or owners of an
13 Illinois conceived and foaled or Illinois foaled horse that
14 wins a maiden special weight, an allowance, overnight
15 handicap race, or claiming race with claiming price of
16 \$10,000 or more providing the race is not restricted to
17 Illinois conceived and foaled or Illinois foaled horses.
18 Awards shall also be provided to the owner or owners of
19 Illinois conceived and foaled and Illinois foaled horses
20 that place second or third in those races. To the extent
21 that additional moneys are required to pay the minimum
22 additional awards of 40% of the purse the horse earns for
23 placing first, second or third in those races for Illinois
24 foaled horses and of 60% of the purse the horse earns for
25 placing first, second or third in those races for Illinois
26 conceived and foaled horses, those moneys shall be provided

1 from the purse account at the track where earned.

2 (3) To provide stallion awards to the owner or owners
3 of any stallion that is duly registered with the Illinois
4 Thoroughbred Breeders Fund Program ~~prior to the effective~~
5 ~~date of this amendatory Act of 1995~~ whose duly registered
6 Illinois conceived and foaled offspring wins a race
7 conducted at an Illinois thoroughbred racing meeting other
8 than a claiming race, provided that the stallion stood
9 service within Illinois at the time the offspring was
10 conceived and that the stallion did not stand for service
11 outside of Illinois at any time during the year in which
12 the offspring was conceived. ~~Such award shall not be paid~~
13 ~~to the owner or owners of an Illinois stallion that served~~
14 ~~outside this State at any time during the calendar year in~~
15 ~~which such race was conducted.~~

16 (4) To provide \$75,000 annually for purses to be
17 distributed to county fairs that provide for the running of
18 races during each county fair exclusively for the
19 thoroughbreds conceived and foaled in Illinois. The
20 conditions of the races shall be developed by the county
21 fair association and reviewed by the Department with the
22 advice and assistance of the Illinois Thoroughbred
23 Breeders Fund Advisory Board. There shall be no wagering of
24 any kind on the running of Illinois conceived and foaled
25 races at county fairs.

26 (4.1) To provide purse money for an Illinois stallion

1 stakes program.

2 (5) No less than 90% ~~80%~~ of all monies appropriated
3 from the Illinois Thoroughbred Breeders Fund shall be
4 expended for the purposes in (1), (2), (2.5), (3), (4),
5 (4.1), and (5) as shown above.

6 (6) To provide for educational programs regarding the
7 thoroughbred breeding industry.

8 (7) To provide for research programs concerning the
9 health, development and care of the thoroughbred horse.

10 (8) To provide for a scholarship and training program
11 for students of equine veterinary medicine.

12 (9) To provide for dissemination of public information
13 designed to promote the breeding of thoroughbred horses in
14 Illinois.

15 (10) To provide for all expenses incurred in the
16 administration of the Illinois Thoroughbred Breeders Fund.

17 (h) The Illinois Thoroughbred Breeders Fund is not subject
18 to administrative charges or chargebacks, including, but not
19 limited to, those authorized under Section 8h of the State
20 Finance Act. ~~Whenever the Governor finds that the amount in the~~
21 ~~Illinois Thoroughbred Breeders Fund is more than the total of~~
22 ~~the outstanding appropriations from such fund, the Governor~~
23 ~~shall notify the State Comptroller and the State Treasurer of~~
24 ~~such fact. The Comptroller and the State Treasurer, upon~~
25 ~~receipt of such notification, shall transfer such excess amount~~
26 ~~from the Illinois Thoroughbred Breeders Fund to the General~~

1 ~~Revenue Fund.~~

2 (i) A sum equal to 13% of the first prize money of every
3 purse won by an Illinois foaled or Illinois conceived and
4 foaled horse in races not limited to Illinois foaled horses or
5 Illinois conceived and foaled horses, or both, shall be paid by
6 the organization licensee conducting the horse race meeting.
7 Such sum shall be paid 50% from the organization licensee's
8 share of the money wagered and 50% from the purse account as
9 follows: 11 1/2% to the breeder of the winning horse and 1 1/2%
10 to the organization representing thoroughbred breeders and
11 owners who representative serves on the Illinois Thoroughbred
12 Breeders Fund Advisory Board for verifying the amounts of
13 breeders' awards earned, ensuring their distribution in
14 accordance with this Act, and servicing and promoting the
15 Illinois thoroughbred horse racing industry. Beginning in the
16 calendar year in which an organization licensee that is
17 eligible to receive payments under paragraph (13) of subsection
18 (g) of Section 26 of this Act begins to receive funds from
19 electronic gaming, a sum equal to 21 1/2% of the first prize
20 money of every purse won by an Illinois foaled or an Illinois
21 conceived and foaled horse in races not limited to an Illinois
22 conceived and foaled horse, or both, shall be paid 30% from the
23 organization licensee's account and 70% from the purse account
24 as follows: 20% to the breeder of the winning horse and 1 1/2%
25 to the organization representing thoroughbred breeders and
26 owners whose representatives serves on the Illinois

1 Thoroughbred Breeders Fund Advisory Board for verifying the
2 amounts of breeders' awards earned, assuring their
3 distribution in accordance with this Act, and servicing and
4 promoting the Illinois Thoroughbred racing industry. ~~A sum~~
5 ~~equal to 12 1/2% of the first prize money of every purse won by~~
6 ~~an Illinois foaled or an Illinois conceived and foaled horse in~~
7 ~~races not limited to Illinois foaled horses or Illinois~~
8 ~~conceived and foaled horses, or both, shall be paid by the~~
9 ~~organization licensee conducting the horse race meeting. Such~~
10 ~~sum shall be paid from the organization licensee's share of the~~
11 ~~money wagered as follows: 11 1/2% to the breeder of the winning~~
12 ~~horse and 1% to the organization representing thoroughbred~~
13 ~~breeders and owners whose representative serves on the Illinois~~
14 ~~Thoroughbred Breeders Fund Advisory Board for verifying the~~
15 ~~amounts of breeders' awards earned, assuring their~~
16 ~~distribution in accordance with this Act, and servicing and~~
17 ~~promoting the Illinois thoroughbred horse racing industry.~~ The
18 organization representing thoroughbred breeders and owners
19 shall cause all expenditures of monies received under this
20 subsection (i) to be audited at least annually by a registered
21 public accountant. The organization shall file copies of each
22 annual audit with the Racing Board, the Clerk of the House of
23 Representatives and the Secretary of the Senate, and shall make
24 copies of each annual audit available to the public upon
25 request and upon payment of the reasonable cost of photocopying
26 the requested number of copies. Such payments shall not reduce

1 any award to the owner of the horse or reduce the taxes payable
2 under this Act. Upon completion of its racing meet, each
3 organization licensee shall deliver to the organization
4 representing thoroughbred breeders and owners whose
5 representative serves on the Illinois Thoroughbred Breeders
6 Fund Advisory Board a listing of all the Illinois foaled and
7 the Illinois conceived and foaled horses which won breeders'
8 awards and the amount of such breeders' awards under this
9 subsection to verify accuracy of payments and assure proper
10 distribution of breeders' awards in accordance with the
11 provisions of this Act. Such payments shall be delivered by the
12 organization licensee within 30 days of the end of each race
13 meeting.

14 (j) A sum equal to 13% of the first prize money won in
15 every race limited to Illinois foaled horses or Illinois
16 conceived and foaled horses, or both, shall be paid in the
17 following manner by the organization licensee conducting the
18 horse race meeting, 50% from the organization licensee's share
19 of the money wagered and 50% from the purse account as follows:
20 11 1/2% to the breeders of the horses in each such race which
21 are the official first, second, third, and fourth finishers and
22 1 1/2% to the organization representing thoroughbred breeders
23 and owners whose representatives serves on the Illinois
24 Thoroughbred Breeders Fund Advisory Board for verifying the
25 amounts of breeders' awards earned, ensuring their proper
26 distribution in accordance with this Act, and servicing and

1 promoting the Illinois horse racing industry. Beginning in the
2 calendar year in which an organization licensee that is
3 eligible to receive payments under paragraph (13) of subsection
4 (g) of Section 26 of this Act begins to receive funds from
5 electronic gaming, a sum of 21 1/2% of every purse in a race
6 limited to Illinois foaled horses or Illinois conceived and
7 foaled horses, or both, shall be paid by the organization
8 licensee conducting the horse race meeting. Such sum shall be
9 paid 30% from the organization licensee's account and 70% from
10 the purse account as follows: 20% to the breeders of the horses
11 in each such race who are official first, second, third and
12 fourth finishers and 1 1/2% to the organization representing
13 thoroughbred breeders and owners whose representatives serve
14 on the Illinois Thoroughbred Breeders Fund Advisory Board for
15 verifying the amounts of breeders' awards earned, ensuring
16 their proper distribution in accordance with this Act, and
17 servicing and promoting the Illinois thoroughbred horse racing
18 industry. The organization representing thoroughbred breeders
19 and owners shall cause all expenditures of moneys received
20 under this subsection (j) to be audited at least annually by a
21 registered public accountant. The organization shall file
22 copies of each annual audit with the Racing Board, the Clerk of
23 the House of Representatives and the Secretary of the Senate,
24 and shall make copies of each annual audit available to the
25 public upon request and upon payment of the reasonable cost of
26 photocopying the requested number of copies. A sum equal to 12

1 ~~1/2% of the first prize money won in each race limited to~~
2 ~~Illinois foaled horses or Illinois conceived and foaled horses,~~
3 ~~or both, shall be paid in the following manner by the~~
4 ~~organization licensee conducting the horse race meeting, from~~
5 ~~the organization licensee's share of the money wagered: 11 1/2%~~
6 ~~to the breeders of the horses in each such race which are the~~
7 ~~official first, second, third and fourth finishers and 1% to~~
8 ~~the organization representing thoroughbred breeders and owners~~
9 ~~whose representative serves on the Illinois Thoroughbred~~
10 ~~Breeders Fund Advisory Board for verifying the amounts of~~
11 ~~breeders' awards earned, assuring their proper distribution in~~
12 ~~accordance with this Act, and servicing and promoting the~~
13 ~~Illinois thoroughbred horse racing industry. The organization~~
14 ~~representing thoroughbred breeders and owners shall cause all~~
15 ~~expenditures of monies received under this subsection (j) to be~~
16 ~~audited at least annually by a registered public accountant.~~
17 ~~The organization shall file copies of each annual audit with~~
18 ~~the Racing Board, the Clerk of the House of Representatives and~~
19 ~~the Secretary of the Senate, and shall make copies of each~~
20 ~~annual audit available to the public upon request and upon~~
21 ~~payment of the reasonable cost of photocopying the requested~~
22 ~~number of copies.~~

23 The amounts ~~11 1/2%~~ paid to the breeders in accordance with
24 this subsection shall be distributed as follows:

- 25 (1) 60% of such sum shall be paid to the breeder of the
26 horse which finishes in the official first position;

1 (2) 20% of such sum shall be paid to the breeder of the
2 horse which finishes in the official second position;

3 (3) 15% of such sum shall be paid to the breeder of the
4 horse which finishes in the official third position; and

5 (4) 5% of such sum shall be paid to the breeder of the
6 horse which finishes in the official fourth position.

7 Such payments shall not reduce any award to the owners of a
8 horse or reduce the taxes payable under this Act. Upon
9 completion of its racing meet, each organization licensee shall
10 deliver to the organization representing thoroughbred breeders
11 and owners whose representative serves on the Illinois
12 Thoroughbred Breeders Fund Advisory Board a listing of all the
13 Illinois foaled and the Illinois conceived and foaled horses
14 which won breeders' awards and the amount of such breeders'
15 awards in accordance with the provisions of this Act. Such
16 payments shall be delivered by the organization licensee within
17 30 days of the end of each race meeting.

18 (k) The term "breeder", as used herein, means the owner of
19 the mare at the time the foal is dropped. An "Illinois foaled
20 horse" is a foal dropped by a mare which enters this State on
21 or before December 1, in the year in which the horse is bred,
22 provided the mare remains continuously in this State until its
23 foal is born. An "Illinois foaled horse" also means a foal born
24 of a mare in the same year as the mare enters this State on or
25 before March 1, and remains in this State at least 30 days
26 after foaling, is bred back during the season of the foaling to

1 an Illinois Registered Stallion (unless a veterinarian
2 certifies that the mare should not be bred for health reasons),
3 and is not bred to a stallion standing in any other state
4 during the season of foaling. An "Illinois foaled horse" also
5 means a foal born in Illinois of a mare purchased at public
6 auction subsequent to the mare entering this State on or before
7 March 1 ~~prior to February 1~~ of the foaling year providing the
8 mare is owned solely by one or more Illinois residents or an
9 Illinois entity that is entirely owned by one or more Illinois
10 residents.

11 (1) The Department of Agriculture shall, by rule, with the
12 advice and assistance of the Illinois Thoroughbred Breeders
13 Fund Advisory Board:

14 (1) Qualify stallions for Illinois breeding; such
15 stallions to stand for service within the State of Illinois
16 at the time of a foal's conception. Such stallion must not
17 stand for service at any place outside the State of
18 Illinois during the calendar year in which the foal is
19 conceived. The Department of Agriculture may assess and
20 collect an application fee of up to \$500 ~~fees~~ for the
21 registration of Illinois-eligible stallions. All fees
22 collected are to be held in trust accounts for the purposes
23 set forth in this Act and in accordance with Section 205-15
24 of the Department of Agriculture Law ~~paid into the Illinois~~
25 ~~Thoroughbred Breeders Fund.~~

26 (2) Provide for the registration of Illinois conceived

1 and foaled horses and Illinois foaled horses. No such horse
2 shall compete in the races limited to Illinois conceived
3 and foaled horses or Illinois foaled horses or both unless
4 registered with the Department of Agriculture. The
5 Department of Agriculture may prescribe such forms as are
6 necessary to determine the eligibility of such horses. The
7 Department of Agriculture may assess and collect
8 application fees for the registration of Illinois-eligible
9 foals. All fees collected are to be held in trust accounts
10 for the purposes set forth in this Act and in accordance
11 with Section 205-15 of the Department of Agriculture Law
12 ~~paid into the Illinois Thoroughbred Breeders Fund~~. No
13 person shall knowingly prepare or cause preparation of an
14 application for registration of such foals containing
15 false information.

16 (m) The Department of Agriculture, with the advice and
17 assistance of the Illinois Thoroughbred Breeders Fund Advisory
18 Board, shall provide that certain races limited to Illinois
19 conceived and foaled and Illinois foaled horses be stakes races
20 and determine the total amount of stakes and awards to be paid
21 to the owners of the winning horses in such races.

22 In determining the stakes races and the amount of awards
23 for such races, the Department of Agriculture shall consider
24 factors, including but not limited to, the amount of money
25 appropriated for the Illinois Thoroughbred Breeders Fund
26 program, organization licensees' contributions, availability

1 of stakes caliber horses as demonstrated by past performances,
2 whether the race can be coordinated into the proposed racing
3 dates within organization licensees' racing dates, opportunity
4 for colts and fillies and various age groups to race, public
5 wagering on such races, and the previous racing schedule.

6 (n) The Board and the organizational licensee shall notify
7 the Department of the conditions and minimum purses for races
8 limited to Illinois conceived and foaled and Illinois foaled
9 horses conducted for each organizational licensee conducting a
10 thoroughbred racing meeting. The Department of Agriculture
11 with the advice and assistance of the Illinois Thoroughbred
12 Breeders Fund Advisory Board may allocate monies for purse
13 supplements for such races. In determining whether to allocate
14 money and the amount, the Department of Agriculture shall
15 consider factors, including but not limited to, the amount of
16 money appropriated for the Illinois Thoroughbred Breeders Fund
17 program, the number of races that may occur, and the
18 organizational licensee's purse structure.

19 (o) (Blank).

20 (Source: P.A. 98-692, eff. 7-1-14.)

21 (230 ILCS 5/30.5)

22 Sec. 30.5. Illinois Racing Quarter Horse Breeders Fund.

23 (a) The General Assembly declares that it is the policy of
24 this State to encourage the breeding of racing quarter horses
25 in this State and the ownership of such horses by residents of

1 this State in order to provide for sufficient numbers of high
2 quality racing quarter horses in this State and to establish
3 and preserve the agricultural and commercial benefits of such
4 breeding and racing industries to the State of Illinois. It is
5 the intent of the General Assembly to further this policy by
6 the provisions of this Act.

7 (b) There is hereby created non-appropriated trust ~~a~~
8 ~~special fund in the State Treasury~~ to be known as the Illinois
9 Racing Quarter Horse Breeders Fund, which is held separately
10 from State moneys. Except as provided in subsection (g) of
11 Section 27 of this Act, 8.5% of all the moneys received by the
12 State as pari-mutuel taxes on quarter horse racing shall be
13 paid into the Illinois Racing Quarter Horse Breeders Fund. The
14 Illinois Racing Quarter Horse Breeders Fund shall not be
15 subject to administrative charges or chargebacks, including,
16 but not limited to, those authorized under Section 8h of the
17 State Finance Act.

18 (c) The Illinois Racing Quarter Horse Breeders Fund shall
19 be administered by the Department of Agriculture with the
20 advice and assistance of the Advisory Board created in
21 subsection (d) of this Section.

22 (d) The Illinois Racing Quarter Horse Breeders Fund
23 Advisory Board shall consist of the Director of the Department
24 of Agriculture, who shall serve as Chairman; a member of the
25 Illinois Racing Board, designated by it; one representative of
26 the organization licensees conducting pari-mutuel quarter

1 horse racing meetings, recommended by them; 2 representatives
2 of the Illinois Running Quarter Horse Association, recommended
3 by it; and the Superintendent of Fairs and Promotions from the
4 Department of Agriculture. Advisory Board members shall serve
5 for 2 years commencing January 1 of each odd numbered year. If
6 representatives have not been recommended by January 1 of each
7 odd numbered year, the Director of the Department of
8 Agriculture may make an appointment for the organization
9 failing to so recommend a member of the Advisory Board.
10 Advisory Board members shall receive no compensation for their
11 services as members but may be reimbursed for all actual and
12 necessary expenses and disbursements incurred in the execution
13 of their official duties.

14 (e) Moneys in ~~No moneys shall be expended from the Illinois~~
15 ~~Racing Quarter Horse Breeders Fund except as appropriated by~~
16 ~~the General Assembly. Moneys appropriated from the Illinois~~
17 Racing Quarter Horse Breeders Fund shall be expended by the
18 Department of Agriculture, with the advice and assistance of
19 the Illinois Racing Quarter Horse Breeders Fund Advisory Board,
20 for the following purposes only:

21 (1) To provide stakes and awards to be paid to the
22 owners of the winning horses in certain races. This
23 provision is limited to Illinois conceived and foaled
24 horses.

25 (2) To provide an award to the owner or owners of an
26 Illinois conceived and foaled horse that wins a race when

1 pari-mutuel wagering is conducted; providing the race is
2 not restricted to Illinois conceived and foaled horses.

3 (3) To provide purse money for an Illinois stallion
4 stakes program.

5 (4) To provide for purses to be distributed for the
6 running of races during the Illinois State Fair and the
7 DuQuoin State Fair exclusively for quarter horses
8 conceived and foaled in Illinois.

9 (5) To provide for purses to be distributed for the
10 running of races at Illinois county fairs exclusively for
11 quarter horses conceived and foaled in Illinois.

12 (6) To provide for purses to be distributed for running
13 races exclusively for quarter horses conceived and foaled
14 in Illinois at locations in Illinois determined by the
15 Department of Agriculture with advice and consent of the
16 Illinois Racing Quarter Horse Breeders Fund Advisory
17 Board.

18 (7) No less than 90% of all moneys appropriated from
19 the Illinois Racing Quarter Horse Breeders Fund shall be
20 expended for the purposes in items (1), (2), (3), (4), and
21 (5) of this subsection (e).

22 (8) To provide for research programs concerning the
23 health, development, and care of racing quarter horses.

24 (9) To provide for dissemination of public information
25 designed to promote the breeding of racing quarter horses
26 in Illinois.

1 (10) To provide for expenses incurred in the
2 administration of the Illinois Racing Quarter Horse
3 Breeders Fund.

4 (f) The Department of Agriculture shall, by rule, with the
5 advice and assistance of the Illinois Racing Quarter Horse
6 Breeders Fund Advisory Board:

7 (1) Qualify stallions for Illinois breeding; such
8 stallions to stand for service within the State of
9 Illinois, at the time of a foal's conception. Such stallion
10 must not stand for service at any place outside the State
11 of Illinois during the calendar year in which the foal is
12 conceived. The Department of Agriculture may assess and
13 collect application fees for the registration of
14 Illinois-eligible stallions. All fees collected are to be
15 paid into the Illinois Racing Quarter Horse Breeders Fund.

16 (2) Provide for the registration of Illinois conceived
17 and foaled horses. No such horse shall compete in the races
18 limited to Illinois conceived and foaled horses unless it
19 is registered with the Department of Agriculture. The
20 Department of Agriculture may prescribe such forms as are
21 necessary to determine the eligibility of such horses. The
22 Department of Agriculture may assess and collect
23 application fees for the registration of Illinois-eligible
24 foals. All fees collected are to be paid into the Illinois
25 Racing Quarter Horse Breeders Fund. No person shall
26 knowingly prepare or cause preparation of an application

1 for registration of such foals that contains false
2 information.

3 (g) The Department of Agriculture, with the advice and
4 assistance of the Illinois Racing Quarter Horse Breeders Fund
5 Advisory Board, shall provide that certain races limited to
6 Illinois conceived and foaled be stakes races and determine the
7 total amount of stakes and awards to be paid to the owners of
8 the winning horses in such races.

9 (Source: P.A. 98-463, eff. 8-16-13.)

10 (230 ILCS 5/31) (from Ch. 8, par. 37-31)

11 Sec. 31. (a) The General Assembly declares that it is the
12 policy of this State to encourage the breeding of standardbred
13 horses in this State and the ownership of such horses by
14 residents of this State in order to provide for: sufficient
15 numbers of high quality standardbred horses to participate in
16 harness racing meetings in this State, and to establish and
17 preserve the agricultural and commercial benefits of such
18 breeding and racing industries to the State of Illinois. It is
19 the intent of the General Assembly to further this policy by
20 the provisions of this Section of this Act.

21 (b) Each organization licensee conducting a harness racing
22 meeting pursuant to this Act shall provide for at least two
23 races each race program limited to Illinois conceived and
24 foaled horses. A minimum of 6 races shall be conducted each
25 week limited to Illinois conceived and foaled horses. No horses

1 shall be permitted to start in such races unless duly
2 registered under the rules of the Department of Agriculture.

3 (b-5) Organization licensees, not including the Illinois
4 State Fair or the DuQuoin State Fair, shall provide stake races
5 and early closer races for Illinois conceived and foaled horses
6 so that purses distributed for such races shall be no less than
7 17% of total purses distributed for harness racing in that
8 calendar year in addition to any stakes payments and starting
9 fees contributed by horse owners.

10 (b-10) Each organization licensee conducting a harness
11 racing meeting pursuant to this Act shall provide an owner
12 award to be paid from the purse account equal to 25% of the
13 amount earned by Illinois conceived and foaled horses in races
14 that are not restricted to Illinois conceived and foaled
15 horses. The owner awards shall not be paid on races below the
16 \$10,000 claiming class.

17 (c) Conditions of races under subsection (b) shall be
18 commensurate with past performance, quality and class of
19 Illinois conceived and foaled horses available. If, however,
20 sufficient competition cannot be had among horses of that class
21 on any day, the races may, with consent of the Board, be
22 eliminated for that day and substitute races provided.

23 (d) There is hereby created a special fund of the State
24 Treasury to be known as the Illinois Standardbred Breeders
25 Fund.

26 During the calendar year 1981, and each year thereafter,

1 except as provided in subsection (g) of Section 27 of this Act,
2 eight and one-half per cent of all the monies received by the
3 State as privilege taxes on harness racing meetings shall be
4 paid into the Illinois Standardbred Breeders Fund.

5 (e) The Illinois Standardbred Breeders Fund shall be
6 administered by the Department of Agriculture with the
7 assistance and advice of the Advisory Board created in
8 subsection (f) of this Section.

9 (f) The Illinois Standardbred Breeders Fund Advisory Board
10 is hereby created. The Advisory Board shall consist of the
11 Director of the Department of Agriculture, who shall serve as
12 Chairman; the Superintendent of the Illinois State Fair; a
13 member of the Illinois Racing Board, designated by it; a
14 representative of the largest association of Illinois
15 standardbred owners and breeders, recommended by it; a
16 representative of a statewide association representing
17 agricultural fairs in Illinois, recommended by it, such
18 representative to be from a fair at which Illinois conceived
19 and foaled racing is conducted; a representative of the
20 organization licensees conducting harness racing meetings,
21 recommended by them; a representative of the Breeder's
22 Committee of the association representing the largest number of
23 standardbred owners, breeders, trainers, caretakers, and
24 drivers, recommended by it; and a representative of the
25 association representing the largest number of standardbred
26 owners, breeders, trainers, caretakers, and drivers,

1 recommended by it. Advisory Board members shall serve for 2
2 years commencing January 1 of each odd numbered year. If
3 representatives of the largest association of Illinois
4 standardbred owners and breeders, a statewide association of
5 agricultural fairs in Illinois, the association representing
6 the largest number of standardbred owners, breeders, trainers,
7 caretakers, and drivers, a member of the Breeder's Committee of
8 the association representing the largest number of
9 standardbred owners, breeders, trainers, caretakers, and
10 drivers, and the organization licensees conducting harness
11 racing meetings have not been recommended by January 1 of each
12 odd numbered year, the Director of the Department of
13 Agriculture shall 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 shall be reimbursed for all actual and
17 necessary expenses and disbursements incurred in the execution
18 of their official duties.

19 (g) No monies shall be expended from the Illinois
20 Standardbred Breeders Fund except as appropriated by the
21 General Assembly. Monies appropriated from the Illinois
22 Standardbred Breeders Fund shall be expended by the Department
23 of Agriculture, with the assistance and advice of the Illinois
24 Standardbred Breeders Fund Advisory Board for the following
25 purposes only:

26 1. To provide purses for races limited to Illinois

1 conceived and foaled horses at the State Fair and the
2 DuQuoin State Fair.

3 2. To provide purses for races limited to Illinois
4 conceived and foaled horses at county fairs.

5 3. To provide purse supplements for races limited to
6 Illinois conceived and foaled horses conducted by
7 associations conducting harness racing meetings.

8 4. No less than 75% of all monies in the Illinois
9 Standardbred Breeders Fund shall be expended for purses in
10 1, 2 and 3 as shown above.

11 5. In the discretion of the Department of Agriculture
12 to provide awards to harness breeders of Illinois conceived
13 and foaled horses which win races conducted by organization
14 licensees conducting harness racing meetings. A breeder is
15 the owner of a mare at the time of conception. No more than
16 10% of all monies appropriated from the Illinois
17 Standardbred Breeders Fund shall be expended for such
18 harness breeders awards. No more than 25% of the amount
19 expended for harness breeders awards shall be expended for
20 expenses incurred in the administration of such harness
21 breeders awards.

22 6. To pay for the improvement of racing facilities
23 located at the State Fair and County fairs.

24 7. To pay the expenses incurred in the administration
25 of the Illinois Standardbred Breeders Fund.

26 8. To promote the sport of harness racing, including

1 grants up to a maximum of \$7,500 per fair per year for
2 conducting pari-mutuel wagering during the advertised
3 dates of a county fair.

4 9. To pay up to \$50,000 annually for the Department of
5 Agriculture to conduct drug testing at county fairs racing
6 standardbred horses.

7 10. To pay up to \$100,000 annually for distribution to
8 Illinois county fairs to supplement premiums offered in
9 junior classes.

10 11. To pay up to \$100,000 annually for division and
11 equal distribution to the animal sciences department of
12 each Illinois public university system engaged in equine
13 research and education on or before the effective date of
14 this amendatory Act of the 100th General Assembly for
15 equine research and education.

16 (h) ~~(Blank) Whenever the Governor finds that the amount in~~
17 ~~the Illinois Standardbred Breeders Fund is more than the total~~
18 ~~of the outstanding appropriations from such fund, the Governor~~
19 ~~shall notify the State Comptroller and the State Treasurer of~~
20 ~~such fact. The Comptroller and the State Treasurer, upon~~
21 ~~receipt of such notification, shall transfer such excess amount~~
22 ~~from the Illinois Standardbred Breeders Fund to the General~~
23 ~~Revenue Fund.~~

24 (i) A sum equal to 13% ~~12-1/2%~~ of the first prize money of
25 the gross every purse won by an Illinois conceived and foaled
26 horse shall be paid 50% by the organization licensee conducting

1 the horse race meeting to the breeder of such winning horse
2 from the organization licensee's account and 50% from the purse
3 account of the licensee ~~share of the money wagered~~. Such
4 payment shall not reduce any award to the owner of the horse or
5 reduce the taxes payable under this Act. Such payment shall be
6 delivered by the organization licensee at the end of each
7 quarter ~~race meeting~~.

8 (j) The Department of Agriculture shall, by rule, with the
9 assistance and advice of the Illinois Standardbred Breeders
10 Fund Advisory Board:

11 1. Qualify stallions for Illinois Standardbred
12 Breeders Fund breeding; ~~such stallion shall be owned by a~~
13 ~~resident of the State of Illinois or by an Illinois~~
14 ~~corporation all of whose shareholders, directors, officers~~
15 ~~and incorporators are residents of the State of Illinois.~~
16 Such stallion shall stand for service at and within the
17 State of Illinois at the time of a foal's conception, and
18 such stallion must not stand for service at any place, ~~nor~~
19 ~~may semen from such stallion be transported,~~ outside the
20 State of Illinois during that calendar year in which the
21 foal is conceived ~~and that the owner of the stallion was~~
22 ~~for the 12 months prior, a resident of Illinois.~~ Foals
23 conceived outside the State of Illinois from shipped semen
24 from a stallion qualified for breeders' awards under this
25 Section are not eligible to participate in the Illinois
26 conceived and foaled program. ~~The articles of agreement of~~

1 ~~any partnership, joint venture, limited partnership,~~
2 ~~syndicate, association or corporation and any bylaws and~~
3 ~~stock certificates must contain a restriction that~~
4 ~~provides that the ownership or transfer of interest by any~~
5 ~~one of the persons a party to the agreement can only be~~
6 ~~made to a person who qualifies as an Illinois resident.~~

7 2. Provide for the registration of Illinois conceived
8 and foaled horses and no such horse shall compete in the
9 races limited to Illinois conceived and foaled horses
10 unless registered with the Department of Agriculture. The
11 Department of Agriculture may prescribe such forms as may
12 be necessary to determine the eligibility of such horses.
13 No person shall knowingly prepare or cause preparation of
14 an application for registration of such foals containing
15 false information. A mare (dam) must be in the state at
16 least 180 ~~30~~ days prior to foaling or remain in the State
17 at least 30 days at the time of foaling. Beginning with the
18 1996 breeding season and for foals of 1997 and thereafter,
19 a foal conceived in the State of Illinois by transported
20 fresh semen may be eligible for Illinois conceived and
21 foaled registration provided all breeding and foaling
22 requirements are met. The stallion must be qualified for
23 Illinois Standardbred Breeders Fund breeding at the time of
24 conception and the mare must be inseminated within the
25 State of Illinois. The foal must be dropped in Illinois and
26 properly registered with the Department of Agriculture in

1 accordance with this Act.

2 3. Provide that at least a 5 day racing program shall
3 be conducted at the State Fair each year, which program
4 shall include at least the following races limited to
5 Illinois conceived and foaled horses: (a) a two year old
6 Trot and Pace, and Filly Division of each; (b) a three year
7 old Trot and Pace, and Filly Division of each; (c) an aged
8 Trot and Pace, and Mare Division of each.

9 4. Provide for the payment of nominating, sustaining
10 and starting fees for races promoting the sport of harness
11 racing and for the races to be conducted at the State Fair
12 as provided in subsection (j) 3 of this Section provided
13 that the nominating, sustaining and starting payment
14 required from an entrant shall not exceed 2% of the purse
15 of such race. All nominating, sustaining and starting
16 payments shall be held for the benefit of entrants and
17 shall be paid out as part of the respective purses for such
18 races. Nominating, sustaining and starting fees shall be
19 held in trust accounts for the purposes as set forth in
20 this Act and in accordance with Section 205-15 of the
21 Department of Agriculture Law (20 ILCS 205/205-15).

22 5. Provide for the registration with the Department of
23 Agriculture of Colt Associations or county fairs desiring
24 to sponsor races at county fairs.

25 6. Provide for the promotion of producing standardbred
26 racehorses by providing a bonus award program for owners of

1 2-year-old horses that win multiple major stakes races that
2 are limited to Illinois conceived and foaled horses.

3 (k) The Department of Agriculture, with the advice and
4 assistance of the Illinois Standardbred Breeders Fund Advisory
5 Board, may allocate monies for purse supplements for such
6 races. In determining whether to allocate money and the amount,
7 the Department of Agriculture shall consider factors,
8 including but not limited to, the amount of money appropriated
9 for the Illinois Standardbred Breeders Fund program, the number
10 of races that may occur, and an organizational licensee's purse
11 structure. The organizational licensee shall notify the
12 Department of Agriculture of the conditions and minimum purses
13 for races limited to Illinois conceived and foaled horses to be
14 conducted by each organizational licensee conducting a harness
15 racing meeting for which purse supplements have been
16 negotiated.

17 (l) All races held at county fairs and the State Fair which
18 receive funds from the Illinois Standardbred Breeders Fund
19 shall be conducted in accordance with the rules of the United
20 States Trotting Association unless otherwise modified by the
21 Department of Agriculture.

22 (m) At all standardbred race meetings held or conducted
23 under authority of a license granted by the Board, and at all
24 standardbred races held at county fairs which are approved by
25 the Department of Agriculture or at the Illinois or DuQuoin
26 State Fairs, no one shall jog, train, warm up or drive a

1 standardbred horse unless he or she is wearing a protective
2 safety helmet, with the chin strap fastened and in place, which
3 meets the standards and requirements as set forth in the 1984
4 Standard for Protective Headgear for Use in Harness Racing and
5 Other Equestrian Sports published by the Snell Memorial
6 Foundation, or any standards and requirements for headgear the
7 Illinois Racing Board may approve. Any other standards and
8 requirements so approved by the Board shall equal or exceed
9 those published by the Snell Memorial Foundation. Any
10 equestrian helmet bearing the Snell label shall be deemed to
11 have met those standards and requirements.

12 (Source: P.A. 99-756, eff. 8-12-16.)

13 (230 ILCS 5/32.1)

14 Sec. 32.1. Pari-mutuel tax credit; statewide racetrack
15 real estate equalization.

16 (a) In order to encourage new investment in Illinois
17 racetrack facilities and mitigate differing real estate tax
18 burdens among all racetracks, the licensees affiliated or
19 associated with each racetrack that has been awarded live
20 racing dates in the current year shall receive an immediate
21 pari-mutuel tax credit in an amount equal to the greater of (i)
22 50% of the amount of the real estate taxes paid in the prior
23 year attributable to that racetrack, or (ii) the amount by
24 which the real estate taxes paid in the prior year attributable
25 to that racetrack exceeds 60% of the average real estate taxes

1 paid in the prior year for all racetracks awarded live horse
2 racing meets in the current year.

3 Each year, regardless of whether the organization licensee
4 conducted live racing in the year of certification, the Board
5 shall certify in writing, prior to December 31, the real estate
6 taxes paid in that year for each racetrack and the amount of
7 the pari-mutuel tax credit that each organization licensee,
8 inter-track ~~intertrack~~ wagering licensee, and inter-track
9 ~~intertrack~~ wagering location licensee that derives its license
10 from such racetrack is entitled in the succeeding calendar
11 year. The real estate taxes considered under this Section for
12 any racetrack shall be those taxes on the real estate parcels
13 and related facilities used to conduct a horse race meeting and
14 inter-track wagering at such racetrack under this Act. In no
15 event shall the amount of the tax credit under this Section
16 exceed the amount of pari-mutuel taxes otherwise calculated
17 under this Act. The amount of the tax credit under this Section
18 shall be retained by each licensee and shall not be subject to
19 any reallocation or further distribution under this Act. The
20 Board may promulgate emergency rules to implement this Section.

21 (b) After the end of the 7-year period beginning on January
22 1 of the calendar year immediately following the effective date
23 of this amendatory Act of the 100th General Assembly, the
24 organization licensee shall be ineligible to receive a tax
25 credit under this Section.

26 (Source: P.A. 91-40, eff. 6-25-99; revised 9-2-16.)

1 (230 ILCS 5/34.3 new)

2 Sec. 34.3. Drug testing. The Illinois Racing Board and the
3 Department of Agriculture shall jointly establish a program for
4 the purpose of conducting drug testing of horses at county
5 fairs and shall adopt any rules necessary for enforcement of
6 the program. The rules shall include appropriate penalties for
7 violations.

8 (230 ILCS 5/36) (from Ch. 8, par. 37-36)

9 Sec. 36. (a) Whoever administers or conspires to administer
10 to any horse a hypnotic, narcotic, stimulant, depressant or any
11 chemical substance which may affect the speed of a horse at any
12 time in any race where the purse or any part of the purse is
13 made of money authorized by any Section of this Act, except
14 those chemical substances permitted by ruling of the Board,
15 internally, externally or by hypodermic method in a race or
16 prior thereto, or whoever knowingly enters a horse in any race
17 within a period of 24 hours after any hypnotic, narcotic,
18 stimulant, depressant or any other chemical substance which may
19 affect the speed of a horse at any time, except those chemical
20 substances permitted by ruling of the Board, has been
21 administered to such horse either internally or externally or
22 by hypodermic method for the purpose of increasing or retarding
23 the speed of such horse shall be guilty of a Class 4 felony.
24 The Board shall suspend or revoke such violator's license.

1 (b) The term "hypnotic" as used in this Section includes
2 all barbituric acid preparations and derivatives.

3 (c) The term "narcotic" as used in this Section includes
4 opium and all its alkaloids, salts, preparations and
5 derivatives, cocaine and all its salts, preparations and
6 derivatives and substitutes.

7 (d) The provisions of this Section 36 and the treatment
8 authorized herein apply to horses entered in and competing in
9 race meetings as defined in Section 3.07 of this Act and to
10 horses entered in and competing at any county fair.

11 (Source: P.A. 79-1185.)

12 (230 ILCS 5/40) (from Ch. 8, par. 37-40)

13 Sec. 40. (a) The imposition of any fine or penalty provided
14 in this Act shall not preclude the Board in its rules and
15 regulations from imposing a fine or penalty for any other
16 action which, in the Board's discretion, is a detriment or
17 impediment to horse racing.

18 (b) The Director of Agriculture or his or her authorized
19 representative shall impose the following monetary penalties
20 and hold administrative hearings as required for failure to
21 submit the following applications, lists, or reports within the
22 time period, date or manner required by statute or rule or for
23 removing a foal from Illinois prior to inspection:

24 (1) late filing of a renewal application for offering
25 or standing stallion for service:

1 (A) if an application is submitted no more than 30
2 days late, \$50;

3 (B) if an application is submitted no more than 45
4 days late, \$150; or

5 (C) if an application is submitted more than 45
6 days late, if filing of the application is allowed
7 under an administrative hearing, \$250;

8 (2) late filing of list or report of mares bred:

9 (A) if a list or report is submitted no more than
10 30 days late, \$50;

11 (B) if a list or report is submitted no more than
12 60 days late, \$150; or

13 (C) if a list or report is submitted more than 60
14 days late, if filing of the list or report is allowed
15 under an administrative hearing, \$250;

16 (3) filing an Illinois foaled thoroughbred mare status
17 report after the statutory deadline as provided in
18 subsection (k) of Section 30 of this Act ~~December 31~~:

19 (A) if a report is submitted no more than 30 days
20 late, \$50;

21 (B) if a report is submitted no more than 90 days
22 late, \$150;

23 (C) if a report is submitted no more than 150 days
24 late, \$250; or

25 (D) if a report is submitted more than 150 days
26 late, if filing of the report is allowed under an

1 administrative hearing, \$500;

2 (4) late filing of application for foal eligibility
3 certificate:

4 (A) if an application is submitted no more than 30
5 days late, \$50;

6 (B) if an application is submitted no more than 90
7 days late, \$150;

8 (C) if an application is submitted no more than 150
9 days late, \$250; or

10 (D) if an application is submitted more than 150
11 days late, if filing of the application is allowed
12 under an administrative hearing, \$500;

13 (5) failure to report the intent to remove a foal from
14 Illinois prior to inspection, identification and
15 certification by a Department of Agriculture investigator,
16 \$50; and

17 (6) if a list or report of mares bred is incomplete,
18 \$50 per mare not included on the list or report.

19 Any person upon whom monetary penalties are imposed under
20 this Section 3 times within a 5-year ~~5-year~~ period shall have
21 any further monetary penalties imposed at double the amounts
22 set forth above. All monies assessed and collected for
23 violations relating to thoroughbreds shall be paid into the
24 Illinois Thoroughbred Breeders Fund. All monies assessed and
25 collected for violations relating to standardbreds shall be
26 paid into the Illinois Standardbred Breeders Fund.

1 (Source: P.A. 87-397; revised 9-2-16.)

2 (230 ILCS 5/54.75)

3 Sec. 54.75. Horse Racing Equity Trust Fund.

4 (a) There is created a Fund to be known as the Horse Racing
5 Equity Trust Fund, which is a non-appropriated trust fund held
6 separate and apart from State moneys. The Fund shall consist of
7 moneys paid into it by owners licensees under the Illinois
8 ~~Riverboat~~ Gambling Act for the purposes described in this
9 Section. The Fund shall be administered by the Board. Moneys in
10 the Fund shall be distributed as directed and certified by the
11 Board in accordance with the provisions of subsection (b).

12 (b) The moneys deposited into the Fund, plus any accrued
13 interest on those moneys, shall be distributed within 10 days
14 after those moneys are deposited into the Fund as follows:

15 (1) Sixty percent of all moneys distributed under this
16 subsection shall be distributed to organization licensees
17 to be distributed at their race meetings as purses.
18 Fifty-seven percent of the amount distributed under this
19 paragraph (1) shall be distributed for thoroughbred race
20 meetings and 43% shall be distributed for standardbred race
21 meetings. Within each breed, moneys shall be allocated to
22 each organization licensee's purse fund in accordance with
23 the ratio between the purses generated for that breed by
24 that licensee during the prior calendar year and the total
25 purses generated throughout the State for that breed during

1 the prior calendar year by licensees in the current
2 calendar year.

3 (2) The remaining 40% of the moneys distributed under
4 this subsection (b) shall be distributed as follows:

5 (A) 11% shall be distributed to any person (or its
6 successors or assigns) who had operating control of a
7 racetrack that conducted live racing in 2002 at a
8 racetrack in a county with at least 230,000 inhabitants
9 that borders the Mississippi River and is a licensee in
10 the current year; and

11 (B) the remaining 89% shall be distributed pro rata
12 according to the aggregate proportion of total handle
13 from wagering on live races conducted in Illinois
14 (irrespective of where the wagers are placed) for
15 calendar years 2004 and 2005 to any person (or its
16 successors or assigns) who (i) had majority operating
17 control of a racing facility at which live racing was
18 conducted in calendar year 2002, (ii) is a licensee in
19 the current year, and (iii) is not eligible to receive
20 moneys under subparagraph (A) of this paragraph (2).

21 The moneys received by an organization licensee
22 under this paragraph (2) shall be used by each
23 organization licensee to improve, maintain, market,
24 and otherwise operate its racing facilities to conduct
25 live racing, which shall include backstretch services
26 and capital improvements related to live racing and the

1 backstretch. Any organization licensees sharing common
2 ownership may pool the moneys received and spent at all
3 racing facilities commonly owned in order to meet these
4 requirements.

5 If any person identified in this paragraph (2) becomes
6 ineligible to receive moneys from the Fund, such amount
7 shall be redistributed among the remaining persons in
8 proportion to their percentages otherwise calculated.

9 (c) The Board shall monitor organization licensees to
10 ensure that moneys paid to organization licensees under this
11 Section are distributed by the organization licensees as
12 provided in subsection (b).

13 (Source: P.A. 95-1008, eff. 12-15-08.)

14 (230 ILCS 5/56 new)

15 Sec. 56. Electronic gaming.

16 (a) A person, firm, corporation, or limited liability
17 company having operating control of a race track may apply to
18 the Gaming Board for an electronic gaming license. An
19 electronic gaming license shall authorize its holder to conduct
20 electronic gaming on the grounds of the race track controlled
21 by the licensee's race track. Only one electronic gaming
22 license may be awarded for any race track. A holder of an
23 electronic gaming license shall be subject to the Illinois
24 Gambling Act and rules of the Illinois Gaming Board concerning
25 electronic gaming. If the person, firm, corporation, or limited

1 liability company having operating control of a race track is
2 found by the Illinois Gaming Board to be unsuitable for an
3 electronic gaming license under the Illinois Gambling Act and
4 rules of the Gaming Board, that person, firm, corporation, or
5 limited liability company shall not be granted an electronic
6 gaming license. Each license shall specify the number of gaming
7 positions that its holder may operate.

8 An electronic gaming licensee may not permit persons under
9 21 years of age to be present in its electronic gaming
10 facility, but the licensee may accept wagers on live racing and
11 inter-track wagers at its electronic gaming facility.

12 (b) For purposes of this subsection, "adjusted gross
13 receipts" means an electronic gaming licensee's gross receipts
14 less winnings paid to wagerers and shall also include any
15 amounts that would otherwise be deducted pursuant to subsection
16 (a-9) of Section 13 of the Illinois Gambling Act. The adjusted
17 gross receipts by an electronic gaming licensee from electronic
18 gaming remaining after the payment of taxes under Section 13 of
19 the Illinois Gambling Act shall be distributed as follows:

20 (1) Amounts shall be paid to the purse account at the
21 track at which the organization licensee is conducting
22 racing equal to the following:

23 12.75% of annual adjusted gross receipts up to and
24 including \$75,000,000;

25 20% of annual adjusted gross receipts in excess of
26 \$75,000,000 but not exceeding \$100,000,000;

1 26.5% of annual adjusted gross receipts in excess
2 of \$100,000,000 but not exceeding \$125,000,000; and
3 20.5% of annual adjusted gross receipts in excess
4 of \$125,000,000.

5 (2) The remainder shall be retained by the electronic
6 gaming licensee.

7 (c) Electronic gaming receipts placed into the purse
8 account of an organization licensee racing thoroughbred horses
9 shall be used for purses, for health care services or worker's
10 compensation for racing industry workers, for equine research,
11 for programs to care for and transition injured and retired
12 thoroughbred horses that race at the race track, or for horse
13 ownership promotion, in accordance with the agreement of the
14 horsemen's association representing the largest number of
15 owners and trainers who race at that organization licensee's
16 race meetings.

17 Annually, from the purse account of an organization
18 licensee racing thoroughbred horses in this State, except for
19 in Madison County, an amount equal to 12% of the electronic
20 gaming receipts placed into the purse accounts shall be paid to
21 the Illinois Thoroughbred Breeders Fund and shall be used for
22 owner awards; a stallion program pursuant to paragraph (3) of
23 subsection (g) of Section 30 of this Act; and Illinois
24 conceived and foaled stakes races pursuant to paragraph (2) of
25 subsection (g) of Section 30 of this Act, as specifically
26 designated by the horsemen's association representing the

1 largest number of owners and trainers who race at the
2 organization licensee's race meetings.

3 Annually, from the purse account of an organization
4 licensee racing thoroughbred horses in Madison County, an
5 amount equal to 10% of the electronic gaming receipts placed
6 into the purse accounts shall be paid to the Illinois
7 Thoroughbred Breeders Fund and shall be used for owner awards;
8 a stallion program pursuant to paragraph (3) of subsection (g)
9 of Section 30 of this Act; and Illinois conceived and foaled
10 stakes races pursuant to paragraph (2) of subsection (g) of
11 Section 30 of this Act, as specifically designated by the
12 horsemen's association representing the largest number of
13 owners and trainers who race at the organization licensee's
14 race meetings.

15 Annually, from the purse account of an organization
16 licensee conducting thoroughbred races at a race track in
17 Madison County, an amount equal to 1% of the electronic gaming
18 receipts distributed to purses per subsection (b) of this
19 Section 56 shall be paid as follows: 0.33 1/3% to Southern
20 Illinois University Department of Animal Sciences for equine
21 research and education, an amount equal to 0.33 1/3% of the
22 electronic gaming receipts shall be used to operate laundry
23 facilities or a kitchen for backstretch workers at that race
24 track, and an amount equal to 0.33 1/3% of the electronic
25 gaming receipts shall be paid to R.A.C.E., Inc., a 501(c)(3)
26 non-profit organization that cares for injured and unwanted

1 horses that race at that race track.

2 Annually, from the purse account of organization licensees
3 conducting thoroughbred races at race tracks in Cook County,
4 \$100,000 shall be paid for division and equal distribution to
5 the animal sciences department of each Illinois public
6 university system engaged in equine research and education on
7 or before the effective date of this amendatory Act of the
8 100th General Assembly for equine research and education.

9 (d) Annually, from the purse account of an organization
10 licensee racing standardbred horses, an amount equal to 15% of
11 the electronic gaming receipts placed into that purse account
12 shall be paid to the Illinois Colt Stakes Purse Distribution
13 Fund. Moneys deposited into the Illinois Colt Stakes Purse
14 Distribution Fund shall be used for standardbred racing as
15 authorized in paragraphs 1, 2, 3, 8, 9, 10, and 11 of
16 subsection (g) of Section 31 of this Act and for bonus awards
17 as authorized under paragraph 6 of subsection (j) of Section 31
18 of this Act.

19 Section 90-40. The Riverboat Gambling Act is amended by
20 changing Sections 1, 2, 3, 4, 5, 5.1, 6, 7, 7.3, 7.5, 8, 9, 11,
21 11.1, 12, 13, 14, 15, 16, 17, 17.1, 18, 18.1, 19, 20, 21, 23,
22 and 24 and by adding Sections 5.3, 7.7, 7.8, 7.9, 7.10, 7.11,
23 7.12, and 7.13 as follows:

24 (230 ILCS 10/1) (from Ch. 120, par. 2401)

1 Sec. 1. Short title. This Act shall be known and may be
2 cited as the Illinois ~~Riverboat~~ Gambling Act.

3 (Source: P.A. 86-1029.)

4 (230 ILCS 10/2) (from Ch. 120, par. 2402)

5 Sec. 2. Legislative Intent.

6 (a) This Act is intended to benefit the people of the State
7 of Illinois by assisting economic development, ~~and~~ promoting
8 Illinois tourism, ~~and~~ ~~by~~ increasing the amount of revenues
9 available to the State to assist and support education, and to
10 defray State expenses, including unpaid bills.

11 (b) While authorization of riverboat and casino gambling
12 will enhance investment, beautification, development and
13 tourism in Illinois, it is recognized that it will do so
14 successfully only if public confidence and trust in the
15 credibility and integrity of the gambling operations and the
16 regulatory process is maintained. Therefore, regulatory
17 provisions of this Act are designed to strictly regulate the
18 facilities, persons, associations and practices related to
19 gambling operations pursuant to the police powers of the State,
20 including comprehensive law enforcement supervision.

21 (c) The Illinois Gaming Board established under this Act
22 should, as soon as possible, inform each applicant for an
23 owners license of the Board's intent to grant or deny a
24 license.

25 (Source: P.A. 93-28, eff. 6-20-03.)

1 (230 ILCS 10/3) (from Ch. 120, par. 2403)

2 Sec. 3. ~~Riverboat~~ Gambling Authorized.

3 (a) Riverboat and casino gambling operations and
4 electronic gaming operations ~~and the system of wagering~~
5 ~~incorporated therein~~, as defined in this Act, are hereby
6 authorized to the extent that they are carried out in
7 accordance with the provisions of this Act.

8 (b) This Act does not apply to the pari-mutuel system of
9 wagering used or intended to be used in connection with the
10 horse-race meetings as authorized under the Illinois Horse
11 Racing Act of 1975, lottery games authorized under the Illinois
12 Lottery Law, bingo authorized under the Bingo License and Tax
13 Act, charitable games authorized under the Charitable Games Act
14 or pull tabs and jar games conducted under the Illinois Pull
15 Tabs and Jar Games Act. This Act applies to electronic gaming
16 authorized under the Illinois Horse Racing Act of 1975 to the
17 extent provided in that Act and in this Act.

18 (c) Riverboat gambling conducted pursuant to this Act may
19 be authorized upon any water within the State of Illinois or
20 any water other than Lake Michigan which constitutes a boundary
21 of the State of Illinois. Notwithstanding any provision in this
22 subsection (c) to the contrary, a licensee that receives its
23 license pursuant to subsection (e-5) of Section 7 may conduct
24 riverboat gambling on Lake Michigan from a home dock located on
25 Lake Michigan subject to any limitations contained in Section

1 7. Notwithstanding any provision in this subsection (c) to the
2 contrary, a licensee may conduct gambling at its home dock
3 facility as provided in Sections 7 and 11. A licensee may
4 conduct riverboat gambling authorized under this Act
5 regardless of whether it conducts excursion cruises. A licensee
6 may permit the continuous ingress and egress of passengers for
7 the purpose of gambling.

8 (d) Gambling that is conducted in accordance with this Act
9 using slot machines and video games of chance and other
10 electronic gambling games as defined in both this Act and the
11 Illinois Horse Racing Act of 1975 is authorized.

12 (Source: P.A. 91-40, eff. 6-25-99.)

13 (230 ILCS 10/4) (from Ch. 120, par. 2404)

14 Sec. 4. Definitions. As used in this Act:

15 ~~(a)~~ "Board" means the Illinois Gaming Board.

16 ~~(b)~~ "Occupational license" means a license issued by the
17 Board to a person or entity to perform an occupation which the
18 Board has identified as requiring a license to engage in
19 riverboat gambling, casino gambling, or electronic gaming in
20 Illinois.

21 ~~(c)~~ "Gambling game" includes, but is not limited to,
22 baccarat, twenty-one, poker, craps, slot machine, video game of
23 chance, roulette wheel, klondike table, punchboard, faro
24 layout, keno layout, numbers ticket, push card, jar ticket, or
25 pull tab which is authorized by the Board as a wagering device

1 under this Act.

2 ~~(d)~~ "Riverboat" means a self-propelled excursion boat, a
3 permanently moored barge, or permanently moored barges that are
4 permanently fixed together to operate as one vessel, on which
5 lawful gambling is authorized and licensed as provided in this
6 Act.

7 "Slot machine" means any mechanical, electrical, or other
8 device, contrivance, or machine that is authorized by the Board
9 as a wagering device under this Act which, upon insertion of a
10 coin, currency, token, or similar object therein, or upon
11 payment of any consideration whatsoever, is available to play
12 or operate, the play or operation of which may deliver or
13 entitle the person playing or operating the machine to receive
14 cash, premiums, merchandise, tokens, or anything of value
15 whatsoever, whether the payoff is made automatically from the
16 machine or in any other manner whatsoever. A slot machine:

17 (1) may utilize spinning reels or video displays or
18 both;

19 (2) may or may not dispense coins, tickets, or tokens
20 to winning patrons;

21 (3) may use an electronic credit system for receiving
22 wagers and making payouts; and

23 (4) may simulate a table game.

24 "Slot machine" does not include table games authorized by
25 the Board as a wagering device under this Act.

26 ~~(e)~~ "Managers license" means a license issued by the Board

1 to a person or entity to manage gambling operations conducted
2 by the State pursuant to Section 7.3.

3 ~~(f)~~ "Dock" means the location where a riverboat moors for
4 the purpose of embarking passengers for and disembarking
5 passengers from the riverboat.

6 ~~(g)~~ "Gross receipts" means the total amount of money
7 exchanged for the purchase of chips, tokens, or electronic
8 cards by riverboat patrons.

9 ~~(h)~~ "Adjusted gross receipts" means the gross receipts less
10 winnings paid to wagerers.

11 ~~(i)~~ "Cheat" means to alter the selection of criteria which
12 determine the result of a gambling game or the amount or
13 frequency of payment in a gambling game.

14 ~~(j)~~ (Blank).

15 ~~(k)~~ "Gambling operation" means the conduct of ~~authorized~~
16 gambling games authorized under this Act upon a riverboat or in
17 a casino or authorized under this Act and the Illinois Horse
18 Racing Act of 1975 at an electronic gaming facility.

19 ~~(l)~~ "License bid" means the lump sum amount of money that
20 an applicant bids and agrees to pay the State in return for an
21 owners license that is issued or re-issued on or after July 1,
22 2003.

23 "Table game" means a live gaming apparatus upon which
24 gaming is conducted or that determines an outcome that is the
25 object of a wager, including, but not limited to, baccarat,
26 twenty-one, blackjack, poker, craps, roulette wheel, klondike

1 table, punchboard, faro layout, keno layout, numbers ticket,
2 push card, jar ticket, pull tab, or other similar games that
3 are authorized by the Board as a wagering device under this
4 Act. "Table game" does not include slot machines or video games
5 of chance.

6 ~~(m)~~ The terms "minority person", "female", and "person with
7 a disability" shall have the same meaning as defined in Section
8 2 of the Business Enterprise for Minorities, Females, and
9 Persons with Disabilities Act.

10 "Authority" means the Chicago Casino Development
11 Authority.

12 "Casino" means a facility at which lawful gambling is
13 authorized as provided in this Act.

14 "Owners license" means a license to conduct riverboat or
15 casino gambling operations, but does not include an electronic
16 gaming license.

17 "Licensed owner" means a person who holds an owners
18 license.

19 "Electronic gaming" means slot machine gambling, video
20 game of chance gambling, or gambling with electronic gambling
21 games as defined in this Act or defined by the Board that is
22 conducted at a race track pursuant to an electronic gaming
23 license.

24 "Electronic gaming facility" means the area where the Board
25 has authorized electronic gaming at a race track of an
26 organization licensee under the Illinois Horse Racing Act of

1 1975 that holds an electronic gaming license.

2 "Electronic gaming license" means a license issued by the
3 Board under Section 7.7 of this Act authorizing electronic
4 gaming at an electronic gaming facility.

5 "Electronic gaming licensee" means an entity that holds an
6 electronic gaming license.

7 "Organization licensee" means an entity authorized by the
8 Illinois Racing Board to conduct pari-mutuel wagering in
9 accordance with the Illinois Horse Racing Act of 1975. With
10 respect only to electronic gaming, "organization licensee"
11 includes the authorization for electronic gaming created under
12 subsection (a) of Section 56 of the Illinois Horse Racing Act
13 of 1975.

14 "Casino operator license" means the license held by the
15 person or entity selected by the Authority to manage and
16 operate a riverboat or casino within the geographic area of the
17 authorized municipality pursuant to this Act and the Chicago
18 Casino Development Authority Act.

19 (Source: P.A. 95-331, eff. 8-21-07; 96-1392, eff. 1-1-11.)

20 (230 ILCS 10/5) (from Ch. 120, par. 2405)

21 Sec. 5. Gaming Board.

22 (a) (1) There is hereby established the Illinois Gaming
23 Board, which shall have the powers and duties specified in this
24 Act and in the Chicago Casino Development Authority Act, and
25 all other powers necessary and proper to fully and effectively

1 execute this Act for the purpose of administering, regulating,
2 and enforcing the system of riverboat and casino gambling and
3 electronic gaming established by this Act and by the Chicago
4 Casino Development Authority Act. Its jurisdiction shall
5 extend under this Act and the Chicago Casino Development
6 Authority Act to every person, association, corporation,
7 partnership and trust involved in riverboat and casino gambling
8 operations and electronic gaming in the State of Illinois.

9 (2) The Board shall consist of 5 members to be appointed by
10 the Governor with the advice and consent of the Senate, one of
11 whom shall be designated by the Governor to be chairperson
12 ~~chairman~~. Each member shall have a reasonable knowledge of the
13 practice, procedure and principles of gambling operations.
14 Each member shall either be a resident of Illinois or shall
15 certify that he or she will become a resident of Illinois
16 before taking office.

17 On and after the effective date of this amendatory Act of
18 the 100th General Assembly, new appointees to the Board must
19 include the following:

20 (A) One member who has received, at a minimum, a
21 bachelor's degree from an accredited school and at least 10
22 years of verifiable training and experience in the fields
23 of investigation and law enforcement.

24 (B) One member who is a certified public accountant
25 with experience in auditing and with knowledge of complex
26 corporate structures and transactions.

1 (C) One member who has 5 years' experience as a
2 principal, senior officer, or director of a company or
3 business with either material responsibility for the daily
4 operations and management of the overall company or
5 business or material responsibility for the policy making
6 of the company or business.

7 (D) One member who is a lawyer licensed to practice law
8 in Illinois.

9 Notwithstanding any provision of this subsection (a), the
10 requirements of subparagraphs (A) through (D) of this paragraph
11 (2) shall not apply to any person reappointed pursuant to
12 paragraph (3).

13 No more than 3 members of the Board may be from the same
14 political party. The Board should reflect the ethnic, cultural,
15 and geographic diversity of the State. No Board member shall,
16 within a period of one year immediately preceding nomination,
17 have been employed or received compensation or fees for
18 services from a person or entity, or its parent or affiliate,
19 that has engaged in business with the Board, a licensee, or a
20 licensee under the Illinois Horse Racing Act of 1975. Board
21 members must publicly disclose all prior affiliations with
22 gaming interests, including any compensation, fees, bonuses,
23 salaries, and other reimbursement received from a person or
24 entity, or its parent or affiliate, that has engaged in
25 business with the Board, a licensee, or a licensee under the
26 Illinois Horse Racing Act of 1975. This disclosure must be made

1 within 30 days after nomination but prior to confirmation by
2 the Senate and must be made available to the members of the
3 Senate. ~~At least one member shall be experienced in law~~
4 ~~enforcement and criminal investigation, at least one member~~
5 ~~shall be a certified public accountant experienced in~~
6 ~~accounting and auditing, and at least one member shall be a~~
7 ~~lawyer licensed to practice law in Illinois.~~

8 (3) The terms of office of the Board members shall be 3
9 years, except that the terms of office of the initial Board
10 members appointed pursuant to this Act will commence from the
11 effective date of this Act and run as follows: one for a term
12 ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for
13 a term ending July 1, 1993. Upon the expiration of the
14 foregoing terms, the successors of such members shall serve a
15 term for 3 years and until their successors are appointed and
16 qualified for like terms. Vacancies in the Board shall be
17 filled for the unexpired term in like manner as original
18 appointments. Each member of the Board shall be eligible for
19 reappointment at the discretion of the Governor with the advice
20 and consent of the Senate.

21 (4) Each member of the Board shall receive \$300 for each
22 day the Board meets and for each day the member conducts any
23 hearing pursuant to this Act. Each member of the Board shall
24 also be reimbursed for all actual and necessary expenses and
25 disbursements incurred in the execution of official duties.

26 (5) No person shall be appointed a member of the Board or

1 continue to be a member of the Board who is, or whose spouse,
2 child or parent is, a member of the board of directors of, or a
3 person financially interested in, any gambling operation
4 subject to the jurisdiction of this Board, or any race track,
5 race meeting, racing association or the operations thereof
6 subject to the jurisdiction of the Illinois Racing Board. No
7 Board member shall hold any other public office. No person
8 shall be a member of the Board who is not of good moral
9 character or who has been convicted of, or is under indictment
10 for, a felony under the laws of Illinois or any other state, or
11 the United States.

12 (5.5) No member of the Board shall engage in any political
13 activity. For the purposes of this Section, "political" means
14 any activity in support of or in connection with any campaign
15 for federal, State, or local elective office or any political
16 organization, but does not include activities (i) relating to
17 the support or opposition of any executive, legislative, or
18 administrative action (as those terms are defined in Section 2
19 of the Lobbyist Registration Act), (ii) relating to collective
20 bargaining, or (iii) that are otherwise in furtherance of the
21 person's official State duties or governmental and public
22 service functions.

23 (6) Any member of the Board may be removed by the Governor
24 for neglect of duty, misfeasance, malfeasance, or nonfeasance
25 in office or for engaging in any political activity.

26 (7) Before entering upon the discharge of the duties of his

1 office, each member of the Board shall take an oath that he
2 will faithfully execute the duties of his office according to
3 the laws of the State and the rules and regulations adopted
4 therewith and shall give bond to the State of Illinois,
5 approved by the Governor, in the sum of \$25,000. Every such
6 bond, when duly executed and approved, shall be recorded in the
7 office of the Secretary of State. Whenever the Governor
8 determines that the bond of any member of the Board has become
9 or is likely to become invalid or insufficient, he shall
10 require such member forthwith to renew his bond, which is to be
11 approved by the Governor. Any member of the Board who fails to
12 take oath and give bond within 30 days from the date of his
13 appointment, or who fails to renew his bond within 30 days
14 after it is demanded by the Governor, shall be guilty of
15 neglect of duty and may be removed by the Governor. The cost of
16 any bond given by any member of the Board under this Section
17 shall be taken to be a part of the necessary expenses of the
18 Board.

19 (7.5) For the examination of all mechanical,
20 electromechanical, or electronic table games, slot machines,
21 slot accounting systems, and other electronic gaming equipment
22 for compliance with this Act, the Board may utilize the
23 services of one or more independent outside testing
24 laboratories that have been accredited by a national
25 accreditation body and that, in the judgment of the Board, are
26 qualified to perform such examinations.

1 (8) The Board shall employ such personnel as may be
2 necessary to carry out its functions and shall determine the
3 salaries of all personnel, except those personnel whose
4 salaries are determined under the terms of a collective
5 bargaining agreement. No person shall be employed to serve the
6 Board who is, or whose spouse, parent or child is, an official
7 of, or has a financial interest in or financial relation with,
8 any operator engaged in gambling operations within this State
9 or any organization engaged in conducting horse racing within
10 this State. For the one year immediately preceding employment,
11 an employee shall not have been employed or received
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 Board, a licensee, or a licensee under the Illinois Horse
15 Racing Act of 1975. Any employee violating these prohibitions
16 shall be subject to termination of employment. In addition, all
17 Board members and employees are subject to the restrictions set
18 forth in Section 5-45 of the State Officials and Employees
19 Ethics Act.

20 (9) An Administrator shall perform any and all duties that
21 the Board shall assign him. The salary of the Administrator
22 shall be determined by the Board and, in addition, he shall be
23 reimbursed for all actual and necessary expenses incurred by
24 him in discharge of his official duties. The Administrator
25 shall keep records of all proceedings of the Board and shall
26 preserve all records, books, documents and other papers

1 belonging to the Board or entrusted to its care. The
2 Administrator shall devote his full time to the duties of the
3 office and shall not hold any other office or employment.

4 (b) The Board shall have general responsibility for the
5 implementation of this Act. Its duties include, without
6 limitation, the following:

7 (1) To decide promptly and in reasonable order all
8 license applications. Any party aggrieved by an action of
9 the Board denying, suspending, revoking, restricting or
10 refusing to renew a license may request a hearing before
11 the Board. A request for a hearing must be made to the
12 Board in writing within 5 days after service of notice of
13 the action of the Board. Notice of the action of the Board
14 shall be served either by personal delivery or by certified
15 mail, postage prepaid, to the aggrieved party. Notice
16 served by certified mail shall be deemed complete on the
17 business day following the date of such mailing. The Board
18 shall conduct all requested hearings promptly and in
19 reasonable order;

20 (2) To conduct all hearings pertaining to civil
21 violations of this Act or rules and regulations promulgated
22 hereunder;

23 (3) To promulgate such rules and regulations as in its
24 judgment may be necessary to protect or enhance the
25 credibility and integrity of gambling operations
26 authorized by this Act and the regulatory process

1 hereunder;

2 (4) To provide for the establishment and collection of
3 all license and registration fees and taxes imposed by this
4 Act and the rules and regulations issued pursuant hereto.
5 All such fees and taxes shall be deposited into the State
6 Gaming Fund;

7 (5) To provide for the levy and collection of penalties
8 and fines for the violation of provisions of this Act and
9 the rules and regulations promulgated hereunder. All such
10 fines and penalties shall be deposited into the Education
11 Assistance Fund, created by Public Act 86-0018, of the
12 State of Illinois;

13 (6) To be present through its inspectors and agents any
14 time gambling operations are conducted on any riverboat, in
15 any casino, or at any electronic gaming facility for the
16 purpose of certifying the revenue thereof, receiving
17 complaints from the public, and conducting such other
18 investigations into the conduct of the gambling games and
19 the maintenance of the equipment as from time to time the
20 Board may deem necessary and proper;

21 (7) To review and rule upon any complaint by a licensee
22 regarding any investigative procedures of the State which
23 are unnecessarily disruptive of gambling operations. The
24 need to inspect and investigate shall be presumed at all
25 times. The disruption of a licensee's operations shall be
26 proved by clear and convincing evidence, and establish

1 that: (A) the procedures had no reasonable law enforcement
2 purposes, and (B) the procedures were so disruptive as to
3 unreasonably inhibit gambling operations;

4 (8) To hold at least one meeting each quarter of the
5 fiscal year. In addition, special meetings may be called by
6 the Chairman or any 2 Board members upon 72 hours written
7 notice to each member. All Board meetings shall be subject
8 to the Open Meetings Act. Three members of the Board shall
9 constitute a quorum, and 3 votes shall be required for any
10 final determination by the Board. The Board shall keep a
11 complete and accurate record of all its meetings. A
12 majority of the members of the Board shall constitute a
13 quorum for the transaction of any business, for the
14 performance of any duty, or for the exercise of any power
15 which this Act requires the Board members to transact,
16 perform or exercise en banc, except that, upon order of the
17 Board, one of the Board members or an administrative law
18 judge designated by the Board may conduct any hearing
19 provided for under this Act or by Board rule and may
20 recommend findings and decisions to the Board. The Board
21 member or administrative law judge conducting such hearing
22 shall have all powers and rights granted to the Board in
23 this Act. The record made at the time of the hearing shall
24 be reviewed by the Board, or a majority thereof, and the
25 findings and decision of the majority of the Board shall
26 constitute the order of the Board in such case;

1 (9) To maintain records which are separate and distinct
2 from the records of any other State board or commission.
3 Such records shall be available for public inspection and
4 shall accurately reflect all Board proceedings;

5 (10) To file a written annual report with the Governor
6 on or before March 1 each year and such additional reports
7 as the Governor may request. The annual report shall
8 include a statement of receipts and disbursements by the
9 Board, actions taken by the Board, and any additional
10 information and recommendations which the Board may deem
11 valuable or which the Governor may request;

12 (11) (Blank);

13 (12) (Blank);

14 (13) To assume responsibility for administration and
15 enforcement of the Video Gaming Act; ~~and~~

16 (13.1) To assume responsibility for the administration
17 and enforcement of operations at electronic gaming
18 facilities pursuant to this Act and the Illinois Horse
19 Racing Act of 1975;

20 (13.2) To assume responsibility for the administration
21 and enforcement of gambling operations at the Chicago
22 Casino Development Authority's casino pursuant to this Act
23 and the Chicago Casino Development Authority Act; and

24 (14) To adopt, by rule, a code of conduct governing
25 Board members and employees that ensure, to the maximum
26 extent possible, that persons subject to this Code avoid

1 situations, relationships, or associations that may
2 represent or lead to a conflict of interest.

3 Internal controls and changes submitted by licensees must
4 be reviewed and either approved or denied with cause within 90
5 days after receipt of submission is deemed final by the
6 Illinois Gaming Board. In the event an internal control
7 submission or change does not meet the standards set by the
8 Board, staff of the Board must provide technical assistance to
9 the licensee to rectify such deficiencies within 90 days after
10 the initial submission and the revised submission must be
11 reviewed and approved or denied with cause within 90 days after
12 the date the revised submission is deemed final by the Board.
13 For the purposes of this paragraph, "with cause" means that the
14 approval of the submission would jeopardize the integrity of
15 gaming. In the event the Board staff has not acted within the
16 timeframe, the submission shall be deemed approved.

17 (c) The Board shall have jurisdiction over and shall
18 supervise all gambling operations governed by this Act and the
19 Chicago Casino Development Authority Act. The Board shall have
20 all powers necessary and proper to fully and effectively
21 execute the provisions of this Act and the Chicago Casino
22 Development Authority Act, including, but not limited to, the
23 following:

24 (1) To investigate applicants and determine the
25 eligibility of applicants for licenses and to select among
26 competing applicants the applicants which best serve the

1 interests of the citizens of Illinois.

2 (2) To have jurisdiction and supervision over all
3 ~~riverboat~~ gambling operations authorized under this Act
4 and the Chicago Casino Development Authority Act ~~in this~~
5 ~~State~~ and all persons in places ~~on riverboats~~ where
6 gambling operations are conducted.

7 (3) To promulgate rules and regulations for the purpose
8 of administering the provisions of this Act and the Chicago
9 Casino Development Authority Act and to prescribe rules,
10 regulations and conditions under which all ~~riverboat~~
11 gambling operations subject to this Act and the Chicago
12 Casino Development Authority Act ~~in the State~~ shall be
13 conducted. Such rules and regulations are to provide for
14 the prevention of practices detrimental to the public
15 interest and for the best interests of ~~riverboat~~ gambling,
16 including rules and regulations regarding the inspection
17 of electronic gaming facilities, casinos, and ~~such~~
18 ~~riverboats,~~ and the review of any permits or licenses
19 necessary to operate a riverboat, casino, or electronic
20 gaming facilities under any laws or regulations applicable
21 to riverboats, casinos, or electronic gaming facilities
22 and to impose penalties for violations thereof.

23 (4) To enter the office, riverboats, casinos,
24 electronic gaming facilities, and other facilities, or
25 other places of business of a licensee, where evidence of
26 the compliance or noncompliance with the provisions of this

1 Act and the Chicago Casino Development Authority Act is
2 likely to be found.

3 (5) To investigate alleged violations of this Act, the
4 Chicago Casino Development Authority Act, or the rules of
5 the Board and to take appropriate disciplinary action
6 against a licensee or a holder of an occupational license
7 for a violation, or institute appropriate legal action for
8 enforcement, or both.

9 (6) To adopt standards for the licensing of all persons
10 and entities under this Act and the Chicago Casino
11 Development Authority Act, as well as for electronic or
12 mechanical gambling games, and to establish fees for such
13 licenses.

14 (7) To adopt appropriate standards for all electronic
15 gaming facilities, riverboats, casinos, and other
16 facilities authorized under this Act and the Chicago Casino
17 Development Authority Act.

18 (8) To require that the records, including financial or
19 other statements of any licensee under this Act and the
20 Chicago Casino Development Authority Act, shall be kept in
21 such manner as prescribed by the Board and that any such
22 licensee involved in the ownership or management of
23 gambling operations submit to the Board an annual balance
24 sheet and profit and loss statement, list of the
25 stockholders or other persons having a 1% or greater
26 beneficial interest in the gambling activities of each

1 licensee, and any other information the Board deems
2 necessary in order to effectively administer this Act and
3 the Chicago Casino Development Authority Act and all rules,
4 regulations, orders and final decisions promulgated under
5 this Act and the Chicago Casino Development Authority Act.

6 (9) To conduct hearings, issue subpoenas for the
7 attendance of witnesses and subpoenas duces tecum for the
8 production of books, records and other pertinent documents
9 in accordance with the Illinois Administrative Procedure
10 Act, and to administer oaths and affirmations to the
11 witnesses, when, in the judgment of the Board, it is
12 necessary to administer or enforce this Act, the Chicago
13 Casino Development Authority Act, or the Board rules.

14 (10) To prescribe a form to be used by any licensee
15 involved in the ownership or management of gambling
16 operations as an application for employment for their
17 employees.

18 (11) To revoke or suspend licenses, other than the
19 license issued to the Chicago Casino Development
20 Authority, as the Board may see fit and in compliance with
21 applicable laws of the State regarding administrative
22 procedures, and to review applications for the renewal of
23 licenses. The Board may suspend an owners license (other
24 than the license issued to the Chicago Casino Development
25 Authority), electronic gaming license, or casino operator
26 license, without notice or hearing upon a determination

1 that the safety or health of patrons or employees is
2 jeopardized by continuing a gambling operation conducted
3 under that license ~~riverboat's operation~~. The suspension
4 may remain in effect until the Board determines that the
5 cause for suspension has been abated. The Board may revoke
6 an ~~the~~ owners license (other than the license issued to the
7 Chicago Casino Development Authority), electronic gaming
8 license, or casino operator license upon a determination
9 that the licensee ~~owner~~ has not made satisfactory progress
10 toward abating the hazard.

11 (12) To eject or exclude or authorize the ejection or
12 exclusion of, any person from ~~riverboat~~ gambling
13 facilities where that ~~such~~ person is in violation of this
14 Act or the Chicago Casino Development Authority Act, rules
15 and regulations thereunder, or final orders of the Board,
16 or where such person's conduct or reputation is such that
17 his or her presence within the ~~riverboat~~ gambling
18 facilities may, in the opinion of the Board, call into
19 question the honesty and integrity of the gambling
20 operations or interfere with the orderly conduct thereof;
21 provided that the propriety of such ejection or exclusion
22 is subject to subsequent hearing by the Board.

23 (13) To require all licensees of gambling operations to
24 utilize a cashless wagering system whereby all players'
25 money is converted to tokens, electronic cards, or chips
26 which shall be used only for wagering in the gambling

1 establishment.

2 (14) (Blank).

3 (15) To suspend, revoke or restrict licenses, other
4 than the license issued to the Chicago Casino Development
5 Authority, to require the removal of a licensee or an
6 employee of a licensee for a violation of this Act, the
7 Chicago Casino Development Authority Act, or a Board rule
8 or for engaging in a fraudulent practice, and to impose
9 civil penalties of up to \$5,000 against individuals and up
10 to \$10,000 or an amount equal to the daily gross receipts,
11 whichever is larger, against licensees for each violation
12 of any provision of the Act, the Chicago Casino Development
13 Authority Act, any rules adopted by the Board, any order of
14 the Board or any other action which, in the Board's
15 discretion, is a detriment or impediment to ~~riverboat~~
16 gambling operations.

17 (16) To hire employees to gather information, conduct
18 investigations and carry out any other tasks contemplated
19 under this Act or the Chicago Casino Development Authority
20 Act.

21 (17) To establish minimum levels of insurance to be
22 maintained by licensees.

23 (18) To authorize a licensee to sell or serve alcoholic
24 liquors, wine or beer as defined in the Liquor Control Act
25 of 1934 on board a riverboat or in a casino and to have
26 exclusive authority to establish the hours for sale and

1 consumption of alcoholic liquor on board a riverboat or in
2 a casino, notwithstanding any provision of the Liquor
3 Control Act of 1934 or any local ordinance, and regardless
4 of whether the riverboat makes excursions. The
5 establishment of the hours for sale and consumption of
6 alcoholic liquor on board a riverboat or in a casino is an
7 exclusive power and function of the State. A home rule unit
8 may not establish the hours for sale and consumption of
9 alcoholic liquor on board a riverboat or in a casino. This
10 subdivision (18) amendatory Act of 1991 is a denial and
11 limitation of home rule powers and functions under
12 subsection (h) of Section 6 of Article VII of the Illinois
13 Constitution.

14 (19) After consultation with the U.S. Army Corps of
15 Engineers, to establish binding emergency orders upon the
16 concurrence of a majority of the members of the Board
17 regarding the navigability of water, relative to
18 excursions, in the event of extreme weather conditions,
19 acts of God or other extreme circumstances.

20 (20) To delegate the execution of any of its powers
21 under this Act or the Chicago Casino Development Authority
22 Act for the purpose of administering and enforcing this
23 Act, the Chicago Casino Development Authority Act, and the
24 its rules adopted by the Board under both Acts and
25 regulations hereunder.

26 (20.5) To approve any contract entered into on its

1 behalf.

2 (20.6) To appoint investigators to conduct
3 investigations, searches, seizures, arrests, and other
4 duties imposed under this Act, as deemed necessary by the
5 Board. These investigators have and may exercise all of the
6 rights and powers of peace officers, provided that these
7 powers shall be limited to offenses or violations occurring
8 or committed in a casino, in an electronic gaming facility,
9 or on a riverboat or dock, as defined in subsections (d)
10 and (f) of Section 4, or as otherwise provided by this Act,
11 the Chicago Casino Development Authority Act, or any other
12 law.

13 (20.7) To contract with the Department of State Police
14 for the use of trained and qualified State police officers
15 and with the Department of Revenue for the use of trained
16 and qualified Department of Revenue investigators to
17 conduct investigations, searches, seizures, arrests, and
18 other duties imposed under this Act or the Chicago Casino
19 Development Authority Act and to exercise all of the rights
20 and powers of peace officers, provided that the powers of
21 Department of Revenue investigators under this subdivision
22 (20.7) shall be limited to offenses or violations occurring
23 or committed in a casino, in an electronic gaming facility,
24 or on a riverboat or dock, as defined in subsections (d)
25 and (f) of Section 4, or as otherwise provided by this Act
26 or any other law. In the event the Department of State

1 Police or the Department of Revenue is unable to fill
2 contracted police or investigative positions, the Board
3 may appoint investigators to fill those positions pursuant
4 to subdivision (20.6).

5 (21) To adopt rules concerning the conduct of
6 electronic gaming.

7 (22) To have the same jurisdiction and supervision over
8 casinos and electronic gaming facilities as the Board has
9 over riverboats, including, but not limited to, the power
10 to (i) investigate, review, and approve contracts as that
11 power is applied to riverboats, (ii) adopt rules for
12 administering the provisions of this Act or the Chicago
13 Casino Development Authority Act, (iii) adopt standards
14 for the licensing of all persons involved with a casino or
15 electronic gaming facility, (iv) investigate alleged
16 violations of this Act by any person involved with a casino
17 or electronic gaming facility, and (v) require that
18 records, including financial or other statements of any
19 casino or electronic gaming facility, shall be kept in such
20 manner as prescribed by the Board.

21 (23) To supervise and regulate the Chicago Casino
22 Development Authority in accordance with the Chicago
23 Casino Development Authority Act and the provisions of this
24 Act.

25 (24) ~~(21)~~ To take any other action as may be reasonable
26 or appropriate to enforce this Act, the Chicago Casino

1 Development Authority Act, and the rules adopted by the
2 Board under both Acts and regulations hereunder.

3 All Board powers enumerated in this Section in relation to
4 licensees shall apply equally to the holder of any casino
5 management contract entered into pursuant to the Chicago Casino
6 Development Authority Act.

7 (d) The Board may seek and shall receive the cooperation of
8 the Department of State Police in conducting background
9 investigations of applicants and in fulfilling its
10 responsibilities under this Section. Costs incurred by the
11 Department of State Police as a result of such cooperation
12 shall be paid by the Board in conformance with the requirements
13 of Section 2605-400 of the Department of State Police Law (20
14 ILCS 2605/2605-400).

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

21 (Source: P.A. 98-377, eff. 1-1-14; 98-582, eff. 8-27-13.)

22 (230 ILCS 10/5.1) (from Ch. 120, par. 2405.1)

23 Sec. 5.1. Disclosure of records.

24 (a) Notwithstanding any applicable statutory provision to
25 the contrary, the Board shall, on written request from any

1 person, provide information furnished by an applicant or
2 licensee concerning the applicant or licensee, his products,
3 services or gambling enterprises and his business holdings, as
4 follows:

5 (1) The name, business address and business telephone
6 number of any applicant or licensee.

7 (2) An identification of any applicant or licensee
8 including, if an applicant or licensee is not an
9 individual, the names and addresses of all stockholders and
10 directors, if the entity is a corporation; the names and
11 addresses of all members, if the entity is a limited
12 liability company; the names and addresses of all partners,
13 both general and limited, if the entity is a partnership;
14 and the names and addresses of all beneficiaries, if the
15 entity is a trust ~~the state of incorporation or~~
16 ~~registration, the corporate officers, and the identity of~~
17 ~~all shareholders or participants.~~ If an applicant or
18 licensee has a pending registration statement filed with
19 the Securities and Exchange Commission, only the names of
20 those persons or entities holding interest of 5% or more
21 must be provided.

22 (3) An identification of any business, including, if
23 applicable, the state of incorporation or registration, in
24 which an applicant or licensee or an applicant's or
25 licensee's spouse or children has an equity interest of
26 more than 1%. If an applicant or licensee is a corporation,

1 partnership or other business entity, the applicant or
2 licensee shall identify any other corporation, partnership
3 or business entity in which it has an equity interest of 1%
4 or more, including, if applicable, the state of
5 incorporation or registration. This information need not
6 be provided by a corporation, partnership or other business
7 entity that has a pending registration statement filed with
8 the Securities and Exchange Commission.

9 (4) Whether an applicant or licensee has been indicted,
10 convicted, pleaded guilty or nolo contendere, or forfeited
11 bail concerning any criminal offense under the laws of any
12 jurisdiction, either felony or misdemeanor (except for
13 traffic violations), including the date, the name and
14 location of the court, arresting agency and prosecuting
15 agency, the case number, the offense, the disposition and
16 the location and length of incarceration.

17 (5) Whether an applicant or licensee has had any
18 license or certificate issued by a licensing authority in
19 Illinois or any other jurisdiction denied, restricted,
20 suspended, revoked or not renewed and a statement
21 describing the facts and circumstances concerning the
22 denial, restriction, suspension, revocation or
23 non-renewal, including the licensing authority, the date
24 each such action was taken, and the reason for each such
25 action.

26 (6) Whether an applicant or licensee has ever filed or

1 had filed against it a proceeding in bankruptcy or has ever
2 been involved in any formal process to adjust, defer,
3 suspend or otherwise work out the payment of any debt
4 including the date of filing, the name and location of the
5 court, the case and number of the disposition.

6 (7) Whether an applicant or licensee has filed, or been
7 served with a complaint or other notice filed with any
8 public body, regarding the delinquency in the payment of,
9 or a dispute over the filings concerning the payment of,
10 any tax required under federal, State or local law,
11 including the amount, type of tax, the taxing agency and
12 time periods involved.

13 (8) A statement listing the names and titles of all
14 public officials or officers of any unit of government, and
15 relatives of said public officials or officers who,
16 directly or indirectly, own any financial interest in, have
17 any beneficial interest in, are the creditors of or hold
18 any debt instrument issued by, or hold or have any interest
19 in any contractual or service relationship with, an
20 applicant or licensee.

21 (9) Whether an applicant or licensee has made, directly
22 or indirectly, any political contribution, or any loans,
23 donations or other payments, to any candidate or office
24 holder, within 5 years from the date of filing the
25 application, including the amount and the method of
26 payment.

1 (10) The name and business telephone number of the
2 counsel representing an applicant or licensee in matters
3 before the Board.

4 (11) A description of any proposed or approved
5 riverboat or casino gaming or electronic gaming operation,
6 including the type of boat, home dock or casino or
7 electronic gaming location, expected economic benefit to
8 the community, anticipated or actual number of employees,
9 any statement from an applicant or licensee regarding
10 compliance with federal and State affirmative action
11 guidelines, projected or actual admissions and projected
12 or actual adjusted gross gaming receipts.

13 (12) A description of the product or service to be
14 supplied by an applicant for a supplier's license.

15 (b) Notwithstanding any applicable statutory provision to
16 the contrary, the Board shall, on written request from any
17 person, also provide the following information:

18 (1) The amount of the wagering tax and admission tax
19 paid daily to the State of Illinois by the holder of an
20 owner's license.

21 (2) Whenever the Board finds an applicant for an
22 owner's license unsuitable for licensing, a copy of the
23 written letter outlining the reasons for the denial.

24 (3) Whenever the Board has refused to grant leave for
25 an applicant to withdraw his application, a copy of the
26 letter outlining the reasons for the refusal.

1 (c) Subject to the above provisions, the Board shall not
2 disclose any information which would be barred by:

3 (1) Section 7 of the Freedom of Information Act; or

4 (2) The statutes, rules, regulations or
5 intergovernmental agreements of any jurisdiction.

6 (d) The Board may assess fees for the copying of
7 information in accordance with Section 6 of the Freedom of
8 Information Act.

9 (Source: P.A. 96-1392, eff. 1-1-11.)

10 (230 ILCS 10/5.3 new)

11 Sec. 5.3. Ethical conduct.

12 (a) Officials and employees of the corporate authority of a
13 host community must carry out their duties and responsibilities
14 in such a manner as to promote and preserve public trust and
15 confidence in the integrity and conduct of gaming.

16 (b) Officials and employees of the corporate authority of a
17 host community shall not use or attempt to use his or her
18 official position to secure or attempt to secure any privilege,
19 advantage, favor, or influence for himself or herself or
20 others.

21 (c) Officials and employees of the corporate authority of a
22 host community may not have a financial interest, directly or
23 indirectly, in his or her own name or in the name of any other
24 person, partnership, association, trust, corporation, or other
25 entity in any contract or subcontract for the performance of

1 any work for a riverboat or casino that is located in the host
2 community. This prohibition shall extend to the holding or
3 acquisition of an interest in any entity identified by Board
4 action that, in the Board's judgment, could represent the
5 potential for or the appearance of a financial interest. The
6 holding or acquisition of an interest in such entities through
7 an indirect means, such as through a mutual fund, shall not be
8 prohibited, except that the Board may identify specific
9 investments or funds that, in its judgment, are so influenced
10 by gaming holdings as to represent the potential for or the
11 appearance of a conflict of interest.

12 (d) Officials and employees of the corporate authority of a
13 host community may not accept any gift, gratuity, service,
14 compensation, travel, lodging, or thing of value, with the
15 exception of unsolicited items of an incidental nature, from
16 any person, corporation, or entity doing business with the
17 riverboat or casino that is located in the host community.

18 (e) Officials and employees of the corporate authority of a
19 host community shall not, during the period that the person is
20 an official or employee of the corporate authority or for a
21 period of 2 years immediately after leaving such office,
22 knowingly accept employment or receive compensation or fees for
23 services from a person or entity, or its parent or affiliate,
24 that has engaged in business with the riverboat or casino that
25 is located in the host community that resulted in contracts
26 with an aggregate value of at least \$25,000 or if that official

1 or employee has made a decision that directly applied to the
2 person or entity, or its parent or affiliate.

3 (f) A spouse, child, or parent of an official or employee
4 of the corporate authority of a host community may not have a
5 financial interest, directly or indirectly, in his or her own
6 name or in the name of any other person, partnership,
7 association, trust, corporation, or other entity in any
8 contract or subcontract for the performance of any work for a
9 riverboat or casino in the host community. This prohibition
10 shall extend to the holding or acquisition of an interest in
11 any entity identified by Board action that, in the judgment of
12 the Board, could represent the potential for or the appearance
13 of a conflict of interest. The holding or acquisition of an
14 interest in such entities through an indirect means, such as
15 through a mutual fund, shall not be prohibited, except that the
16 Board may identify specific investments or funds that, in its
17 judgment, are so influenced by gaming holdings as to represent
18 the potential for or the appearance of a conflict of interest.

19 (g) A spouse, child, or parent of an official or employee
20 of the corporate authority of a host community may not accept
21 any gift, gratuity, service, compensation, travel, lodging, or
22 thing of value, with the exception of unsolicited items of an
23 incidental nature, from any person, corporation, or entity
24 doing business with the riverboat or casino that is located in
25 the host community.

26 (h) A spouse, child, or parent of an official or employee

1 of the corporate authority of a host community may not, during
2 the period that the person is an official of the corporate
3 authority or for a period of 2 years immediately after leaving
4 such office or employment, knowingly accept employment or
5 receive compensation or fees for services from a person or
6 entity, or its parent or affiliate, that has engaged in
7 business with the riverboat or casino that is located in the
8 host community that resulted in contracts with an aggregate
9 value of at least \$25,000 or if that official or employee has
10 made a decision that directly applied to the person or entity,
11 or its parent or affiliate.

12 (i) Officials and employees of the corporate authority of a
13 host community shall not attempt, in any way, to influence any
14 person or entity doing business with the riverboat or casino
15 that is located in the host community or any officer, agent, or
16 employee thereof to hire or contract with any person or entity
17 for any compensated work.

18 (j) Any communication between an official of the corporate
19 authority of a host community and any applicant for an owners
20 license in the host community, or an officer, director, or
21 employee of a riverboat or casino in the host community,
22 concerning any matter relating in any way to gaming shall be
23 disclosed to the Board. Such disclosure shall be in writing by
24 the official within 30 days after the communication and shall
25 be filed with the Board. Disclosure must consist of the date of
26 the communication, the identity and job title of the person

1 with whom the communication was made, a brief summary of the
2 communication, the action requested or recommended, all
3 responses made, the identity and job title of the person making
4 the response, and any other pertinent information. Public
5 disclosure of the written summary provided to the Board and the
6 Gaming Board shall be subject to the exemptions provided under
7 the Freedom of Information Act.

8 This subsection (j) shall not apply to communications
9 regarding traffic, law enforcement, security, environmental
10 issues, city services, transportation, or other routine
11 matters concerning the ordinary operations of the riverboat or
12 casino. For purposes of this subsection (j), "ordinary
13 operations" means operations relating to the casino or
14 riverboat facility other than the conduct of gambling
15 activities, and "routine matters" includes the application
16 for, issuance of, renewal of, and other processes associated
17 with municipal permits and licenses.

18 (k) Any official or employee who violates any provision of
19 this Section is guilty of a Class 4 felony.

20 (l) For purposes of this Section, "host community" or "host
21 municipality" means a unit of local government that contains a
22 riverboat or casino within its borders, but does not include
23 the City of Chicago or the Chicago Casino Development
24 Authority.

1 Sec. 6. Application for Owners License.

2 (a) A qualified person may apply to the Board for an owners
3 license to conduct a riverboat gambling operation as provided
4 in this Act. The application shall be made on forms provided by
5 the Board and shall contain such information as the Board
6 prescribes, including but not limited to the identity of the
7 riverboat on which such gambling operation is to be conducted,
8 if applicable, and the exact location where such riverboat or
9 casino will be located ~~docked~~, a certification that the
10 riverboat will be registered under this Act at all times during
11 which gambling operations are conducted on board, detailed
12 information regarding the ownership and management of the
13 applicant, and detailed personal information regarding the
14 applicant. Any application for an owners license to be
15 re-issued on or after June 1, 2003 shall also include the
16 applicant's license bid in a form prescribed by the Board.
17 Information provided on the application shall be used as a
18 basis for a thorough background investigation which the Board
19 shall conduct with respect to each applicant. An incomplete
20 application shall be cause for denial of a license by the
21 Board.

22 (a-5) In addition to any other information required under
23 this Section, each application for an owners license must
24 include the following information:

25 (1) The history and success of the applicant and each
26 person and entity disclosed under subsection (c) of this

1 Section in developing tourism facilities ancillary to
2 gaming, if applicable.

3 (2) The likelihood that granting a license to the
4 applicant will lead to the creation of quality, living wage
5 jobs and permanent, full-time jobs for residents of the
6 State and residents of the unit of local government that is
7 designated as the home dock of the proposed facility where
8 gambling is to be conducted by the applicant.

9 (3) The projected number of jobs that would be created
10 if the license is granted and the projected number of new
11 employees at the proposed facility where gambling is to be
12 conducted by the applicant.

13 (4) The record, if any, of the applicant and its
14 developer in meeting commitments to local agencies,
15 community-based organizations, and employees at other
16 locations where the applicant or its developer has
17 performed similar functions as they would perform if the
18 applicant were granted a license.

19 (5) Identification of adverse effects that might be
20 caused by the proposed facility where gambling is to be
21 conducted by the applicant, including the costs of meeting
22 increased demand for public health care, child care, public
23 transportation, affordable housing, and social services,
24 and a plan to mitigate those adverse effects.

25 (6) The record, if any, of the applicant and its
26 developer regarding compliance with:

1 (A) federal, state, and local discrimination, wage
2 and hour, disability, and occupational and
3 environmental health and safety laws; and

4 (B) state and local labor relations and employment
5 laws.

6 (7) The applicant's record, if any, in dealing with its
7 employees and their representatives at other locations.

8 (8) A plan concerning the utilization of
9 minority-owned and female-owned businesses and concerning
10 the hiring of minorities and females.

11 (9) Evidence the applicant used its best efforts to
12 reach a goal of 25% ownership representation by minority
13 persons and 5% ownership representation by females.

14 (b) Applicants shall submit with their application all
15 documents, resolutions, and letters of support from the
16 governing body that represents the municipality or county
17 wherein the licensee will be located ~~dock~~.

18 (c) Each applicant shall disclose the identity of every
19 person or entity ~~, association, trust or corporation~~ having a
20 greater than 1% direct or indirect pecuniary interest in the
21 ~~riverboat~~ gambling operation with respect to which the license
22 is sought. If the disclosed entity is a trust, the application
23 shall disclose the names and addresses of all ~~the~~
24 beneficiaries; if a corporation, the names and addresses of all
25 stockholders and directors; if a partnership, the names and
26 addresses of all partners, both general and limited.

1 (d) An application shall be filed and considered in
2 accordance with the rules of the Board. Each application shall
3 be accompanied by a non-refundable ~~An~~ application fee of
4 \$100,000. In addition, a non-refundable fee of \$50,000 shall be
5 paid at the time of filing to defray the costs associated with
6 the background investigation conducted by the Board. If the
7 costs of the investigation exceed \$50,000, the applicant shall
8 pay the additional amount to the Board within 7 days after
9 requested by the Board. If the costs of the investigation are
10 less than \$50,000, the applicant shall receive a refund of the
11 remaining amount. All information, records, interviews,
12 reports, statements, memoranda or other data supplied to or
13 used by the Board in the course of its review or investigation
14 of an application for a license or a renewal under this Act
15 shall be privileged, strictly confidential and shall be used
16 only for the purpose of evaluating an applicant for a license
17 or a renewal. Such information, records, interviews, reports,
18 statements, memoranda or other data shall not be admissible as
19 evidence, nor discoverable in any action of any kind in any
20 court or before any tribunal, board, agency or person, except
21 for any action deemed necessary by the Board. The application
22 fee shall be deposited into the Gaming Facilities Fee Revenue
23 Fund.

24 (e) The Board shall charge each applicant a fee set by the
25 Department of State Police to defray the costs associated with
26 the search and classification of fingerprints obtained by the

1 Board with respect to the applicant's application. These fees
2 shall be paid into the State Police Services Fund.

3 (f) The licensed owner shall be the person primarily
4 responsible for the boat or casino itself. Only one ~~riverboat~~
5 gambling operation may be authorized by the Board on any
6 riverboat or in any casino. The applicant must identify the
7 ~~each~~ riverboat or premises it intends to use and certify that
8 the riverboat or premises: (1) has the authorized capacity
9 required in this Act; (2) is accessible to persons with
10 disabilities; and (3) is fully registered and licensed in
11 accordance with any applicable laws.

12 (g) A person who knowingly makes a false statement on an
13 application is guilty of a Class A misdemeanor.

14 (Source: P.A. 99-143, eff. 7-27-15.)

15 (230 ILCS 10/7) (from Ch. 120, par. 2407)

16 Sec. 7. Owners Licenses.

17 (a) The Board shall issue owners licenses to persons or
18 entities ~~, firms or corporations~~ which apply for such licenses
19 upon payment to the Board of the non-refundable license fee as
20 provided in subsection (e) or (e-5) ~~set by the Board, upon~~
21 ~~payment of a \$25,000 license fee for the first year of~~
22 ~~operation and a \$5,000 license fee for each succeeding year~~ and
23 upon a determination by the Board that the applicant is
24 eligible for an owners license pursuant to this Act, the
25 Chicago Casino Development Authority Act, and the rules of the

1 Board. From the effective date of this amendatory Act of the
2 95th General Assembly until (i) 3 years after the effective
3 date of this amendatory Act of the 95th General Assembly, (ii)
4 the date any organization licensee begins to operate a slot
5 machine or video game of chance under the Illinois Horse Racing
6 Act of 1975 or this Act, (iii) the date that payments begin
7 under subsection (c-5) of Section 13 of the Act, ~~or~~ (iv) the
8 wagering tax imposed under Section 13 of this Act is increased
9 by law to reflect a tax rate that is at least as stringent or
10 more stringent than the tax rate contained in subsection (a-3)
11 of Section 13, or (v) when an owners licensee holding a license
12 issued pursuant to Section 7.1 of this Act begins conducting
13 gaming, whichever occurs first, as a condition of licensure and
14 as an alternative source of payment for those funds payable
15 under subsection (c-5) of Section 13 of this ~~the Riverboat~~
16 ~~Gambling~~ Act, any owners licensee that holds or receives its
17 owners license on or after the effective date of this
18 amendatory Act of the 94th General Assembly, other than an
19 owners licensee operating a riverboat with adjusted gross
20 receipts in calendar year 2004 of less than \$200,000,000, must
21 pay into the Horse Racing Equity Trust Fund, in addition to any
22 other payments required under this Act, an amount equal to 3%
23 of the adjusted gross receipts received by the owners licensee.
24 The payments required under this Section shall be made by the
25 owners licensee to the State Treasurer no later than 3:00
26 o'clock p.m. of the day after the day when the adjusted gross

1 receipts were received by the owners licensee. A person, ~~firm~~
2 or entity ~~corporation~~ is ineligible to receive an owners
3 license if:

4 (1) the person has been convicted of a felony under the
5 laws of this State, any other state, or the United States;

6 (2) the person has been convicted of any violation of
7 Article 28 of the Criminal Code of 1961 or the Criminal
8 Code of 2012, or substantially similar laws of any other
9 jurisdiction;

10 (3) the person has submitted an application for a
11 license under this Act or the Chicago Casino Development
12 Authority Act which contains false information;

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

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

17 (6) the entity ~~firm or corporation~~ employs a person
18 defined in (1), (2), (3) or (4) who participates in the
19 management or operation of gambling operations authorized
20 under this Act or the Chicago Casino Development Authority
21 Act;

22 (7) (blank); or

23 (8) a license of the person or entity ~~, firm or~~
24 ~~corporation~~ issued under this Act or the Chicago Casino
25 Development Authority Act, or a license to own or operate
26 gambling facilities in any other jurisdiction, has been

1 revoked.

2 The Board is expressly prohibited from making changes to
3 the requirement that licensees make payment into the Horse
4 Racing Equity Trust Fund without the express authority of the
5 Illinois General Assembly and making any other rule to
6 implement or interpret this amendatory Act of the 95th General
7 Assembly. For the purposes of this paragraph, "rules" is given
8 the meaning given to that term in Section 1-70 of the Illinois
9 Administrative Procedure Act.

10 (a-1) Upon approval of the members of the Chicago Casino
11 Development Board, the Chicago Casino Development Authority's
12 executive director, and the Chicago casino operator licensee,
13 the Board shall issue an owners license to the Chicago Casino
14 Development Authority that authorizes the conduct of gambling
15 operations in a casino located in the City of Chicago.

16 (b) In determining whether to grant an owners license to an
17 applicant other than the Chicago Casino Development Authority,
18 the Board shall consider:

19 (1) the character, reputation, experience and
20 financial integrity of the applicants and of any other or
21 separate person that either:

22 (A) controls, directly or indirectly, such
23 applicant, or

24 (B) is controlled, directly or indirectly, by such
25 applicant or by a person which controls, directly or
26 indirectly, such applicant;

1 (2) the facilities or proposed facilities for the
2 conduct of ~~riverboat~~ gambling;

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

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

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

14 (6) whether the applicant has adequate capitalization
15 to provide and maintain, for the duration of a license, a
16 riverboat or casino;

17 (7) the extent to which the applicant exceeds or meets
18 other standards for the issuance of an owners license which
19 the Board may adopt by rule; ~~and~~

20 (8) the ~~The~~ amount of the applicant's license bid;~~-~~

21 (9) the extent to which the applicant or the proposed
22 host municipality plans to enter into revenue sharing
23 agreements with communities other than the host
24 municipality; and

25 (10) the extent to which the ownership of an applicant
26 includes the most qualified number of minority persons,

1 females, and persons with a disability.

2 (c) Each owners license shall specify the place where the
3 casino ~~riverboats~~ shall operate or the riverboat shall operate
4 and dock.

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

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

1 to a new location that is no more than 10 miles away from its
2 original location, in a municipality that borders on the
3 Illinois River or is within 5 miles of the city limits of a
4 municipality that borders on the Illinois River ~~south of~~
5 ~~Marshall County~~. The Board shall issue one additional license
6 to become effective not earlier than March 1, 1992, which shall
7 authorize riverboat gambling on the Des Plaines River in Will
8 County. The Board may issue 4 additional licenses to become
9 effective not earlier than March 1, 1992. In determining the
10 water upon which riverboats will operate, the Board shall
11 consider the economic benefit which riverboat gambling confers
12 on the State, and shall seek to assure that all regions of the
13 State share in the economic benefits of riverboat gambling.

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

1 license pursuant to this subsection (e) shall be \$100,000.

2 (e-5) In addition to licenses authorized under subsection
3 (e) of this Section:

4 (1) the Board shall issue one owners license
5 authorizing the conduct of casino gambling in the City of
6 Chicago;

7 (2) the Board may issue one owners license authorizing
8 the conduct of riverboat gambling in the City of Danville;

9 (3) the Board may issue one owners license authorizing
10 the conduct of riverboat gambling located in one of the
11 following municipalities in Lake County: Park City, North
12 Chicago, or Waukegan;

13 (4) the Board may issue one owners license authorizing
14 the conduct of riverboat gambling in the City of Rockford;

15 (5) the Board may issue one owners license authorizing
16 the conduct of riverboat gambling in a municipality that is
17 wholly or partially located in one of the following
18 townships of Cook County: Bloom, Bremen, Calumet, Rich,
19 Thornton, or Worth Township; and

20 (6) the Board may issue one owners license authorizing
21 the conduct of riverboat gambling in the unincorporated
22 area of Williamson County adjacent to the Big Muddy River.

23 Each application for a license pursuant to this subsection
24 (e-5) shall be submitted to the Board no later than 6 months
25 after the effective date of this amendatory Act of the 100th
26 General Assembly and shall include the non-refundable

1 application fee and the non-refundable background
2 investigation fee as provided in subsection (d) of Section 6 of
3 this Act. In the event that an applicant submits an application
4 for a license pursuant to this subsection (e-5) prior to the
5 effective date of this amendatory Act of the 100th General
6 Assembly, such applicant shall submit the non-refundable
7 application fee and background investigation fee as provided in
8 subsection (d) of Section 6 of this Act no later than 6 months
9 after the effective date of this amendatory Act of the 100th
10 General Assembly.

11 The Board shall consider issuing a license pursuant to
12 paragraphs (2) through (6) of this subsection only after the
13 corporate authority of the municipality or the county board of
14 the county in which the riverboat shall be located has
15 certified to the Board the following:

16 (i) that the applicant has negotiated with the
17 corporate authority or county board in good faith;

18 (ii) that the applicant and the corporate authority or
19 county board have mutually agreed on the permanent location
20 of the riverboat;

21 (iii) that the applicant and the corporate authority or
22 county board have mutually agreed on the temporary location
23 of the riverboat;

24 (iv) that the applicant and the corporate authority or
25 the county board have mutually agreed on the percentage of
26 revenues that will be shared with the municipality or

1 county, if any; and

2 (v) that the applicant and the corporate authority or
3 county board have mutually agreed on any zoning, licensing,
4 public health, or other issues that are within the
5 jurisdiction of the municipality or county.

6 At least 7 days before the corporate authority of a
7 municipality or county board of the county submits a
8 certification to the Board concerning items (i) through (v) of
9 this subsection, it shall hold a public hearing to discuss
10 items (i) through (v), as well as any other details concerning
11 the proposed riverboat in the municipality or county. The
12 corporate authority or county board must subsequently
13 memorialize the details concerning the proposed riverboat in a
14 resolution that must be adopted by a majority of the corporate
15 authority or county board before any certification is sent to
16 the Board. The Board shall not alter, amend, change, or
17 otherwise interfere with any agreement between the applicant
18 and the corporate authority of the municipality or county board
19 of the county regarding the location of any temporary or
20 permanent facility.

21 In addition, prior to the Board issuing the owners license
22 authorized under paragraph (4) of subsection (e-5), an impact
23 study shall be completed to determine what location in the city
24 will provide the greater impact to the region, including the
25 creation of jobs and the generation of tax revenue.

26 (e-10) The licenses authorized under subsection (e-5) of

1 this Section shall be issued within 12 months after the date
2 the license application is submitted. If the Board does not
3 issue the licenses within that time period, then the Board
4 shall give a written explanation to the applicant as to why it
5 has not reached a determination and when it reasonably expects
6 to make a determination. The fee for the issuance or renewal of
7 a license issued pursuant to this subsection (e-10) shall be
8 \$100,000. Additionally, a licensee located outside of Cook
9 County shall pay a minimum initial fee of \$17,500 per gaming
10 position, and a licensee located in Cook County shall pay a
11 minimum initial fee of \$30,000 per gaming position. The initial
12 fees payable under this subsection (e-10) shall be deposited
13 into the Gaming Facilities Fee Revenue Fund.

14 (e-15) Each licensee of a license authorized under
15 subsection (e-5) of this Section shall make a reconciliation
16 payment 3 years after the date the licensee begins operating in
17 an amount equal to 75% of the adjusted gross receipts for the
18 most lucrative 12-month period of operations, minus an amount
19 equal to the initial payment per gaming position paid by the
20 specific licensee. If this calculation results in a negative
21 amount, then the licensee is not entitled to any reimbursement
22 of fees previously paid. This reconciliation payment may be
23 made in installments over a period of no more than 2 years,
24 subject to Board approval. Any installment payments shall
25 include an annual market interest rate as determined by the
26 Board. All payments by licensees under this subsection (e-15)

1 shall be deposited into the Gaming Facilities Fee Revenue Fund.

2 (e-20) In addition to any other revocation powers granted
3 to the Board under this Act, the Board may revoke the owners
4 license of a licensee, other than the Chicago Casino
5 Development Authority, which fails to begin conducting
6 gambling within 15 months of receipt of the Board's approval of
7 the application if the Board determines that license revocation
8 is in the best interests of the State.

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

15 (g) Upon the termination, expiration, or revocation of each
16 of the first 10 licenses, which shall be issued for a 3 year
17 period, all licenses are renewable annually upon payment of the
18 fee and a determination by the Board that the licensee
19 continues to meet all of the requirements of this Act and the
20 Board's rules. However, for licenses renewed on or after May 1,
21 1998, including casino operator licenses, renewal shall be for
22 a period of 4 years, unless the Board sets a shorter period.
23 Notwithstanding any provision in this subsection (g) to the
24 contrary, any license that is awarded to the Chicago Casino
25 Development Authority shall not expire, but it shall be subject
26 to the provisions of this Act and the rules of the Board.

1 (h) An owners license, except for an owners license issued
2 under subsection (e-5) of this Section, shall entitle the
3 licensee to own up to 2 riverboats.

4 An owners licensee of a casino or riverboat that is located
5 in the City of Chicago pursuant to paragraph (1) of subsection
6 (e-5) of this Section shall limit the number of gaming
7 positions to 4,000 for such owner. An owners licensee
8 authorized under paragraphs (2) through (5) of subsection (e-5)
9 of this Section shall limit the number of gaming positions to
10 1,600 for any such owners license, except as further provided
11 in subsection (h-10) of this Section. An owners licensee
12 authorized under paragraph (6) of subsection (e-5) of this
13 Section ~~A licensee~~ shall limit the number of gaming positions
14 ~~gambling participants~~ to 1,200 for ~~any~~ such owner. The initial
15 fee for each gaming position obtained on or after the effective
16 date of this amendatory Act of the 100th General Assembly shall
17 be a minimum of \$17,500 for licensees not located in Cook
18 County and a minimum of \$30,000 for licensees located in Cook
19 County, in addition to the reconciliation payment, as set forth
20 in subsections (e-15) or (h-5) of this Section ~~owners license.~~

21 Each owners licensee shall reserve its gaming positions
22 within 90 days after issuance of its owners license. The Board
23 may grant an extension to this 90-day period, provided that the
24 owners licensee submits a written request and explanation as to
25 why it is unable to reserve its positions within the 90-day
26 period.

1 A licensee may operate both of its riverboats concurrently,
2 provided that the total number of gaming positions ~~gambling~~
3 ~~participants~~ on both riverboats does not exceed the limit
4 established pursuant to this subsection and subsection (h-10)
5 of this Section 1,200. Riverboats licensed to operate on the
6 Mississippi River and the Illinois River south of Marshall
7 County shall have an authorized capacity of at least 500
8 persons. Any other riverboat licensed under this Act shall have
9 an authorized capacity of at least 400 persons.

10 (h-5) An owners licensee who conducted gambling operations
11 prior to January 1, 2012 and purchases positions pursuant to
12 subsection (h-10) of this Section on or after the effective
13 date of this amendatory Act of the 100th General Assembly must
14 pay a minimum initial fee of \$17,500 per gaming position if the
15 licensee is located outside Cook County and a minimum initial
16 fee of \$30,000 per gaming position if the licensee is located
17 in Cook County, as stated in subsection (h) of this Section.
18 These initial fees shall be deposited into the Gaming
19 Facilities Fee Revenue Fund. Additionally, that owners
20 licensee shall make a reconciliation payment 3 years after any
21 additional gaming positions obtained pursuant to subsection
22 (h-10) begin operating in an amount equal to 75% of the owners
23 licensee's average gross receipts for the most lucrative
24 12-month period of operations minus an amount equal to the
25 initial fee that the owners licensee paid per additional gaming
26 position. For purposes of this subsection (h-5), "average gross

1 receipts" means (i) the increase in adjusted gross receipts for
2 the most lucrative 12-month period of operations over the
3 adjusted gross receipts for 2017, multiplied by (ii) the
4 percentage derived by dividing the number of additional gaming
5 positions that an owners licensee had obtained pursuant to
6 subsection (h-10) by the total number of gaming positions
7 operated by the owners licensee. If this calculation results in
8 a negative amount, then the owners licensee is not entitled to
9 any reimbursement of fees previously paid. This reconciliation
10 payment may be made in installments over a period of no more
11 than 2 years, subject to Board approval. Any installment
12 payments shall include an annual market interest rate as
13 determined by the Board. These reconciliation payments shall be
14 deposited into the Gaming Facilities Fee Revenue Fund.

15 (h-10) For owners licensees authorized under paragraphs
16 (2) through (5) of subsection (e-5) of this Section, the
17 application for such new owners licenses shall ask the
18 applicants to stipulate in their applications the number of
19 gaming positions each applicant would like to reserve, up to
20 1,600 gaming positions. Once the last winning applicant for
21 each of these owners licenses has been selected by the Board,
22 the Board shall publish the number of gaming positions reserved
23 and unreserved by each winning applicant, shall accept requests
24 for additional gaming positions from any winning applicants or
25 owners licensee who initially reserved 1,600 gaming positions,
26 and shall allocate expeditiously the unreserved gaming

1 positions to such requesting winning applicants or owners
2 licensees in a manner to maximize revenue to the State;
3 provided, however, that no owners licensee (other than the
4 Chicago Casino Development Authority) shall obtain more than
5 2,000 positions total. The Board may allocate any such unused
6 gaming positions through a competitive bidding process
7 pursuant to Section 7.5 of this Act.

8 In the event that not all of the unreserved gaming
9 positions described in the first and second paragraphs of this
10 subsection (h-10) were requested by owners licensees and
11 applicants, then until there are no longer unreserved gaming
12 positions, the Board periodically shall govern a process to
13 allocate the unreserved gaming positions in a manner to
14 maximize revenue to the State.

15 Unreserved gaming positions retained from and allocated to
16 owners licensees by the Board pursuant to this subsection
17 (h-10) shall not be allocated to electronic gaming licensees
18 pursuant to subsection (e) of Section 7.7 of this Act.

19 (i) A licensed owner is authorized to apply to the Board
20 for and, if approved therefor, to receive all licenses from the
21 Board necessary for the operation of a riverboat or a casino,
22 including a liquor license, a license to prepare and serve food
23 for human consumption, and other necessary licenses. All use,
24 occupation and excise taxes which apply to the sale of food and
25 beverages in this State and all taxes imposed on the sale or
26 use of tangible personal property apply to such sales aboard

1 the riverboat or in the casino.

2 (j) The Board may issue or re-issue a license authorizing a
3 riverboat to dock in a municipality or approve a relocation
4 under Section 11.2 only if, prior to the issuance or
5 re-issuance of the license or approval, the governing body of
6 the municipality in which the riverboat will dock has by a
7 majority vote approved the docking of riverboats in the
8 municipality. The Board may issue or re-issue a license
9 authorizing a riverboat to dock in areas of a county outside
10 any municipality or approve a relocation under Section 11.2
11 only if, prior to the issuance or re-issuance of the license or
12 approval, the governing body of the county has by a majority
13 vote approved of the docking of riverboats within such areas.

14 (k) An owners licensee may conduct land-based gambling
15 operations upon approval by the Board.

16 (l) An owners licensee may conduct gaming at a temporary
17 facility pending the construction of a permanent facility or
18 the remodeling or relocation of an existing facility to
19 accommodate gaming participants for up to 24 months after the
20 temporary facility begins to conduct gaming. Upon request by an
21 owners licensee and upon a showing of good cause by the owners
22 licensee, the Board shall extend the period during which the
23 licensee may conduct gaming at a temporary facility by up to 12
24 months. The Board shall make rules concerning the conduct of
25 gaming from temporary facilities.

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

1 (230 ILCS 10/7.3)

2 Sec. 7.3. State conduct of gambling operations.

3 (a) If, after reviewing each application for a re-issued
4 license, the Board determines that the highest prospective
5 total revenue to the State would be derived from State conduct
6 of the gambling operation in lieu of re-issuing the license,
7 the Board shall inform each applicant of its decision. The
8 Board shall thereafter have the authority, without obtaining an
9 owners license, to conduct casino or riverboat gambling
10 operations as previously authorized by the terminated,
11 expired, revoked, or nonrenewed license through a licensed
12 manager selected pursuant to an open and competitive bidding
13 process as set forth in Section 7.5 and as provided in Section
14 7.4.

15 (b) The Board may locate any casino or riverboat on which a
16 gambling operation is conducted by the State in any home dock
17 or other location authorized by Section 3(c) upon receipt of
18 approval from a majority vote of the governing body of the
19 municipality or county, as the case may be, in which the
20 riverboat will dock.

21 (c) The Board shall have jurisdiction over and shall
22 supervise all gambling operations conducted by the State
23 provided for in this Act and the Chicago Casino Development
24 Authority Act and shall have all powers necessary and proper to
25 fully and effectively execute the provisions of this Act and

1 the Chicago Casino Development Authority Act relating to
2 gambling operations conducted by the State.

3 (d) The maximum number of owners licenses authorized under
4 Section 7 ~~7(e)~~ shall be reduced by one for each instance in
5 which the Board authorizes the State to conduct a casino or
6 riverboat gambling operation under subsection (a) in lieu of
7 re-issuing a license to an applicant under Section 7.1.

8 (Source: P.A. 93-28, eff. 6-20-03.)

9 (230 ILCS 10/7.5)

10 Sec. 7.5. Competitive Bidding. When the Board determines
11 that (i) it will re-issue an owners license pursuant to an open
12 and competitive bidding process, as set forth in Section 7.1,
13 (ii) ~~or that~~ it will issue a managers license pursuant to an
14 open and competitive bidding process, as set forth in Section
15 7.4, (iii) it will issue an owners license pursuant to an open
16 and competitive bidding process, as set forth in Section 7.12,
17 or (iv) it will allocate unused gaming positions pursuant to an
18 open and competitive bidding process, as set forth in
19 subsection (h-10) of Section 7, the open and competitive
20 bidding process shall adhere to the following procedures:

21 (1) The Board shall make applications for owners and
22 managers licenses available to the public and allow a
23 reasonable time for applicants to submit applications to the
24 Board.

25 (2) During the filing period for owners or managers license

1 applications, the Board may retain the services of an
2 investment banking firm to assist the Board in conducting the
3 open and competitive bidding process.

4 (3) After receiving all of the bid proposals, the Board
5 shall open all of the proposals in a public forum and disclose
6 the prospective owners or managers names, venture partners, if
7 any, and, in the case of applicants for owners licenses, the
8 locations of the proposed development sites.

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

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

14 (6) The final applicants shall make their presentations to
15 the Board on the same day during an open session of the Board.

16 (7) As soon as practicable after the public presentations
17 by the final applicants, the Board, in its discretion, may
18 conduct further negotiations among the 3 final applicants.
19 During such negotiations, each final applicant may increase its
20 license bid or otherwise enhance its bid proposal. At the
21 conclusion of such negotiations, the Board shall select the
22 winning proposal. In the case of negotiations for an owners
23 license, the Board may, at the conclusion of such negotiations,
24 make the determination allowed under Section 7.3(a).

25 (8) Upon selection of a winning bid, the Board shall
26 evaluate the winning bid within a reasonable period of time for

1 licensee suitability in accordance with all applicable
2 statutory and regulatory criteria.

3 (9) If the winning bidder is unable or otherwise fails to
4 consummate the transaction, (including if the Board determines
5 that the winning bidder does not satisfy the suitability
6 requirements), the Board may, on the same criteria, select from
7 the remaining bidders or make the determination allowed under
8 Section 7.3(a).

9 (Source: P.A. 93-28, eff. 6-20-03.)

10 (230 ILCS 10/7.7 new)

11 Sec. 7.7. Electronic gaming.

12 (a) The General Assembly finds that the horse racing and
13 riverboat gambling industries share many similarities and
14 collectively comprise the bulk of the State's gaming industry.
15 One feature common to both industries is that each is highly
16 regulated by the State of Illinois. The General Assembly
17 further finds, however, that despite their shared features each
18 industry is distinct from the other in that horse racing is and
19 continues to be intimately tied to Illinois' agricultural
20 economy and is, at its core, a spectator sport. This
21 distinction requires the General Assembly to utilize different
22 methods to regulate and promote the horse racing industry
23 throughout the State. The General Assembly finds that in order
24 to promote live horse racing as a spectator sport in Illinois
25 and the agricultural economy of this State, it is necessary to

1 allow electronic gaming at Illinois race tracks as an ancillary
2 use given the success of other states in increasing live racing
3 purse accounts and improving the quality of horses
4 participating in horse race meetings.

5 (b) The Illinois Gaming Board shall award one electronic
6 gaming license to each person or entity having operating
7 control of a race track that applies under Section 56 of the
8 Illinois Horse Racing Act of 1975, subject to the application
9 and eligibility requirements of this Section. Within 60 days
10 after the effective date of this amendatory Act of the 100th
11 General Assembly, a person or entity having operating control
12 of a race track may submit an application for an electronic
13 gaming license. The application shall be made on such forms as
14 provided by the Board and shall contain such information as the
15 Board prescribes, including, but not limited to, the identity
16 of any race track at which electronic gaming will be conducted,
17 detailed information regarding the ownership and management of
18 the applicant, and detailed personal information regarding the
19 applicant. The application shall specify the number of gaming
20 positions the applicant intends to use and the place where the
21 electronic gaming facility will operate. A person who knowingly
22 makes a false statement on an application is guilty of a Class
23 A misdemeanor.

24 Each applicant shall disclose the identity of every person
25 or entity having a direct or indirect pecuniary interest
26 greater than 1% in any race track with respect to which the

1 license is sought. If the disclosed entity is a corporation,
2 the applicant shall disclose the names and addresses of all
3 stockholders and directors. If the disclosed entity is a
4 limited liability company, the applicant shall disclose the
5 names and addresses of all members and managers. If the
6 disclosed entity is a partnership, the applicant shall disclose
7 the names and addresses of all partners, both general and
8 limited. If the disclosed entity is a trust, the applicant
9 shall disclose the names and addresses of all beneficiaries.

10 An application shall be filed and considered in accordance
11 with the rules of the Board. Each application for an electronic
12 gaming license shall include a non-refundable application fee
13 of \$100,000. In addition, a non-refundable fee of \$50,000 shall
14 be paid at the time of filing to defray the costs associated
15 with background investigations conducted by the Board. If the
16 costs of the background investigation exceed \$50,000, the
17 applicant shall pay the additional amount to the Board within 7
18 days after a request by the Board. If the costs of the
19 investigation are less than \$50,000, the applicant shall
20 receive a refund of the remaining amount. All information,
21 records, interviews, reports, statements, memoranda, or other
22 data supplied to or used by the Board in the course of this
23 review or investigation of an applicant for an electronic
24 gaming license under this Act shall be privileged and strictly
25 confidential and shall be used only for the purpose of
26 evaluating an applicant for an electronic gaming license or a

1 renewal. Such information, records, interviews, reports,
2 statements, memoranda, or other data shall not be admissible as
3 evidence nor discoverable in any action of any kind in any
4 court or before any tribunal, board, agency or person, except
5 for any action deemed necessary by the Board. The application
6 fee shall be deposited into the Gaming Facilities Fee Revenue
7 Fund.

8 Each applicant shall submit with his or her application, on
9 forms provided by the Board, 2 sets of his or her fingerprints.
10 The Board shall charge each applicant a fee set by the
11 Department of State Police to defray the costs associated with
12 the search and classification of fingerprints obtained by the
13 Board with respect to the applicant's application. This fee
14 shall be paid into the State Police Services Fund.

15 (c) The Board shall determine within 120 days after
16 receiving an application for an electronic gaming license
17 whether to grant an electronic gaming license to the applicant.
18 If the Board does not make a determination within that time
19 period, then the Board shall give a written explanation to the
20 applicant as to why it has not reached a determination and when
21 it reasonably expects to make a determination.

22 The electronic gaming licensee shall purchase up to the
23 amount of electronic gaming positions authorized under this Act
24 within 120 days after receiving its electronic gaming license.
25 If an electronic gaming licensee is prepared to purchase the
26 electronic gaming positions, but is temporarily prohibited

1 from doing so by order of a court of competent jurisdiction or
2 the Board, then the 120-day period is tolled until a resolution
3 is reached.

4 An electronic gaming license shall authorize its holder to
5 conduct gaming under this Act at its racetracks on the same
6 days of the year and hours of the day that owner licenses are
7 allowed to operate under approval of the Board.

8 A license to conduct electronic gaming and any renewal of
9 an electronic gaming license shall authorize electronic gaming
10 for a period of 4 years. The fee for the issuance or renewal of
11 an electronic gaming license shall be \$100,000.

12 (d) To be eligible to conduct electronic gaming, a person
13 or entity having operating control of a race track must (i)
14 obtain an electronic gaming license, (ii) hold an organization
15 license under the Illinois Horse Racing Act of 1975, (iii) hold
16 an inter-track wagering license, (iv) pay an initial fee of
17 \$30,000 per gaming position from electronic gaming licensees
18 where electronic gaming is conducted in Cook County and \$17,500
19 for electronic gaming licensees where electronic gaming is
20 located outside of Cook County before beginning to conduct
21 electronic gaming plus make the reconciliation payment
22 required under subsection (i), (v) conduct at least 240 live
23 races at each track per year or for a licensee that is only
24 authorized 350 gaming positions pursuant to subsection (d) of
25 Section 7.7 of this Act, have a fully operational facility
26 running at least 96 live races over a period of at least 15

1 days per year until such time as the total number of gaming
2 positions is increased to 900, (vi) meet the requirements of
3 subsection (a) of Section 56 of the Illinois Horse Racing Act
4 of 1975, (vii) for organization licensees conducting
5 standardbred race meetings that had an open backstretch in
6 2009, keep backstretch barns and dormitories open and
7 operational year-round unless a lesser schedule is mutually
8 agreed to by the organization licensee and the horsemen's
9 association racing at that organization licensee's race
10 meeting, (viii) for organization licensees conducting
11 thoroughbred race meetings, the organization licensee must
12 maintain accident medical expense liability insurance coverage
13 of \$1,000,000 for jockeys, and (ix) meet all other requirements
14 of this Act that apply to owners licensees. Only those persons
15 or entities (or its successors or assigns) that had operating
16 control of a race track and held an inter-track wagering
17 license authorized by the Illinois Racing Board in 2009 are
18 eligible.

19 An electronic gaming licensee may enter into a joint
20 venture with a licensed owner to own, manage, conduct, or
21 otherwise operate the electronic gaming licensee's electronic
22 gaming facilities, unless the electronic gaming licensee has a
23 parent company or other affiliated company that is, directly or
24 indirectly, wholly owned by a parent company that is also
25 licensed to conduct electronic gaming, casino gaming, or their
26 equivalent in another state.

1 All payments by licensees under this subsection (c) shall
2 be deposited into the Gaming Facilities Fee Revenue Fund.

3 (e) A person or entity is ineligible to receive an
4 electronic gaming license if:

5 (1) the person or entity has been convicted of a felony
6 under the laws of this State, any other state, or the
7 United States, including a conviction under the Racketeer
8 Influenced and Corrupt Organizations Act;

9 (2) the person or entity has been convicted of any
10 violation of Article 28 of the Criminal Code of 2012, or
11 substantially similar laws of any other jurisdiction;

12 (3) the person or entity has submitted an application
13 for a license under this Act that contains false
14 information;

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

16 (5) a person defined in (1), (2), (3), or (4) of this
17 subsection (e) is an officer, director, or managerial
18 employee of the entity;

19 (6) the person or entity employs a person defined in
20 (1), (2), (3), or (4) of this subsection (e) who
21 participates in the management or operation of gambling
22 operations authorized under this Act; or

23 (7) a license of the person or entity issued under this
24 Act or a license to own or operate gambling facilities in
25 any other jurisdiction has been revoked.

26 (f) The Board may approve electronic gaming positions

1 statewide as provided in this Section. The authority to operate
2 electronic gaming positions under this Section shall be
3 allocated as follows: up to 1,200 gaming positions for any
4 electronic gaming licensee in Cook County whose electronic
5 gaming license originates with an organization licensee that
6 conducted live racing in calendar year 2016; up to 900 gaming
7 positions for any electronic gaming licensee outside of Cook
8 County whose electronic gaming license originates with an
9 organization licensee that conducted live racing in calendar
10 year 2016; and up to 350 gaming positions for any electronic
11 gaming licensee whose electronic gaming license originates
12 with an organization licensee that did not conduct live racing
13 in calendar year 2010, which shall increase to 900 gaming
14 positions in the calendar year following the year in which the
15 electronic gaming licensee conducts 96 live races.

16 (g) Each applicant for an electronic gaming license shall
17 specify in its application for licensure the number of gaming
18 positions it will operate, up to the applicable limitation set
19 forth in subsection (f) of this Section. Any unreserved gaming
20 positions that are not specified shall be forfeited and
21 retained by the Board. For the purposes of this subsection (g),
22 an electronic gaming licensee that did not conduct live racing
23 in 2010 may reserve up to 900 positions and shall not be
24 penalized under this Section for not operating those positions
25 until it meets the requirements of subsection (f) of this
26 Section, but such licensee shall not request unreserved gaming

1 positions under this subsection (g) until its 900 positions are
2 all operational.

3 Thereafter, the Board shall publish the number of
4 unreserved electronic gaming positions and shall accept
5 requests for additional positions from any electronic gaming
6 licensee that initially reserved all of the positions that were
7 offered. The Board shall allocate expeditiously the unreserved
8 electronic gaming positions to requesting electronic gaming
9 licensees in a manner that maximizes revenue to the State. The
10 Board may allocate any such unused electronic gaming positions
11 pursuant to an open and competitive bidding process, as
12 provided under Section 7.5 of this Act. This process shall
13 continue until all unreserved gaming positions have been
14 purchased. All positions obtained pursuant to this process and
15 all positions the electronic gaming licensee specified it would
16 operate in its application must be in operation within 18
17 months after they were obtained or the electronic gaming
18 licensee forfeits the right to operate those positions, but is
19 not entitled to a refund of any fees paid. The Board may, after
20 holding a public hearing, grant extensions so long as the
21 electronic gaming licensee is working in good faith to make the
22 positions operational. The extension may be for a period of 6
23 months. If, after the period of the extension, the electronic
24 gaming licensee has not made the positions operational, then
25 another public hearing must be held by the Board before it may
26 grant another extension.

1 Unreserved gaming positions retained from and allocated to
2 electronic gaming licensees by the Board pursuant to this
3 subsection (g) shall not be allocated to owners licensees
4 pursuant to subsection (h-10) of Section 7 of this Act.

5 For the purpose of this subsection (g), the unreserved
6 gaming positions for each electronic gaming licensee shall be
7 the applicable limitation set forth in subsection (f) of this
8 Section, less the number of reserved gaming positions by such
9 electronic gaming licensee, and the total unreserved gaming
10 positions shall be the aggregate of the unreserved gaming
11 positions for all electronic gaming licensees.

12 (h) Subject to the approval of the Illinois Gaming Board,
13 an electronic gaming licensee may make modification or
14 additions to any existing buildings and structures to comply
15 with the requirements of this Act. The Illinois Gaming Board
16 shall make its decision after consulting with the Illinois
17 Racing Board. In no case, however, shall the Illinois Gaming
18 Board approve any modification or addition that alters the
19 grounds of the organizational licensee such that the act of
20 live racing is an ancillary activity to electronic gaming.
21 Electronic gaming may take place in existing structures where
22 inter-track wagering is conducted at the race track or a
23 facility within 300 yards of the race track in accordance with
24 the provisions of this Act and the Illinois Horse Racing Act of
25 1975.

26 (i) An electronic gaming licensee may conduct electronic

1 gaming at a temporary facility pending the construction of a
2 permanent facility or the remodeling or relocation of an
3 existing facility to accommodate electronic gaming
4 participants for up to 24 months after the temporary facility
5 begins to conduct electronic gaming. Upon request by an
6 electronic gaming licensee and upon a showing of good cause by
7 the electronic gaming licensee, the Board shall extend the
8 period during which the licensee may conduct electronic gaming
9 at a temporary facility by up to 12 months. The Board shall
10 make rules concerning the conduct of electronic gaming from
11 temporary facilities.

12 Electronic gaming may take place in existing structures
13 where inter-track wagering is conducted at the race track or a
14 facility within 300 yards of the race track in accordance with
15 the provisions of this Act and the Illinois Horse Racing Act of
16 1975.

17 (j) The Illinois Gaming Board must adopt emergency rules in
18 accordance with Section 5-45 of the Illinois Administrative
19 Procedure Act as necessary to ensure compliance with the
20 provisions of this amendatory Act of the 100th General Assembly
21 concerning electronic gaming. The adoption of emergency rules
22 authorized by this subsection (j) shall be deemed to be
23 necessary for the public interest, safety, and welfare.

24 (k) Each electronic gaming licensee who obtains electronic
25 gaming positions must make a reconciliation payment 3 years
26 after the date the electronic gaming licensee begins operating

1 the positions in an amount equal to 75% of the difference
2 between its adjusted gross receipts from electronic gaming and
3 amounts paid to its purse accounts pursuant to item (1) of
4 subsection (b) of Section 56 of the Illinois Horse Racing Act
5 of 1975 for the 12-month period for which such difference was
6 the largest, minus an amount equal to the initial per position
7 fee paid by the electronic gaming licensee. If this calculation
8 results in a negative amount, then the electronic gaming
9 licensee is not entitled to any reimbursement of fees
10 previously paid. This reconciliation payment may be made in
11 installments over a period of no more than 2 years, subject to
12 Board approval. Any installment payments shall include an
13 annual market interest rate as determined by the Board.

14 All payments by licensees under this subsection (i) shall
15 be deposited into the Gaming Facilities Fee Revenue Fund.

16 (1) As soon as practical after a request is made by the
17 Illinois Gaming Board, to minimize duplicate submissions by the
18 applicant, the Illinois Racing Board must provide information
19 on an applicant for an electronic gaming license to the
20 Illinois Gaming Board.

21 (230 ILCS 10/7.8 new)

22 Sec. 7.8. Home rule. The regulation and licensing of
23 electronic gaming and electronic gaming licensees are
24 exclusive powers and functions of the State. A home rule unit
25 may not regulate or license electronic gaming or electronic

1 gaming licensees. This Section is a denial and limitation of
2 home rule powers and functions under subsection (h) of Section
3 6 of Article VII of the Illinois Constitution.

4 (230 ILCS 10/7.9 new)

5 Sec. 7.9. Casino operator license.

6 (a) A qualified person may apply to the Board for a casino
7 operator license to operate and manage any gambling operation
8 conducted by the Authority. The application shall be made on
9 forms provided by the Board and shall contain such information
10 as the Board prescribes, including but not limited to
11 information required in Sections 6(a), (b), and (c) and
12 information relating to the applicant's proposed price to
13 manage the Authority's gambling operations and to provide the
14 casino, gambling equipment, and supplies necessary to conduct
15 Authority gambling operations. The application shall also
16 include a non-refundable application fee of \$100,000. This
17 application fee shall be deposited into the Gaming Facilities
18 Fee Revenue Fund.

19 (b) A person or entity is ineligible to receive a casino
20 operator license if:

21 (1) the person has been convicted of a felony under the
22 laws of this State, any other state, or the United States;

23 (2) the person has been convicted of any violation of
24 Article 28 of the Criminal Code of 2012, or substantially
25 similar laws of any other jurisdiction;

1 (3) the person has submitted an application for a
2 license under this Act or the Chicago Casino Development
3 Authority Act which contains false information;

4 (4) the person is a member of the Board or the Chicago
5 Casino Development Board or the person is an official or
6 employee of the Chicago Casino Development Authority or the
7 City of Chicago;

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

10 (6) the entity employs a person defined in (1), (2),
11 (3), or (4) who participates in the management or operation
12 of gambling operations authorized under this Act; or

13 (7) a license of the person or entity issued under this
14 Act, or a license to own or operate gambling facilities in
15 any other jurisdiction, has been revoked.

16 (c) In determining whether to grant a casino operator
17 license, the Board shall consider:

18 (1) the character, reputation, experience and
19 financial integrity of the applicants and of any other or
20 separate person that either:

21 (A) controls, directly or indirectly, such
22 applicant, or

23 (B) is controlled, directly or indirectly, by such
24 applicant or by a person which controls, directly or
25 indirectly, such applicant;

26 (2) the facilities or proposed facilities for the

1 conduct of gambling;

2 (3) the preference of the municipality in which the
3 licensee will operate;

4 (4) the extent to which the ownership of the applicant
5 reflects the diversity of the State by including minority
6 persons and females and the good faith affirmative action
7 plan of each applicant to recruit, train, and upgrade
8 minority persons and females in all employment
9 classifications;

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

12 (6) whether the applicant has adequate capitalization
13 to provide and maintain, for the duration of a license, a
14 casino; and

15 (7) the extent to which the applicant exceeds or meets
16 other standards for the issuance of a casino operator
17 license that the Board may adopt by rule.

18 (d) Each applicant shall submit with his or her
19 application, on forms prescribed by the Board, 2 sets of his or
20 her fingerprints. The Board shall charge each applicant a fee
21 set by the Department of State Police to defray the costs
22 associated with the search and classification of fingerprints
23 obtained by the Board with respect to the applicant's
24 application. This fee shall be paid into the State Police
25 Services Fund.

26 (e) A person who knowingly makes a false statement on an

1 application is guilty of a Class A misdemeanor.

2 (f) The Board shall charge each applicant a non-refundable
3 fee of \$50,000 to defray the costs associated with the
4 background investigation conducted by the Board. This fee shall
5 be exclusive of any other fee or fees charged in connection
6 with an application for and, if applicable, the issuance of, a
7 casino operator license. If the costs of the investigation
8 exceed \$50,000, the Board shall immediately notify the
9 applicant of the additional amount owed, payment of which must
10 be submitted to the Board within 7 days after such
11 notification. All information, records, interviews, reports,
12 statements, memoranda, or other data supplied to or used by the
13 Board in the course of its review or investigation of an
14 application for a license or a renewal under this Act shall be
15 privileged and strictly confidential and shall be used only for
16 the purpose of evaluating an applicant for a license or a
17 renewal. Such information, records, interviews, reports,
18 statements, memoranda, or other data shall not be admissible as
19 evidence, nor discoverable in any action of any kind in any
20 court or before any tribunal, board, agency, or person, except
21 for any action deemed necessary by the Board.

22 (g) The casino operator license shall be issued only upon
23 proof that the applicant has entered into a labor peace
24 agreement with each labor organization that is actively engaged
25 in representing and attempting to represent casino and
26 hospitality industry workers in this State. The labor peace

1 agreement must be a valid and enforceable agreement under 29
2 U.S.C. 185 that protects the city's and State's revenues from
3 the operation of the casino facility by prohibiting the labor
4 organization and its members from engaging in any picketing,
5 work stoppages, boycotts, or any other economic interference
6 with the casino facility for at least the first 5 years of the
7 casino license and must cover all operations at the casino
8 facility that are conducted by lessees or tenants or under
9 management agreements.

10 (h) The casino operator license shall be for a term of 4
11 years, shall be renewable by the Board, and shall contain such
12 terms and provisions as the Board deems necessary to protect or
13 enhance the credibility and integrity of State gambling
14 operations, achieve the highest prospective total revenue to
15 the State, and otherwise serve the interests of the citizens of
16 Illinois. The Board may suspend, restrict, or revoke the
17 license:

18 (1) for violation of any provision of this Act;

19 (2) for violation of any rules of the Board;

20 (3) for any cause which, if known to the Board, would
21 have disqualified the applicant from receiving the
22 license; or

23 (4) for any other just cause.

24 (230 ILCS 10/7.10 new)

25 Sec. 7.10. Diversity program.

1 (a) Each owners licensee, electronic gaming licensee,
2 casino operator licensee, and suppliers licensee shall
3 establish and maintain a diversity program to ensure
4 non-discrimination in the award and administration of
5 contracts. The programs shall establish goals of awarding not
6 less than 20% of the annual dollar value of all contracts,
7 purchase orders, or other agreements to minority-owned
8 businesses and 5% of the annual dollar value of all contracts
9 to female-owned businesses.

10 (b) Each owners licensee, electronic gaming licensee,
11 casino operator licensee, and suppliers licensee shall
12 establish and maintain a diversity program designed to promote
13 equal opportunity for employment. The program shall establish
14 hiring goals as the Board and each licensee determines
15 appropriate. The Board shall monitor the progress of the gaming
16 licensee's progress with respect to the program's goals.

17 (c) No later than May 31 of each year, each licensee shall
18 report to the Board (1) the number of respective employees and
19 the number of its respective employees who have designated
20 themselves as members of a minority group and gender and (2)
21 the total goals achieved under subsection (a) of this Section
22 as a percentage of the total contracts awarded by the license.
23 In addition, all licensees shall submit a report with respect
24 to the minority-owned and female-owned businesses program
25 created in this Section to the Board.

26 (d) When considering whether to re-issue or renew a license

1 to an owners licensee, electronic gaming licensee, casino
2 operator licensee, or suppliers licensee, the Board shall take
3 into account the licensee's success in complying with the
4 provisions of this Section. If an owners licensee, electronic
5 gaming licensee, casino operator licensee, or suppliers
6 licensee has not satisfied the goals contained in this Section,
7 the Board shall require a written explanation as to why the
8 licensee is not in compliance and shall require the licensee to
9 file multi-year metrics designed to achieve compliance with the
10 provisions by the next renewal period, consistent with State
11 and federal law.

12 (230 ILCS 10/7.11 new)

13 Sec. 7.11. Annual report on diversity.

14 (a) Each licensee that receives a license under Sections 7,
15 7.1, and 7.7 shall execute and file a report with the Board no
16 later than December 31 of each year that shall contain, but not
17 be limited to, the following information:

18 (i) a good faith affirmative action plan to recruit,
19 train, and upgrade minority persons, females, and persons
20 with a disability in all employment classifications;

21 (ii) the total dollar amount of contracts that were
22 awarded to businesses owned by minority persons, females,
23 and persons with a disability;

24 (iii) the total number of businesses owned by minority
25 persons, females, and persons with a disability that were

1 utilized by the licensee;

2 (iv) the utilization of businesses owned by minority
3 persons, females, and persons with disabilities during the
4 preceding year; and

5 (v) the outreach efforts used by the licensee to
6 attract investors and businesses consisting of minority
7 persons, females, and persons with a disability.

8 (b) The Board shall forward a copy of each licensee's
9 annual reports to the General Assembly no later than February 1
10 of each year.

11 (230 ILCS 10/7.12 new)

12 Sec. 7.12. Issuance of new owners licenses.

13 (a) Except for the owners license issued to the Chicago
14 Casino Development Authority, owners licenses newly authorized
15 pursuant to this amendatory Act of the 100th General Assembly
16 may be issued by the Board to a qualified applicant pursuant to
17 an open and competitive bidding process, as set forth in
18 Section 7.5, and subject to the maximum number of authorized
19 licenses set forth in subsection (e-5) of Section 7 of this
20 Act.

21 (b) To be a qualified applicant, a person or entity may not
22 be ineligible to receive an owners license under subsection (a)
23 of Section 7 of this Act and must submit an application for an
24 owners license that complies with Section 6 of this Act.

25 (c) In determining whether to grant an owners license to an

1 applicant, the Board shall consider all of the factors set
2 forth in subsections (b) and (e-10) of Section 7 of this Act,
3 as well as the amount of the applicant's license bid. The Board
4 may grant the owners license to an applicant that has not
5 submitted the highest license bid, but if it does not select
6 the highest bidder, the Board shall issue a written decision
7 explaining why another applicant was selected and identifying
8 the factors set forth in subsections (b) and (e-10) of Section
9 7 of this Act that favored the winning bidder.

10 (230 ILCS 10/7.13 new)

11 Sec. 7.13. Environmental standards. All permanent
12 casinos, riverboats, and electronic gaming facilities shall
13 consist of buildings that are certified as meeting the U.S.
14 Green Building Council's Leadership in Energy and
15 Environmental Design standards. The provisions of this Section
16 apply to a holder of an owners license, casino operator
17 license, or electronic gaming license that (i) begins
18 operations on or after January 1, 2017 or (ii) relocates its
19 facilities on or after the effective date of this amendatory
20 Act of the 100th General Assembly.

21 (230 ILCS 10/8) (from Ch. 120, par. 2408)

22 Sec. 8. Suppliers licenses.

23 (a) The Board may issue a suppliers license to such
24 persons, firms or corporations which apply therefor upon the

1 payment of a non-refundable application fee set by the Board,
2 upon a determination by the Board that the applicant is
3 eligible for a suppliers license and upon payment of a \$5,000
4 annual license fee.

5 (b) The holder of a suppliers license is authorized to sell
6 or lease, and to contract to sell or lease, gambling equipment
7 and supplies to any licensee involved in the ownership or
8 management of gambling operations.

9 (c) Gambling supplies and equipment may not be distributed
10 unless supplies and equipment conform to standards adopted by
11 rules of the Board.

12 (d) A person, firm or corporation is ineligible to receive
13 a suppliers license if:

14 (1) the person has been convicted of a felony under the
15 laws of this State, any other state, or the United States;

16 (2) the person has been convicted of any violation of
17 Article 28 of the Criminal Code of 1961 or the Criminal
18 Code of 2012, or substantially similar laws of any other
19 jurisdiction;

20 (3) the person has submitted an application for a
21 license under this Act which contains false information;

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

23 (5) the entity ~~firm or corporation~~ is one in which a
24 person defined in (1), (2), (3) or (4), is an officer,
25 director or managerial employee;

26 (6) the firm or corporation employs a person who

1 participates in the management or operation of riverboat
2 gambling authorized under this Act or the Chicago Casino
3 Development Authority Act;

4 (7) the license of the person, firm or corporation
5 issued under this Act or the Chicago Casino Development
6 Authority Act, or a license to own or operate gambling
7 facilities in any other jurisdiction, has been revoked.

8 (e) Any person that supplies any equipment, devices, or
9 supplies to a licensed riverboat gambling operation or casino
10 or electronic gaming operation must first obtain a suppliers
11 license. A supplier shall furnish to the Board a list of all
12 equipment, devices and supplies offered for sale or lease in
13 connection with gambling games authorized under this Act. A
14 supplier shall keep books and records for the furnishing of
15 equipment, devices and supplies to gambling operations
16 separate and distinct from any other business that the supplier
17 might operate. A supplier shall file a quarterly return with
18 the Board listing all sales and leases. A supplier shall
19 permanently affix its name or a distinctive logo or other mark
20 or design element identifying the manufacturer or supplier to
21 all its equipment, devices, and supplies, except gaming chips
22 without a value impressed, engraved, or imprinted on it, for
23 gambling operations. The Board may waive this requirement for
24 any specific product or products if it determines that the
25 requirement is not necessary to protect the integrity of the
26 game. Items purchased from a licensed supplier may continue to

1 be used even though the supplier subsequently changes its name,
2 distinctive logo, or other mark or design element; undergoes a
3 change in ownership; or ceases to be licensed as a supplier for
4 any reason. Any supplier's equipment, devices or supplies which
5 are used by any person in an unauthorized gambling operation
6 shall be forfeited to the State. A holder of an owners license
7 or an electronic gaming license ~~A licensed owner~~ may own its
8 own equipment, devices and supplies. Each holder of an owners
9 license or an electronic gaming license under the Act shall
10 file an annual report listing its inventories of gambling
11 equipment, devices and supplies.

12 (f) Any person who knowingly makes a false statement on an
13 application is guilty of a Class A misdemeanor.

14 (g) Any gambling equipment, devices and supplies provided
15 by any licensed supplier may either be repaired on the
16 riverboat, in the casino, or at the electronic gaming facility
17 or removed from the riverboat, casino, or electronic gaming
18 facility to a ~~an on shore~~ facility owned by the holder of an
19 owners license or electronic gaming license for repair.

20 (Source: P.A. 97-1150, eff. 1-25-13; 98-12, eff. 5-10-13;
21 98-756, eff. 7-16-14.)

22 (230 ILCS 10/9) (from Ch. 120, par. 2409)

23 Sec. 9. Occupational licenses.

24 (a) The Board may issue an occupational license to an
25 applicant upon the payment of a non-refundable fee set by the

1 Board, upon a determination by the Board that the applicant is
2 eligible for an occupational license and upon payment of an
3 annual license fee in an amount to be established. To be
4 eligible for an occupational license, an applicant must:

5 (1) be at least 21 years of age if the applicant will
6 perform any function involved in gaming by patrons. Any
7 applicant seeking an occupational license for a non-gaming
8 function shall be at least 18 years of age;

9 (2) not have been convicted of a felony offense, a
10 violation of Article 28 of the Criminal Code of 1961 or the
11 Criminal Code of 2012, or a similar statute of any other
12 jurisdiction;

13 (2.5) not have been convicted of a crime, other than a
14 crime described in item (2) of this subsection (a),
15 involving dishonesty or moral turpitude, except that the
16 Board may, in its discretion, issue an occupational license
17 to a person who has been convicted of a crime described in
18 this item (2.5) more than 10 years prior to his or her
19 application and has not subsequently been convicted of any
20 other crime;

21 (3) have demonstrated a level of skill or knowledge
22 which the Board determines to be necessary in order to
23 operate gambling aboard a riverboat, in a casino, or at an
24 electronic gaming facility; and

25 (4) have met standards for the holding of an
26 occupational license as adopted by rules of the Board. Such

1 rules shall provide that any person or entity seeking an
2 occupational license to manage gambling operations under
3 this Act or the Chicago Casino Development Authority Act
4 ~~hereunder~~ shall be subject to background inquiries and
5 further requirements similar to those required of
6 applicants for an owners license. Furthermore, such rules
7 shall provide that each such entity shall be permitted to
8 manage gambling operations for only one licensed owner.

9 (b) Each application for an occupational license shall be
10 on forms prescribed by the Board and shall contain all
11 information required by the Board. The applicant shall set
12 forth in the application: whether he has been issued prior
13 gambling related licenses; whether he has been licensed in any
14 other state under any other name, and, if so, such name and his
15 age; and whether or not a permit or license issued to him in
16 any other state has been suspended, restricted or revoked, and,
17 if so, for what period of time.

18 (c) Each applicant shall submit with his application, on
19 forms provided by the Board, 2 sets of his fingerprints. The
20 Board shall charge each applicant a fee set by the Department
21 of State Police to defray the costs associated with the search
22 and classification of fingerprints obtained by the Board with
23 respect to the applicant's application. These fees shall be
24 paid into the State Police Services Fund.

25 (d) The Board may in its discretion refuse an occupational
26 license to any person: (1) who is unqualified to perform the

1 duties required of such applicant; (2) who fails to disclose or
2 states falsely any information called for in the application;
3 (3) who has been found guilty of a violation of this Act or the
4 Chicago Casino Development Authority Act or whose prior
5 gambling related license or application therefor has been
6 suspended, restricted, revoked or denied for just cause in any
7 other state; or (4) for any other just cause.

8 (e) The Board may suspend, revoke or restrict any
9 occupational licensee: (1) for violation of any provision of
10 this Act; (2) for violation of any of the rules and regulations
11 of the Board; (3) for any cause which, if known to the Board,
12 would have disqualified the applicant from receiving such
13 license; or (4) for default in the payment of any obligation or
14 debt due to the State of Illinois; or (5) for any other just
15 cause.

16 (f) A person who knowingly makes a false statement on an
17 application is guilty of a Class A misdemeanor.

18 (g) Any license issued pursuant to this Section shall be
19 valid for a period of one year from the date of issuance.

20 (h) Nothing in this Act shall be interpreted to prohibit a
21 licensed owner or electronic gaming licensee from entering into
22 an agreement with a public community college or a school
23 approved under the Private Business and Vocational Schools Act
24 of 2012 for the training of any occupational licensee. Any
25 training offered by such a school shall be in accordance with a
26 written agreement between the licensed owner or electronic

1 gaming licensee and the school.

2 (i) Any training provided for occupational licensees may be
3 conducted either at the site of the gambling facility ~~on the~~
4 ~~riverboat~~ or at a school with which a licensed owner or
5 electronic gaming licensee has entered into an agreement
6 pursuant to subsection (h).

7 (Source: P.A. 96-1392, eff. 1-1-11; 97-650, eff. 2-1-12;
8 97-1150, eff. 1-25-13.)

9 (230 ILCS 10/11) (from Ch. 120, par. 2411)

10 Sec. 11. Conduct of gambling. Gambling may be conducted by
11 licensed owners or licensed managers on behalf of the State
12 aboard riverboats. Gambling may be conducted by electronic
13 gaming licensees at electronic gaming facilities. Gambling may
14 be conducted by a casino operator licensee at a casino.
15 Gambling authorized under this Section is⁷ subject to the
16 following standards:

17 (1) A licensee may conduct riverboat gambling
18 authorized under this Act regardless of whether it conducts
19 excursion cruises. A licensee may permit the continuous
20 ingress and egress of patrons ~~passengers~~ on a riverboat not
21 used for excursion cruises for the purpose of gambling.
22 Excursion cruises shall not exceed 4 hours for a round
23 trip. However, the Board may grant express approval for an
24 extended cruise on a case-by-case basis.

25 (2) (Blank).

1 (3) Minimum and maximum wagers on games shall be set by
2 the licensee.

3 (4) Agents of the Board and the Department of State
4 Police may board and inspect any riverboat, enter and
5 inspect any portion of a casino, or enter and inspect any
6 portion of an electronic gaming facility at any time for
7 the purpose of determining whether this Act or the Chicago
8 Casino Development Authority Act is being complied with.
9 Every riverboat, if under way and being hailed by a law
10 enforcement officer or agent of the Board, must stop
11 immediately and lay to.

12 (5) Employees of the Board shall have the right to be
13 present on the riverboat or in the casino or on adjacent
14 facilities under the control of the licensee and at the
15 electronic gaming facility under the control of the
16 electronic gaming licensee.

17 (6) Gambling equipment and supplies customarily used
18 in conducting riverboat or casino gambling or electronic
19 gaming must be purchased or leased only from suppliers
20 licensed for such purpose under this Act. The Board may
21 approve the transfer, sale, or lease of gambling equipment
22 and supplies by a licensed owner from or to an affiliate of
23 the licensed owner as long as the gambling equipment and
24 supplies were initially acquired from a supplier licensed
25 in Illinois.

26 (7) Persons licensed under this Act or the Chicago

1 Casino Development Authority Act shall permit no form of
2 wagering on gambling games except as permitted by this Act.

3 (8) Wagers may be received only from a person present
4 on a licensed riverboat, in a casino, or at an electronic
5 gaming facility. No person present on a licensed riverboat,
6 in a casino, or at an electronic gaming facility shall
7 place or attempt to place a wager on behalf of another
8 person who is not present on the riverboat, in a casino, or
9 at the electronic gaming facility.

10 (9) Wagering, including electronic gaming, shall not
11 be conducted with money or other negotiable currency.

12 (10) A person under age 21 shall not be permitted on an
13 area of a riverboat or casino where gambling is being
14 conducted or at an electronic gaming facility where
15 gambling is being conducted, except for a person at least
16 18 years of age who is an employee of the riverboat or
17 casino gambling operation or electronic gaming operation.
18 No employee under age 21 shall perform any function
19 involved in gambling by the patrons. No person under age 21
20 shall be permitted to make a wager under this Act or the
21 Chicago Casino Development Authority Act, and any winnings
22 that are a result of a wager by a person under age 21,
23 whether or not paid by a licensee, shall be treated as
24 winnings for the privilege tax purposes, confiscated, and
25 forfeited to the State and deposited into the Education
26 Assistance Fund.

1 (11) Gambling excursion cruises are permitted only
2 when the waterway for which the riverboat is licensed is
3 navigable, as determined by the Board in consultation with
4 the U.S. Army Corps of Engineers. This paragraph (11) does
5 not limit the ability of a licensee to conduct gambling
6 authorized under this Act when gambling excursion cruises
7 are not permitted.

8 (12) All tokens, chips or electronic cards used to make
9 wagers must be purchased (i) from a licensed owner or
10 manager, in the case of a riverboat, either aboard a
11 riverboat or at an onshore facility which has been approved
12 by the Board and which is located where the riverboat
13 docks, (ii) in the case of a casino, from a licensed owner
14 or licensed casino operator at the casino, or (iii) from an
15 electronic gaming licensee at the electronic gaming
16 facility. The tokens, chips or electronic cards may be
17 purchased by means of an agreement under which the owner,
18 ~~or~~ manager, or licensed casino operator extends credit to
19 the patron. Such tokens, chips or electronic cards may be
20 used while aboard the riverboat, in the casino, or at the
21 electronic gaming facility only for the purpose of making
22 wagers on gambling games.

23 (13) Notwithstanding any other Section of this Act or
24 the Chicago Casino Development Authority Act, in addition
25 to the other licenses authorized under this Act or the
26 Chicago Casino Development Authority Act, the Board may

1 issue special event licenses allowing persons who are not
2 otherwise licensed to conduct riverboat gambling to
3 conduct such gambling on a specified date or series of
4 dates. Riverboat gambling under such a license may take
5 place on a riverboat not normally used for riverboat
6 gambling. The Board shall establish standards, fees and
7 fines for, and limitations upon, such licenses, which may
8 differ from the standards, fees, fines and limitations
9 otherwise applicable under this Act or the Chicago Casino
10 Development Authority Act. All such fees shall be deposited
11 into the State Gaming Fund. All such fines shall be
12 deposited into the Education Assistance Fund, created by
13 Public Act 86-0018, of the State of Illinois.

14 (14) In addition to the above, gambling must be
15 conducted in accordance with all rules adopted by the
16 Board.

17 (Source: P.A. 96-1392, eff. 1-1-11.)

18 (230 ILCS 10/11.1) (from Ch. 120, par. 2411.1)

19 Sec. 11.1. Collection of amounts owing under credit
20 agreements. Notwithstanding any applicable statutory provision
21 to the contrary, a licensed owner, licensed ~~or~~ manager, ,
22 licensed casino operator, or electronic gaming licensee who
23 extends credit to a ~~riverboat~~ gambling patron or an electronic
24 gaming patron pursuant to Section 11 (a) (12) of this Act is
25 expressly authorized to institute a cause of action to collect

1 any amounts due and owing under the extension of credit, as
2 well as the licensed owner's, licensed ~~or~~ manager's, licensed
3 casino operator's, or electronic gaming licensee's costs,
4 expenses and reasonable attorney's fees incurred in
5 collection.

6 (Source: P.A. 93-28, eff. 6-20-03.)

7 (230 ILCS 10/12) (from Ch. 120, par. 2412)

8 Sec. 12. Admission tax; fees.

9 (a) A tax is hereby imposed upon admissions to riverboat
10 and casino gambling facilities ~~riverboats~~ operated by licensed
11 owners authorized pursuant to this Act and the Chicago Casino
12 Development Authority Act. Until July 1, 2002, the rate is \$2
13 per person admitted. From July 1, 2002 until July 1, 2003, the
14 rate is \$3 per person admitted. From July 1, 2003 until August
15 23, 2005 (the effective date of Public Act 94-673), for a
16 licensee that admitted 1,000,000 persons or fewer in the
17 previous calendar year, the rate is \$3 per person admitted; for
18 a licensee that admitted more than 1,000,000 but no more than
19 2,300,000 persons in the previous calendar year, the rate is \$4
20 per person admitted; and for a licensee that admitted more than
21 2,300,000 persons in the previous calendar year, the rate is \$5
22 per person admitted. Beginning on August 23, 2005 (the
23 effective date of Public Act 94-673), for a licensee that
24 admitted 1,000,000 persons or fewer in calendar year 2004, the
25 rate is \$2 per person admitted, and for all other licensees,

1 including licensees that were not conducting gambling
2 operations in 2004, the rate is \$3 per person admitted. This
3 admission tax is imposed upon the licensed owner conducting
4 gambling.

5 (1) The admission tax shall be paid for each admission,
6 except that a person who exits a riverboat gambling
7 facility and reenters that riverboat gambling facility
8 within the same gaming day shall be subject only to the
9 initial admission tax.

10 (2) (Blank).

11 (3) The riverboat licensee may issue tax-free passes to
12 actual and necessary officials and employees of the
13 licensee or other persons actually working on the
14 riverboat.

15 (4) The number and issuance of tax-free passes is
16 subject to the rules of the Board, and a list of all
17 persons to whom the tax-free passes are issued shall be
18 filed with the Board.

19 (a-5) A fee is hereby imposed upon admissions operated by
20 licensed managers on behalf of the State pursuant to Section
21 7.3 at the rates provided in this subsection (a-5). For a
22 licensee that admitted 1,000,000 persons or fewer in the
23 previous calendar year, the rate is \$3 per person admitted; for
24 a licensee that admitted more than 1,000,000 but no more than
25 2,300,000 persons in the previous calendar year, the rate is \$4
26 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.

3 (1) The admission fee shall be paid for each admission.

4 (2) (Blank).

5 (3) The licensed manager may issue fee-free passes to
6 actual and necessary officials and employees of the manager
7 or other persons actually working on the riverboat.

8 (4) The number and issuance of fee-free passes is
9 subject to the rules of the Board, and a list of all
10 persons to whom the fee-free passes are issued shall be
11 filed with the Board.

12 (b) Except as provided in subsection (b-5), from ~~From~~ the
13 tax imposed under subsection (a) and the fee imposed under
14 subsection (a-5), a municipality shall receive from the State
15 \$1 for each person embarking on a riverboat docked within the
16 municipality or entering a casino located within the
17 municipality, and a county shall receive \$1 for each person
18 entering a casino or embarking on a riverboat docked within the
19 county but outside the boundaries of any municipality. The
20 municipality's or county's share shall be collected by the
21 Board on behalf of the State and remitted quarterly by the
22 State, subject to appropriation, to the treasurer of the unit
23 of local government for deposit in the general fund.

24 (b-5) From the tax imposed under subsection (a) and the fee
25 imposed under subsection (a-5), \$1 for each person embarking on
26 a riverboat designated in paragraph (4) of subsection (e-5) of

1 Section 7 shall be divided as follows: \$0.70 to the City of
2 Rockford, \$0.05 to the City of Loves Park, \$0.05 to the Village
3 of Machesney Park, and \$0.20 to Winnebago County.

4 The municipality's or county's share shall be collected by
5 the Board on behalf of the State and remitted monthly by the
6 State, subject to appropriation, to the treasurer of the unit
7 of local government for deposit in the general fund.

8 (c) The licensed owner shall pay the entire admission tax
9 to the Board and the licensed manager or the casino operator
10 licensee shall pay the entire admission fee to the Board. Such
11 payments shall be made daily. Accompanying each payment shall
12 be a return on forms provided by the Board which shall include
13 other information regarding admissions as the Board may
14 require. Failure to submit either the payment or the return
15 within the specified time may result in suspension or
16 revocation of the owners or managers license.

17 (c-5) A tax is imposed on admissions to electronic gaming
18 facilities at the rate of \$3 per person admitted by an
19 electronic gaming licensee. The tax is imposed upon the
20 electronic gaming licensee.

21 (1) The admission tax shall be paid for each admission,
22 except that a person who exits an electronic gaming
23 facility and reenters that electronic gaming facility
24 within the same gaming day, as the term "gaming day" is
25 defined by the Board by rule, shall be subject only to the
26 initial admission tax. The Board shall establish, by rule,

1 a procedure to determine whether a person admitted to an
2 electronic gaming facility has paid the admission tax.

3 (2) An electronic gaming licensee may issue tax-free
4 passes to actual and necessary officials and employees of
5 the licensee and other persons associated with electronic
6 gaming operations.

7 (3) The number and issuance of tax-free passes is
8 subject to the rules of the Board, and a list of all
9 persons to whom the tax-free passes are issued shall be
10 filed with the Board.

11 (4) The electronic gaming licensee shall pay the entire
12 admission tax to the Board.

13 Such payments shall be made daily. Accompanying each
14 payment shall be a return on forms provided by the Board, which
15 shall include other information regarding admission as the
16 Board may require. Failure to submit either the payment or the
17 return within the specified time may result in suspension or
18 revocation of the electronic gaming license.

19 From the tax imposed under this subsection (c-5), a
20 municipality other than the Village of Stickney or the City of
21 Collinsville in which an electronic gaming facility is located,
22 or if the electronic gaming facility is not located within a
23 municipality, then the county in which the electronic gaming
24 facility is located, except as otherwise provided in this
25 Section, shall receive, subject to appropriation, \$1 for each
26 person who enters the electronic gaming facility. For each

1 admission to the electronic gaming facility in excess of
2 1,500,000 in a year, from the tax imposed under this subsection
3 (c-5), the county in which the electronic gaming facility is
4 located shall receive, subject to appropriation, \$0.30, which
5 shall be in addition to any other moneys paid to the county
6 under this Section.

7 From the tax imposed under this subsection (c-5) on an
8 electronic gaming facility located in the Village of Stickney,
9 \$1 for each person who enters the electronic gaming facility
10 shall be distributed as follows, subject to appropriation:
11 \$0.24 to the Village of Stickney, \$0.49 to the Town of Cicero,
12 \$0.05 to the City of Berwyn, and \$0.17 to the Stickney Public
13 Health District, and \$0.05 to the City of Bridgeview.

14 From the tax imposed under this subsection (c-5) on an
15 electronic gaming facility located in the City of Collinsville,
16 \$1 for each person who enters the electronic gaming facility
17 shall be distributed as follows, subject to appropriation:
18 \$0.45 to the City of Alton, \$0.45 to the City of East St.
19 Louis, and \$0.10 to the City of Collinsville.

20 After payments required under this subsection (c-5) have
21 been made, all remaining amounts shall be deposited into the
22 Education Assistance Fund.

23 (d) The Board shall administer and collect the admission
24 tax imposed by this Section, to the extent practicable, 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. 95-663, eff. 10-11-07; 96-1392, eff. 1-1-11.)

4 (230 ILCS 10/13) (from Ch. 120, par. 2413)

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

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

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

14 15% of annual adjusted gross receipts up to and
15 including \$25,000,000;

16 20% of annual adjusted gross receipts in excess of
17 \$25,000,000 but not exceeding \$50,000,000;

18 25% of annual adjusted gross receipts in excess of
19 \$50,000,000 but not exceeding \$75,000,000;

20 30% of annual adjusted gross receipts in excess of
21 \$75,000,000 but not exceeding \$100,000,000;

22 35% of annual adjusted gross receipts in excess of
23 \$100,000,000.

24 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax
25 is imposed on persons engaged in the business of conducting

1 riverboat gambling operations, other than licensed managers
2 conducting riverboat gambling operations on behalf of the
3 State, based on the adjusted gross receipts received by a
4 licensed owner from gambling games authorized under this Act at
5 the following rates:

6 15% of annual adjusted gross receipts up to and
7 including \$25,000,000;

8 22.5% of annual adjusted gross receipts in excess of
9 \$25,000,000 but not exceeding \$50,000,000;

10 27.5% of annual adjusted gross receipts in excess of
11 \$50,000,000 but not exceeding \$75,000,000;

12 32.5% of annual adjusted gross receipts in excess of
13 \$75,000,000 but not exceeding \$100,000,000;

14 37.5% of annual adjusted gross receipts in excess of
15 \$100,000,000 but not exceeding \$150,000,000;

16 45% of annual adjusted gross receipts in excess of
17 \$150,000,000 but not exceeding \$200,000,000;

18 50% of annual adjusted gross receipts in excess of
19 \$200,000,000.

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

1 15% of annual adjusted gross receipts up to and
2 including \$25,000,000;

3 27.5% of annual adjusted gross receipts in excess of
4 \$25,000,000 but not exceeding \$37,500,000;

5 32.5% of annual adjusted gross receipts in excess of
6 \$37,500,000 but not exceeding \$50,000,000;

7 37.5% of annual adjusted gross receipts in excess of
8 \$50,000,000 but not exceeding \$75,000,000;

9 45% of annual adjusted gross receipts in excess of
10 \$75,000,000 but not exceeding \$100,000,000;

11 50% of annual adjusted gross receipts in excess of
12 \$100,000,000 but not exceeding \$250,000,000;

13 70% of annual adjusted gross receipts in excess of
14 \$250,000,000.

15 An amount equal to the amount of wagering taxes collected
16 under this subsection (a-3) that are in addition to the amount
17 of wagering taxes that would have been collected if the
18 wagering tax rates under subsection (a-2) were in effect shall
19 be paid into the Common School Fund.

20 The privilege tax imposed under this subsection (a-3) shall
21 no longer be imposed beginning on the earlier of (i) July 1,
22 2005; (ii) the first date after June 20, 2003 that riverboat
23 gambling operations are conducted pursuant to a dormant
24 license; or (iii) the first day that riverboat gambling
25 operations are conducted under the authority of an owners
26 license that is in addition to the 10 owners licenses initially

1 authorized under this Act. For the purposes of this subsection
2 (a-3), the term "dormant license" means an owners license that
3 is authorized by this Act under which no riverboat gambling
4 operations are being conducted on June 20, 2003.

5 (a-4) Beginning on the first day on which the tax imposed
6 under subsection (a-3) is no longer imposed and ending upon the
7 imposition of the privilege tax under subsection (a-5) of this
8 Section, a privilege tax is imposed on persons engaged in the
9 business of conducting riverboat or casino gambling or
10 electronic gaming operations, other than licensed managers
11 conducting riverboat gambling operations on behalf of the
12 State, based on the adjusted gross receipts received by a
13 licensed owner from gambling games authorized under this Act at
14 the following rates:

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

17 22.5% of annual adjusted gross receipts in excess of
18 \$25,000,000 but not exceeding \$50,000,000;

19 27.5% of annual adjusted gross receipts in excess of
20 \$50,000,000 but not exceeding \$75,000,000;

21 32.5% of annual adjusted gross receipts in excess of
22 \$75,000,000 but not exceeding \$100,000,000;

23 37.5% of annual adjusted gross receipts in excess of
24 \$100,000,000 but not exceeding \$150,000,000;

25 45% of annual adjusted gross receipts in excess of
26 \$150,000,000 but not exceeding \$200,000,000;

1 50% of annual adjusted gross receipts in excess of
2 \$200,000,000.

3 For the imposition of the privilege tax in this subsection
4 (a-4), 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-5) Beginning in the fiscal year following the opening of
8 the casino at which gambling operations are conducted pursuant
9 to the Chicago Casino Development Authority Act, but not before
10 July 1, 2019, a privilege tax is imposed on persons engaged in
11 the business of conducting riverboat or casino gambling or
12 electronic gaming operations, other than licensed managers
13 conducting riverboat gambling operations on behalf of the
14 State, based on the adjusted gross receipts received by such
15 licensee from the gambling games authorized under this Act and
16 the Chicago Casino Development Authority Act. The privilege tax
17 for all gambling games other than table games, including, but
18 not limited to, slot machines, video game of chance gambling,
19 and electronic gambling games shall be at the following rates:

20 10% of annual adjusted gross receipts up to and
21 including \$25,000,000;

22 17.5% of annual adjusted gross receipts in excess of
23 \$25,000,000 but not exceeding \$50,000,000;

24 22.5% of annual adjusted gross receipts in excess of
25 \$50,000,000 but not exceeding \$75,000,000;

26 27.5% of annual adjusted gross receipts in excess of

1 \$75,000,000 but not exceeding \$100,000,000;

2 32.5% of annual adjusted gross receipts in excess of
3 \$100,000,000 but not exceeding \$150,000,000;

4 35% of annual adjusted gross receipts in excess of
5 \$150,000,000 but not exceeding \$200,000,000;

6 40% of annual adjusted gross receipts in excess of
7 \$200,000,000 but not exceeding \$300,000,000;

8 30% of annual adjusted gross receipts in excess of
9 \$300,000,000 but not exceeding \$350,000,000;

10 20% of annual adjusted gross receipts in excess of
11 \$350,000,000, but not exceeding \$800,000,000;

12 50% of annual adjusted gross receipts in excess of
13 \$800,000,000.

14 The privilege tax for table games shall be at the following
15 rates:

16 10% of annual adjusted gross receipts up to and
17 including \$25,000,000;

18 17.5% of annual adjusted gross receipts in excess of
19 \$25,000,000 but not exceeding \$50,000,000;

20 22.5% of annual adjusted gross receipts in excess of
21 \$50,000,000 but not exceeding \$70,000,000;

22 16% of annual adjusted gross receipts in excess of
23 \$70,000,000.

24 For the imposition of the privilege tax in this subsection
25 (a-5), amounts paid pursuant to item (1) of subsection (b) of
26 Section 56 of the Illinois Horse Racing Act of 1975 shall not

1 be included in the determination of adjusted gross receipts.

2 (a-6) From the effective date of this amendatory Act of the
3 100th General Assembly until June 30, 2021, an owners licensee
4 that conducted gambling operations prior to January 1, 2011
5 shall receive a dollar-for-dollar credit against the tax
6 imposed under this Section for any renovation or construction
7 costs paid by the owners licensee, but in no event shall the
8 credit exceed \$2,000,000.

9 Additionally, from the effective date of this amendatory
10 Act of the 100th General Assembly until December 31, 2020, an
11 owners licensee that (i) is located within 15 miles of the
12 Missouri border, and (ii) has at least 3 riverboats, casinos,
13 or their equivalent within a 45-mile radius, may be authorized
14 to relocate to a new location with the approval of both the
15 unit of local government designated as the home dock and the
16 Board, so long as the new location is within the same unit of
17 local government and no more than 3 miles away from its
18 original location. Such owners licensee shall receive a credit
19 against the tax imposed under this Section equal to 8% of the
20 total project costs, as approved by the Board, for any
21 renovation or construction costs paid by the owners licensee
22 for the construction of the new facility, provided that the new
23 facility is operational by July 1, 2020. In determining whether
24 or not to approve a relocation, the Board must consider the
25 extent to which the relocation will diminish the gaming
26 revenues received by other Illinois gaming facilities.

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

4 (a-9) Beginning on January 1, 2018, the calculation of
5 gross receipts or adjusted gross receipts, for the purposes of
6 this Section, for a riverboat, casino, or electronic gaming
7 facility shall not include the dollar amount of non-cashable
8 vouchers, coupons, and electronic promotions redeemed by
9 wagerers upon the riverboat, in the casino, or in the
10 electronic gaming facility up to and including an amount not to
11 exceed 30% of a riverboat casino or electronic gaming
12 facility's adjusted gross receipts.

13 The Illinois Gaming Board shall submit to the General
14 Assembly a comprehensive report no later than March 31, 2021
15 detailing, at a minimum, the effect of removing non-cashable
16 vouchers, coupons, and electronic promotions from this
17 calculation on net gaming revenues to the State in calendar
18 years 2018 through 2020, the increase or reduction in wagerers
19 as a result of removing non-cashable vouchers, coupons, and
20 electronic promotions from this calculation, the effect of the
21 tax rates in subsection (a-5) on net gaming revenues to the
22 State, and proposed modifications to the calculation.

23 (a-10) The taxes imposed by this Section shall be paid by
24 the licensed owner or the electronic gaming licensee to the
25 Board not later than 5:00 o'clock p.m. of the day after the day
26 when the wagers were made.

1 (a-15) If the privilege tax imposed under subsection (a-3)
2 is no longer imposed pursuant to item (i) of the last paragraph
3 of subsection (a-3), then by June 15 of each year, each owners
4 licensee, other than an owners licensee that admitted 1,000,000
5 persons or fewer in calendar year 2004, must, in addition to
6 the payment of all amounts otherwise due under this Section,
7 pay to the Board a reconciliation payment in the amount, if
8 any, by which the licensed owner's base amount exceeds the
9 amount of net privilege tax paid by the licensed owner to the
10 Board in the then current State fiscal year. A licensed owner's
11 net privilege tax obligation due for the balance of the State
12 fiscal year shall be reduced up to the total of the amount paid
13 by the licensed owner in its June 15 reconciliation payment.
14 The obligation imposed by this subsection (a-15) is binding on
15 any person, firm, corporation, or other entity that acquires an
16 ownership interest in any such owners license. The obligation
17 imposed under this subsection (a-15) terminates on the earliest
18 of: (i) July 1, 2007, (ii) the first day after the effective
19 date of this amendatory Act of the 94th General Assembly that
20 riverboat gambling operations are conducted pursuant to a
21 dormant license, (iii) the first day that riverboat gambling
22 operations are conducted under the authority of an owners
23 license that is in addition to the 10 owners licenses initially
24 authorized under this Act, or (iv) the first day that a
25 licensee under the Illinois Horse Racing Act of 1975 conducts
26 gaming operations with slot machines or other electronic gaming

1 devices. The Board must reduce the obligation imposed under
2 this subsection (a-15) by an amount the Board deems reasonable
3 for any of the following reasons: (A) an act or acts of God,
4 (B) an act of bioterrorism or terrorism or a bioterrorism or
5 terrorism threat that was investigated by a law enforcement
6 agency, or (C) a condition beyond the control of the owners
7 licensee that does not result from any act or omission by the
8 owners licensee or any of its agents and that poses a hazardous
9 threat to the health and safety of patrons. If an owners
10 licensee pays an amount in excess of its liability under this
11 Section, the Board shall apply the overpayment to future
12 payments required under this Section.

13 For purposes of this subsection (a-15):

14 "Act of God" means an incident caused by the operation of
15 an extraordinary force that cannot be foreseen, that cannot be
16 avoided by the exercise of due care, and for which no person
17 can be held liable.

18 "Base amount" means the following:

19 For a riverboat in Alton, \$31,000,000.

20 For a riverboat in East Peoria, \$43,000,000.

21 For the Empress riverboat in Joliet, \$86,000,000.

22 For a riverboat in Metropolis, \$45,000,000.

23 For the Harrah's riverboat in Joliet, \$114,000,000.

24 For a riverboat in Aurora, \$86,000,000.

25 For a riverboat in East St. Louis, \$48,500,000.

26 For a riverboat in Elgin, \$198,000,000.

1 "Dormant license" has the meaning ascribed to it in
2 subsection (a-3).

3 "Net privilege tax" means all privilege taxes paid by a
4 licensed owner to the Board under this Section, less all
5 payments made from the State Gaming Fund pursuant to subsection
6 (b) of this Section.

7 The changes made to this subsection (a-15) by Public Act
8 94-839 are intended to restate and clarify the intent of Public
9 Act 94-673 with respect to the amount of the payments required
10 to be made under this subsection by an owners licensee to the
11 Board.

12 (b) Until January 1, 1998, 25% of the tax revenue deposited
13 in the State Gaming Fund under this Section shall be paid,
14 subject to appropriation by the General Assembly, to the unit
15 of local government which is designated as the home dock of the
16 riverboat. Beginning January 1, 1998, from the tax revenue from
17 riverboat or casino gambling deposited in the State Gaming Fund
18 under this Section, an amount equal to 5% of adjusted gross
19 receipts generated by a riverboat or a casino other than a
20 riverboat designated in paragraph (3) or (4) of subsection
21 (e-5) of Section 7, shall be paid monthly, subject to
22 appropriation by the General Assembly, to the unit of local
23 government in which the casino is located or that is designated
24 as the home dock of the riverboat. From the tax revenue
25 deposited in the State Gaming Fund pursuant to riverboat or
26 casino gambling operations conducted by a licensed manager on

1 behalf of the State, an amount equal to 5% of adjusted gross
2 receipts generated pursuant to those riverboat or casino
3 gambling operations shall be paid monthly, subject to
4 appropriation by the General Assembly, to the unit of local
5 government that is designated as the home dock of the riverboat
6 upon which those riverboat gambling operations are conducted or
7 in which the casino is located. From the tax revenue from
8 riverboat or casino gambling deposited in the State Gaming Fund
9 under this Section, an amount equal to 5% of the adjusted gross
10 receipts generated by a riverboat designated in paragraph (3)
11 of subsection (e-5) of Section 7 shall be divided and remitted
12 monthly, subject to appropriation, as follows: 50% to Waukegan,
13 25% to Park City, and 25% to North Chicago. From the tax
14 revenue from riverboat or casino gambling deposited in the
15 State Gaming Fund under this Section, an amount equal to 5% of
16 the adjusted gross receipts generated by a riverboat designated
17 in paragraph (4) of subsection (e-5) of Section 7 shall be
18 remitted monthly, subject to appropriation, as follows: 70% to
19 the City of Rockford, 5% to the City of Loves Park, 5% to the
20 Village of Machesney, and 20% to Winnebago County. Units of
21 local government may refund any portion of the payment that
22 they receive pursuant to this subsection (b) to the riverboat
23 or casino.

24 (b-5) Beginning on the effective date of this amendatory
25 Act of the 100th General Assembly, from the tax revenue
26 deposited in the State Gaming Fund under this Section, an

1 amount equal to 3% of adjusted gross receipts generated by each
2 electronic gaming facility located outside Madison County
3 shall be paid monthly, subject to appropriation by the General
4 Assembly, to a municipality other than the Village of Stickney
5 in which each electronic gaming facility is located or, if the
6 electronic gaming facility is not located within a
7 municipality, to the county in which the electronic gaming
8 facility is located, except as otherwise provided in this
9 Section. From the tax revenue deposited in the State Gaming
10 Fund under this Section, an amount equal to 3% of adjusted
11 gross receipts generated by an electronic gaming facility
12 located in the Village of Stickney shall be paid monthly,
13 subject to appropriation by the General Assembly, as follows:
14 25% to the Village of Stickney, 5% to the City of Berwyn, 50%
15 to the Town of Cicero, and 20% to the Stickney Public Health
16 District.

17 From the tax revenue deposited in the State Gaming Fund
18 under this Section, an amount equal to 5% of adjusted gross
19 receipts generated by an electronic gaming facility located in
20 the City of Collinsville shall be paid monthly, subject to
21 appropriation by the General Assembly, as follows: 45% to the
22 City of Alton, 45% to the City of East St. Louis, and 10% to the
23 City of Collinsville.

24 Municipalities and counties may refund any portion of the
25 payment that they receive pursuant to this subsection (b-5) to
26 the electronic gaming facility.

1 (b-6) Beginning on the effective date of this amendatory
2 Act of the 100th General Assembly, from the tax revenue
3 deposited in the State Gaming Fund under this Section, an
4 amount equal to 2% of adjusted gross receipts generated by an
5 electronic gaming facility located outside Madison County
6 shall be paid monthly, subject to appropriation by the General
7 Assembly, to the county in which the electronic gaming facility
8 is located for the purposes of its criminal justice system or
9 health care system.

10 Counties may refund any portion of the payment that they
11 receive pursuant to this subsection (b-6) to the electronic
12 gaming facility.

13 (c) Appropriations, as approved by the General Assembly,
14 may be made from the State Gaming Fund to the Board (i) for the
15 administration and enforcement of this Act, the Chicago Casino
16 Development Authority Act, and the Video Gaming Act, (ii) for
17 distribution to the Department of State Police and to the
18 Department of Revenue for the enforcement of this Act, the
19 Chicago Casino Development Authority Act, and the Video Gaming
20 Act, and (iii) to the Department of Human Services for the
21 administration of programs to treat problem gambling. The
22 Board's annual appropriations request must separately state
23 its funding needs for the regulation of electronic gaming,
24 riverboat gaming, casino gaming within the City of Chicago, and
25 video gaming. From the tax revenue deposited in the Gaming
26 Facilities Fee Revenue Fund, the first \$50,000,000 shall be

1 paid to the Board, subject to appropriation, for the
2 administration and enforcement of the provisions of this
3 amendatory Act of the 100th General Assembly.

4 (c-3) Appropriations, as approved by the General Assembly,
5 may be made from the tax revenue deposited into the State
6 Gaming Fund from electronic gaming pursuant to this Section for
7 the administration and enforcement of this Act.

8 (c-4) After payments required under subsections (b),
9 (b-5), (b-6), (c), and (c-3) have been made from the tax
10 revenue from electronic gaming deposited into the State Gaming
11 Fund under this Section, all remaining amounts from electronic
12 gaming shall be deposited into the Education Assistance Fund.

13 (c-5) Before May 26, 2006 (the effective date of Public Act
14 94-804) and beginning on the effective date of this amendatory
15 Act of the 95th General Assembly, unless any organization
16 licensee under the Illinois Horse Racing Act of 1975 begins to
17 operate a slot machine or video game of chance under the
18 Illinois Horse Racing Act of 1975 or this Act, after the
19 payments required under subsections (b) and (c) have been made,
20 an amount equal to 15% of the adjusted gross receipts of (1) an
21 owners licensee that relocates pursuant to Section 11.2, (2) an
22 owners licensee conducting riverboat gambling operations
23 pursuant to an owners license that is initially issued after
24 June 25, 1999, or (3) the first riverboat gambling operations
25 conducted by a licensed manager on behalf of the State under
26 Section 7.3, whichever comes first, shall be paid from the

1 State Gaming Fund into the Horse Racing Equity Fund.

2 (c-10) Each year the General Assembly shall appropriate
3 from the General Revenue Fund to the Education Assistance Fund
4 an amount equal to the amount paid into the Horse Racing Equity
5 Fund pursuant to subsection (c-5) in the prior calendar year.

6 (c-15) After the payments required under subsections (b),
7 (c), and (c-5) have been made, an amount equal to 2% of the
8 adjusted gross receipts of (1) an owners licensee that
9 relocates pursuant to Section 11.2, (2) an owners licensee
10 conducting riverboat gambling operations pursuant to an owners
11 license that is initially issued after June 25, 1999, or (3)
12 the first riverboat gambling operations conducted by a licensed
13 manager on behalf of the State under Section 7.3, whichever
14 comes first, shall be paid, subject to appropriation from the
15 General Assembly, from the State Gaming Fund to each home rule
16 county with a population of over 3,000,000 inhabitants for the
17 purpose of enhancing the county's criminal justice system.

18 (c-20) Each year the General Assembly shall appropriate
19 from the General Revenue Fund to the Education Assistance Fund
20 an amount equal to the amount paid to each home rule county
21 with a population of over 3,000,000 inhabitants pursuant to
22 subsection (c-15) in the prior calendar year.

23 (c-25) On July 1, 2013 and each July 1 thereafter,
24 \$1,600,000 shall be transferred from the State Gaming Fund to
25 the Chicago State University Education Improvement Fund.

26 (c-30) On July 1, 2013 or as soon as possible thereafter,

1 \$92,000,000 shall be transferred from the State Gaming Fund to
2 the School Infrastructure Fund and \$23,000,000 shall be
3 transferred from the State Gaming Fund to the Horse Racing
4 Equity Fund.

5 (c-35) Beginning on July 1, 2013, in addition to any amount
6 transferred under subsection (c-30) of this Section,
7 \$5,530,000 shall be transferred monthly from the State Gaming
8 Fund to the School Infrastructure Fund.

9 (d) From time to time, the Board shall transfer the
10 remainder of the funds generated by this Act into the Education
11 Assistance Fund, created by Public Act 86-0018, of the State of
12 Illinois.

13 (e) Nothing in this Act shall prohibit the unit of local
14 government designated as the home dock of the riverboat from
15 entering into agreements with other units of local government
16 in this State or in other states to share its portion of the
17 tax revenue.

18 (f) To the extent practicable, the Board shall administer
19 and collect the wagering taxes imposed by this Section in a
20 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
21 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
22 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
23 Penalty and Interest Act.

24 (Source: P.A. 98-18, eff. 6-7-13.)

25 (230 ILCS 10/14) (from Ch. 120, par. 2414)

1 Sec. 14. Licensees - Records - Reports - Supervision.

2 (a) Licensed owners and electronic gaming licensees ~~A~~
3 ~~licensed owner~~ shall keep ~~his~~ books and records so as to
4 clearly show the following:

5 (1) The amount received daily from admission fees.

6 (2) The total amount of gross receipts.

7 (3) The total amount of the adjusted gross receipts.

8 (b) Licensed owners and electronic gaming licensees ~~The~~
9 ~~licensed owner~~ shall furnish to the Board reports and
10 information as the Board may require with respect to its
11 activities on forms designed and supplied for such purpose by
12 the Board.

13 (c) The books and records kept by a licensed owner as
14 provided by this Section are public records and the
15 examination, publication, and dissemination of the books and
16 records are governed by the provisions of The Freedom of
17 Information Act.

18 (Source: P.A. 86-1029.)

19 (230 ILCS 10/15) (from Ch. 120, par. 2415)

20 Sec. 15. Audit of Licensee Operations. Annually, the
21 licensed owner, ~~or~~ manager, or electronic gaming licensee shall
22 transmit to the Board an audit of the financial transactions
23 and condition of the licensee's or manager's total operations.
24 Additionally, within 90 days after the end of each quarter of
25 each fiscal year, the licensed owner, ~~or~~ manager, or electronic

1 gaming licensee shall transmit to the Board a compliance report
2 on engagement procedures determined by the Board. All audits
3 and compliance engagements shall be conducted by certified
4 public accountants selected by the Board. Each certified public
5 accountant must be registered in the State of Illinois under
6 the Illinois Public Accounting Act. The compensation for each
7 certified public accountant shall be paid directly by the
8 licensed owner, ~~or~~ manager, or electronic gaming licensee to
9 the certified public accountant.

10 (Source: P.A. 96-1392, eff. 1-1-11.)

11 (230 ILCS 10/16) (from Ch. 120, par. 2416)

12 Sec. 16. Annual Report of Board. The Board shall make an
13 annual report to the Governor, for the period ending December
14 31 of each year. Included in the report shall be an account of
15 the Board actions, its financial position and results of
16 operation under this Act and the Chicago Casino Development
17 Authority Act, the practical results attained under this Act
18 and the Chicago Casino Development Authority Act and any
19 recommendations for legislation which the Board deems
20 advisable.

21 (Source: P.A. 86-1029.)

22 (230 ILCS 10/17) (from Ch. 120, par. 2417)

23 Sec. 17. Administrative Procedures. The Illinois
24 Administrative Procedure Act shall apply to all administrative

1 rules and procedures of the Board under this Act, the Chicago
2 Casino Development Authority Act, and ~~or~~ the Video Gaming Act,
3 except that: (1) subsection (b) of Section 5-10 of the Illinois
4 Administrative Procedure Act does not apply to final orders,
5 decisions and opinions of the Board; (2) subsection (a) of
6 Section 5-10 of the Illinois Administrative Procedure Act does
7 not apply to forms established by the Board for use under this
8 Act, the Chicago Casino Development Authority Act, and or the
9 Video Gaming Act; (3) the provisions of Section 10-45 of the
10 Illinois Administrative Procedure Act regarding proposals for
11 decision are excluded under this Act, the Chicago Casino
12 Development Authority Act, and ~~or~~ the Video Gaming Act; and (4)
13 the provisions of subsection (d) of Section 10-65 of the
14 Illinois Administrative Procedure Act do not apply so as to
15 prevent summary suspension of any license pending revocation or
16 other action, which suspension shall remain in effect unless
17 modified by the Board or unless the Board's decision is
18 reversed on the merits upon judicial review.

19 (Source: P.A. 96-34, eff. 7-13-09.)

20 (230 ILCS 10/17.1) (from Ch. 120, par. 2417.1)

21 Sec. 17.1. Judicial Review.

22 (a) Jurisdiction and venue for the judicial review of a
23 final order of the Board relating to licensed owners,
24 suppliers, electronic gaming licensees, and ~~or~~ special event
25 licenses is vested in the Appellate Court of the judicial

1 district in which Sangamon County is located. A petition for
2 judicial review of a final order of the Board must be filed in
3 the Appellate Court, within 35 days from the date that a copy
4 of the decision sought to be reviewed was served upon the party
5 affected by the decision.

6 (b) Judicial review of all other final orders of the Board
7 shall be conducted in accordance with the Administrative Review
8 Law.

9 (Source: P.A. 88-1.)

10 (230 ILCS 10/18) (from Ch. 120, par. 2418)

11 Sec. 18. Prohibited Activities - Penalty.

12 (a) A person is guilty of a Class A misdemeanor for doing
13 any of the following:

14 (1) Conducting gambling where wagering is used or to be
15 used without a license issued by the Board.

16 (2) Conducting gambling where wagering is permitted
17 other than in the manner specified by Section 11.

18 (b) A person is guilty of a Class B misdemeanor for doing
19 any of the following:

20 (1) permitting a person under 21 years to make a wager;

21 or

22 (2) violating paragraph (12) of subsection (a) of
23 Section 11 of this Act.

24 (c) A person wagering or accepting a wager at any location
25 outside the riverboat, casino, or electronic gaming facility in

1 ~~violation of paragraph is subject to the penalties in~~
2 ~~paragraphs~~ (1) or (2) of subsection (a) of Section 28-1 of the
3 Criminal Code of 2012 is subject to the penalties provided in
4 that Section.

5 (d) A person commits a Class 4 felony and, in addition,
6 shall be barred for life from gambling operations ~~riverboats~~
7 under the jurisdiction of the Board, if the person does any of
8 the following:

9 (1) Offers, promises, or gives anything of value or
10 benefit to a person who is connected with a riverboat or
11 casino owner or electronic gaming licensee, including, but
12 not limited to, an officer or employee of a licensed owner,
13 electronic gaming licensee, or holder of an occupational
14 license pursuant to an agreement or arrangement or with the
15 intent that the promise or thing of value or benefit will
16 influence the actions of the person to whom the offer,
17 promise, or gift was made in order to affect or attempt to
18 affect the outcome of a gambling game, or to influence
19 official action of a member of the Board.

20 (2) Solicits or knowingly accepts or receives a promise
21 of anything of value or benefit while the person is
22 connected with a riverboat, casino, or electronic gaming
23 facility, including, but not limited to, an officer or
24 employee of a licensed owner or electronic gaming licensee,
25 or the holder of an occupational license, pursuant to an
26 understanding or arrangement or with the intent that the

1 promise or thing of value or benefit will influence the
2 actions of the person to affect or attempt to affect the
3 outcome of a gambling game, or to influence official action
4 of a member of the Board.

5 (3) Uses or possesses with the intent to use a device
6 to assist:

7 (i) In projecting the outcome of the game.

8 (ii) In keeping track of the cards played.

9 (iii) In analyzing the probability of the
10 occurrence of an event relating to the gambling game.

11 (iv) In analyzing the strategy for playing or
12 betting to be used in the game except as permitted by
13 the Board.

14 (4) Cheats at a gambling game.

15 (5) Manufactures, sells, or distributes any cards,
16 chips, dice, game or device which is intended to be used to
17 violate any provision of this Act or the Chicago Casino
18 Development Authority Act.

19 (6) Alters or misrepresents the outcome of a gambling
20 game on which wagers have been made after the outcome is
21 made sure but before it is revealed to the players.

22 (7) Places a bet after acquiring knowledge, not
23 available to all players, of the outcome of the gambling
24 game which is subject of the bet or to aid a person in
25 acquiring the knowledge for the purpose of placing a bet
26 contingent on that outcome.

1 (8) Claims, collects, or takes, or attempts to claim,
2 collect, or take, money or anything of value in or from the
3 gambling games, with intent to defraud, without having made
4 a wager contingent on winning a gambling game, or claims,
5 collects, or takes an amount of money or thing of value of
6 greater value than the amount won.

7 (9) Uses counterfeit chips or tokens in a gambling
8 game.

9 (10) Possesses any key or device designed for the
10 purpose of opening, entering, or affecting the operation of
11 a gambling game, drop box, or an electronic or mechanical
12 device connected with the gambling game or for removing
13 coins, tokens, chips or other contents of a gambling game.
14 This paragraph (10) does not apply to a gambling licensee
15 or employee of a gambling licensee acting in furtherance of
16 the employee's employment.

17 (e) The possession of more than one of the devices
18 described in subsection (d), paragraphs (3), (5), or (10)
19 permits a rebuttable presumption that the possessor intended to
20 use the devices for cheating.

21 (f) A person under the age of 21 who, except as authorized
22 under paragraph (10) of Section 11, enters upon a riverboat or
23 in a casino or electronic gaming facility commits a petty
24 offense and is subject to a fine of not less than \$100 or more
25 than \$250 for a first offense and of not less than \$200 or more
26 than \$500 for a second or subsequent offense.

1 An action to prosecute any crime occurring on a riverboat
2 shall be tried in the county of the dock at which the riverboat
3 is based. An action to prosecute any crime occurring in a
4 casino or electronic gaming facility shall be tried in the
5 county in which the casino or electronic gaming facility is
6 located.

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

8 (230 ILCS 10/18.1)

9 Sec. 18.1. Distribution of certain fines. If a fine is
10 imposed on an owner licensee or an electronic gaming licensee
11 for knowingly sending marketing or promotional materials to any
12 person placed on the self-exclusion list, then the Board shall
13 distribute an amount equal to 15% of the fine imposed to the
14 unit of local government in which the casino, riverboat, or
15 electronic gaming facility is located for the purpose of
16 awarding grants to non-profit entities that assist gambling
17 addicts.

18 (Source: P.A. 96-224, eff. 8-11-09.)

19 (230 ILCS 10/19) (from Ch. 120, par. 2419)

20 Sec. 19. Forfeiture of property.

21 (a) Except as provided in subsection (b), any riverboat,
22 casino, or electronic gaming facility used for the conduct of
23 gambling games in violation of this Act shall be considered a
24 gambling place in violation of Section 28-3 of the Criminal

1 Code of 2012. Every gambling device found on a riverboat, in a
2 casino, or at an electronic gaming facility operating gambling
3 games in violation of this Act and every slot machine and video
4 game of chance found at an electronic gaming facility operating
5 gambling games in violation of this Act or the Chicago Casino
6 Development Authority Act shall be subject to seizure,
7 confiscation and destruction as provided in Section 28-5 of the
8 Criminal Code of 2012.

9 (b) It is not a violation of this Act for a riverboat or
10 other watercraft which is licensed for gaming by a contiguous
11 state to dock on the shores of this State if the municipality
12 having jurisdiction of the shores, or the county in the case of
13 unincorporated areas, has granted permission for docking and no
14 gaming is conducted on the riverboat or other watercraft while
15 it is docked on the shores of this State. No gambling device
16 shall be subject to seizure, confiscation or destruction if the
17 gambling device is located on a riverboat or other watercraft
18 which is licensed for gaming by a contiguous state and which is
19 docked on the shores of this State if the municipality having
20 jurisdiction of the shores, or the county in the case of
21 unincorporated areas, has granted permission for docking and no
22 gaming is conducted on the riverboat or other watercraft while
23 it is docked on the shores of this State.

24 (Source: P.A. 97-1150, eff. 1-25-13.)

25 (230 ILCS 10/20) (from Ch. 120, par. 2420)

1 Sec. 20. Prohibited activities - civil penalties. Any
2 person who conducts a gambling operation without first
3 obtaining a license to do so, or who continues to conduct such
4 games after revocation of his license, or any licensee who
5 conducts or allows to be conducted any unauthorized gambling
6 games on a riverboat, in a casino, or at an electronic gaming
7 facility where it is authorized to conduct its ~~riverboat~~
8 gambling operation, in addition to other penalties provided,
9 shall be subject to a civil penalty equal to the amount of
10 gross receipts derived from wagering on the gambling games,
11 whether unauthorized or authorized, conducted on that day as
12 well as confiscation and forfeiture of all gambling game
13 equipment used in the conduct of unauthorized gambling games.

14 (Source: P.A. 86-1029.)

15 (230 ILCS 10/21) (from Ch. 120, par. 2421)

16 Sec. 21. Limitation on taxation of licensees. Licensees
17 shall not be subjected to any excise tax, license tax, permit
18 tax, privilege tax, occupation tax or excursion tax which is
19 imposed exclusively upon the licensee by the State or any
20 political subdivision thereof, except as provided in this Act
21 or the Chicago Casino Development Authority Act.

22 (Source: P.A. 86-1029.)

23 (230 ILCS 10/23) (from Ch. 120, par. 2423)

24 Sec. 23. The State Gaming Fund. On or after the effective

1 date of this Act, except as provided for payments into the
2 Horse Racing Equity Trust Fund under subsection (a) of Section
3 7, all of the fees and taxes collected pursuant to this Act or
4 the Chicago Casino Development Authority Act shall be deposited
5 into the State Gaming Fund, a special fund in the State
6 Treasury, which is hereby created. The adjusted gross receipts
7 of any riverboat gambling operations conducted by a licensed
8 manager on behalf of the State remaining after the payment of
9 the fees and expenses of the licensed manager shall be
10 deposited into the State Gaming Fund. Fines and penalties
11 collected pursuant to this Act or the Chicago Casino
12 Development Authority Act shall be deposited into the Education
13 Assistance Fund, created by Public Act 86-0018, of the State of
14 Illinois.

15 (Source: P.A. 93-28, eff. 6-20-03; 94-804, eff. 5-26-06.)

16 (230 ILCS 10/24)

17 Sec. 24. Applicability of this ~~Illinois Riverboat Gambling~~
18 Act. The provisions of the this ~~Illinois Riverboat Gambling~~
19 Act, and all rules promulgated thereunder, shall apply to the
20 Chicago Casino Development Authority Act and the Video Gaming
21 Act, except where there is a conflict between the ~~2~~ Acts. In
22 the event of a conflict between this Act and the Chicago Casino
23 Development Authority Act, the terms of the Chicago Casino
24 Development Authority Act shall prevail. In the event of a
25 conflict between this Act and the Video Gaming Act, the terms

1 of this Act shall prevail.

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

3 Section 90-42. The Video Gaming Act is amended by changing
4 Sections 5, 25, 45, 79, and 80 as follows:

5 (230 ILCS 40/5)

6 Sec. 5. Definitions. As used in this Act:

7 "Board" means the Illinois Gaming Board.

8 "Credit" means one, 5, 10, or 25 cents either won or
9 purchased by a player.

10 "Distributor" means an individual, partnership,
11 corporation, or limited liability company licensed under this
12 Act to buy, sell, lease, or distribute video gaming terminals
13 or major components or parts of video gaming terminals to or
14 from terminal operators.

15 "Electronic card" means a card purchased from a licensed
16 establishment, licensed fraternal establishment, licensed
17 veterans establishment, or licensed truck stop establishment
18 for use in that establishment as a substitute for cash in the
19 conduct of gaming on a video gaming terminal.

20 "Electronic voucher" means a voucher printed by an
21 electronic video game machine that is redeemable in the
22 licensed establishment for which it was issued.

23 "Terminal operator" means an individual, partnership,
24 corporation, or limited liability company that is licensed

1 under this Act and that owns, services, and maintains video
2 gaming terminals for placement in licensed establishments,
3 licensed truck stop establishments, licensed fraternal
4 establishments, or licensed veterans establishments.

5 "Licensed technician" means an individual who is licensed
6 under this Act to repair, service, and maintain video gaming
7 terminals.

8 "Licensed terminal handler" means a person, including but
9 not limited to an employee or independent contractor working
10 for a manufacturer, distributor, supplier, technician, or
11 terminal operator, who is licensed under this Act to possess or
12 control a video gaming terminal or to have access to the inner
13 workings of a video gaming terminal. A licensed terminal
14 handler does not include an individual, partnership,
15 corporation, or limited liability company defined as a
16 manufacturer, distributor, supplier, technician, or terminal
17 operator under this Act.

18 "Manufacturer" means an individual, partnership,
19 corporation, or limited liability company that is licensed
20 under this Act and that manufactures or assembles video gaming
21 terminals.

22 "Supplier" means an individual, partnership, corporation,
23 or limited liability company that is licensed under this Act to
24 supply major components or parts to video gaming terminals to
25 licensed terminal operators.

26 "Net terminal income" means money put into a video gaming

1 terminal minus credits paid out to players.

2 "Video gaming terminal" means any electronic video game
3 machine that, upon insertion of cash, electronic cards or
4 vouchers, or any combination thereof, is available to play or
5 simulate the play of a video game, including but not limited to
6 video poker, line up, and blackjack, as authorized by the Board
7 utilizing a video display and microprocessors in which the
8 player may receive free games or credits that can be redeemed
9 for cash. The term does not include a machine that directly
10 dispenses coins, cash, or tokens or is for amusement purposes
11 only.

12 "Licensed establishment" means any licensed retail
13 establishment where alcoholic liquor is drawn, poured, mixed,
14 or otherwise served for consumption on the premises, whether
15 the establishment operates on a nonprofit or for-profit basis.
16 "Licensed establishment" includes any such establishment that
17 has a contractual relationship with an inter-track wagering
18 location licensee licensed under the Illinois Horse Racing Act
19 of 1975, provided any contractual relationship shall not
20 include any transfer or offer of revenue from the operation of
21 video gaming under this Act to any licensee licensed under the
22 Illinois Horse Racing Act of 1975. Provided, however, that the
23 licensed establishment that has such a contractual
24 relationship with an inter-track wagering location licensee
25 may not, itself, be (i) an inter-track wagering location
26 licensee, (ii) the corporate parent or subsidiary of any

1 licensee licensed under the Illinois Horse Racing Act of 1975,
2 or (iii) the corporate subsidiary of a corporation that is also
3 the corporate parent or subsidiary of any licensee licensed
4 under the Illinois Horse Racing Act of 1975. "Licensed
5 establishment" does not include a facility operated by an
6 organization licensee, an inter-track wagering licensee, or an
7 inter-track wagering location licensee licensed under the
8 Illinois Horse Racing Act of 1975 or a riverboat licensed under
9 the Illinois Riverboat Gambling Act, except as provided in this
10 paragraph. The changes made to this definition by Public Act
11 98-587 are declarative of existing law.

12 "Licensed fraternal establishment" means the location
13 where a qualified fraternal organization that derives its
14 charter from a national fraternal organization regularly
15 meets.

16 "Licensed veterans establishment" means the location where
17 a qualified veterans organization that derives its charter from
18 a national veterans organization regularly meets.

19 "Licensed truck stop establishment" means a facility (i)
20 that is at least a 3-acre facility with a convenience store,
21 (ii) with separate diesel islands for fueling commercial motor
22 vehicles, (iii) that sells at retail more than 10,000 gallons
23 of diesel or biodiesel fuel per month, and (iv) with parking
24 spaces for commercial motor vehicles. "Commercial motor
25 vehicles" has the same meaning as defined in Section 18b-101 of
26 the Illinois Vehicle Code. The requirement of item (iii) of

1 this paragraph may be met by showing that estimated future
2 sales or past sales average at least 10,000 gallons per month.

3 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13;
4 98-582, eff. 8-27-13; 98-587, eff. 8-27-13; 98-756, eff.
5 7-16-14.)

6 (230 ILCS 40/25)

7 Sec. 25. Restriction of licensees.

8 (a) Manufacturer. A person may not be licensed as a
9 manufacturer of a video gaming terminal in Illinois unless the
10 person has a valid manufacturer's license issued under this
11 Act. A manufacturer may only sell video gaming terminals for
12 use in Illinois to persons having a valid distributor's
13 license.

14 (b) Distributor. A person may not sell, distribute, or
15 lease or market a video gaming terminal in Illinois unless the
16 person has a valid distributor's license issued under this Act.
17 A distributor may only sell video gaming terminals for use in
18 Illinois to persons having a valid distributor's or terminal
19 operator's license.

20 (c) Terminal operator. A person may not own, maintain, or
21 place a video gaming terminal unless he has a valid terminal
22 operator's license issued under this Act. A terminal operator
23 may only place video gaming terminals for use in Illinois in
24 licensed establishments, licensed truck stop establishments,
25 licensed fraternal establishments, and licensed veterans

1 establishments. No terminal operator may give anything of
2 value, including but not limited to a loan or financing
3 arrangement, to a licensed establishment, licensed truck stop
4 establishment, licensed fraternal establishment, or licensed
5 veterans establishment as any incentive or inducement to locate
6 video terminals in that establishment. Of the after-tax profits
7 from a video gaming terminal, 50% shall be paid to the terminal
8 operator and 50% shall be paid to the licensed establishment,
9 licensed truck stop establishment, licensed fraternal
10 establishment, or licensed veterans establishment,
11 notwithstanding any agreement to the contrary. A video terminal
12 operator that violates one or more requirements of this
13 subsection is guilty of a Class 4 felony and is subject to
14 termination of his or her license by the Board.

15 (d) Licensed technician. A person may not service,
16 maintain, or repair a video gaming terminal in this State
17 unless he or she (1) has a valid technician's license issued
18 under this Act, (2) is a terminal operator, or (3) is employed
19 by a terminal operator, distributor, or manufacturer.

20 (d-5) Licensed terminal handler. No person, including, but
21 not limited to, an employee or independent contractor working
22 for a manufacturer, distributor, supplier, technician, or
23 terminal operator licensed pursuant to this Act, shall have
24 possession or control of a video gaming terminal, or access to
25 the inner workings of a video gaming terminal, unless that
26 person possesses a valid terminal handler's license issued

1 under this Act.

2 (e) Licensed establishment. No video gaming terminal may be
3 placed in any licensed establishment, licensed veterans
4 establishment, licensed truck stop establishment, or licensed
5 fraternal establishment unless the owner or agent of the owner
6 of the licensed establishment, licensed veterans
7 establishment, licensed truck stop establishment, or licensed
8 fraternal establishment has entered into a written use
9 agreement with the terminal operator for placement of the
10 terminals. A copy of the use agreement shall be on file in the
11 terminal operator's place of business and available for
12 inspection by individuals authorized by the Board. A licensed
13 establishment, licensed truck stop establishment, licensed
14 veterans establishment, or licensed fraternal establishment
15 may operate up to 5 video gaming terminals on its premises at
16 any time.

17 (f) (Blank).

18 (g) Financial interest restrictions. As used in this Act,
19 "substantial interest" in a partnership, a corporation, an
20 organization, an association, a business, or a limited
21 liability company means:

22 (A) When, with respect to a sole proprietorship, an
23 individual or his or her spouse owns, operates, manages, or
24 conducts, directly or indirectly, the organization,
25 association, or business, or any part thereof; or

26 (B) When, with respect to a partnership, the individual

1 or his or her spouse shares in any of the profits, or
2 potential profits, of the partnership activities; or

3 (C) When, with respect to a corporation, an individual
4 or his or her spouse is an officer or director, or the
5 individual or his or her spouse is a holder, directly or
6 beneficially, of 5% or more of any class of stock of the
7 corporation; or

8 (D) When, with respect to an organization not covered
9 in (A), (B) or (C) above, an individual or his or her
10 spouse is an officer or manages the business affairs, or
11 the individual or his or her spouse is the owner of or
12 otherwise controls 10% or more of the assets of the
13 organization; or

14 (E) When an individual or his or her spouse furnishes
15 5% or more of the capital, whether in cash, goods, or
16 services, for the operation of any business, association,
17 or organization during any calendar year; or

18 (F) When, with respect to a limited liability company,
19 an individual or his or her spouse is a member, or the
20 individual or his or her spouse is a holder, directly or
21 beneficially, of 5% or more of the membership interest of
22 the limited liability company.

23 For purposes of this subsection (g), "individual" includes
24 all individuals or their spouses whose combined interest would
25 qualify as a substantial interest under this subsection (g) and
26 whose activities with respect to an organization, association,

1 or business are so closely aligned or coordinated as to
2 constitute the activities of a single entity.

3 (h) Location restriction. A licensed establishment,
4 licensed truck stop establishment, licensed fraternal
5 establishment, or licensed veterans establishment that is (i)
6 located within 1,000 feet of a facility operated by an
7 organization licensee licensed under the Illinois Horse Racing
8 Act of 1975 or the home dock of a riverboat licensed under the
9 Illinois Riverboat Gambling Act or (ii) located within 100 feet
10 of a school or a place of worship under the Religious
11 Corporation Act, is ineligible to operate a video gaming
12 terminal. The location restrictions in this subsection (h) do
13 not apply if (A) a facility operated by an organization
14 licensee, a school, or a place of worship moves to or is
15 established within the restricted area after a licensed
16 establishment, licensed truck stop establishment, licensed
17 fraternal establishment, or licensed veterans establishment
18 becomes licensed under this Act or (B) a school or place of
19 worship moves to or is established within the restricted area
20 after a licensed establishment, licensed truck stop
21 establishment, licensed fraternal establishment, or licensed
22 veterans establishment obtains its original liquor license.
23 For the purpose of this subsection, "school" means an
24 elementary or secondary public school, or an elementary or
25 secondary private school registered with or recognized by the
26 State Board of Education.

1 Notwithstanding the provisions of this subsection (h), the
2 Board may waive the requirement that a licensed establishment,
3 licensed truck stop establishment, licensed fraternal
4 establishment, or licensed veterans establishment not be
5 located within 1,000 feet from a facility operated by an
6 organization licensee licensed under the Illinois Horse Racing
7 Act of 1975 or the home dock of a riverboat licensed under the
8 Illinois Riverboat Gambling Act. The Board shall not grant such
9 waiver if there is any common ownership or control, shared
10 business activity, or contractual arrangement of any type
11 between the establishment and the organization licensee or
12 owners licensee of a riverboat. The Board shall adopt rules to
13 implement the provisions of this paragraph.

14 (i) Undue economic concentration. In addition to
15 considering all other requirements under this Act, in deciding
16 whether to approve the operation of video gaming terminals by a
17 terminal operator in a location, the Board shall consider the
18 impact of any economic concentration of such operation of video
19 gaming terminals. The Board shall not allow a terminal operator
20 to operate video gaming terminals if the Board determines such
21 operation will result in undue economic concentration. For
22 purposes of this Section, "undue economic concentration" means
23 that a terminal operator would have such actual or potential
24 influence over video gaming terminals in Illinois as to:

- 25 (1) substantially impede or suppress competition among
26 terminal operators;

1 (2) adversely impact the economic stability of the
2 video gaming industry in Illinois; or

3 (3) negatively impact the purposes of the Video Gaming
4 Act.

5 The Board shall adopt rules concerning undue economic
6 concentration with respect to the operation of video gaming
7 terminals in Illinois. The rules shall include, but not be
8 limited to, (i) limitations on the number of video gaming
9 terminals operated by any terminal operator within a defined
10 geographic radius and (ii) guidelines on the discontinuation of
11 operation of any such video gaming terminals the Board
12 determines will cause undue economic concentration.

13 (j) The provisions of the Illinois Antitrust Act are fully
14 and equally applicable to the activities of any licensee under
15 this Act.

16 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13; 98-77,
17 eff. 7-15-13; 98-112, eff. 7-26-13; 98-756, eff. 7-16-14.)

18 (230 ILCS 40/45)

19 Sec. 45. Issuance of license.

20 (a) The burden is upon each applicant to demonstrate his
21 suitability for licensure. Each video gaming terminal
22 manufacturer, distributor, supplier, operator, handler,
23 licensed establishment, licensed truck stop establishment,
24 licensed fraternal establishment, and licensed veterans
25 establishment shall be licensed by the Board. The Board may

1 issue or deny a license under this Act to any person pursuant
2 to the same criteria set forth in Section 9 of the Illinois
3 ~~Riverboat~~ Gambling Act.

4 (a-5) The Board shall not grant a license to a person who
5 has facilitated, enabled, or participated in the use of
6 coin-operated devices for gambling purposes or who is under the
7 significant influence or control of such a person. For the
8 purposes of this Act, "facilitated, enabled, or participated in
9 the use of coin-operated amusement devices for gambling
10 purposes" means that the person has been convicted of any
11 violation of Article 28 of the Criminal Code of 1961 or the
12 Criminal Code of 2012. If there is pending legal action against
13 a person for any such violation, then the Board shall delay the
14 licensure of that person until the legal action is resolved.

15 (b) Each person seeking and possessing a license as a video
16 gaming terminal manufacturer, distributor, supplier, operator,
17 handler, licensed establishment, licensed truck stop
18 establishment, licensed fraternal establishment, or licensed
19 veterans establishment shall submit to a background
20 investigation conducted by the Board with the assistance of the
21 State Police or other law enforcement. To the extent that the
22 corporate structure of the applicant allows, the background
23 investigation shall include any or all of the following as the
24 Board deems appropriate or as provided by rule for each
25 category of licensure: (i) each beneficiary of a trust, (ii)
26 each partner of a partnership, (iii) each member of a limited

1 liability company, (iv) each director and officer of a publicly
2 or non-publicly held corporation, (v) each stockholder of a
3 non-publicly held corporation, (vi) each stockholder of 5% or
4 more of a publicly held corporation, or (vii) each stockholder
5 of 5% or more in a parent or subsidiary corporation.

6 (c) Each person seeking and possessing a license as a video
7 gaming terminal manufacturer, distributor, supplier, operator,
8 handler, licensed establishment, licensed truck stop
9 establishment, licensed fraternal establishment, or licensed
10 veterans establishment shall disclose the identity of every
11 person, association, trust, corporation, or limited liability
12 company having a greater than 1% direct or indirect pecuniary
13 interest in the video gaming terminal operation for which the
14 license is sought. If the disclosed entity is a trust, the
15 application shall disclose the names and addresses of the
16 beneficiaries; if a corporation, the names and addresses of all
17 stockholders and directors; if a limited liability company, the
18 names and addresses of all members; or if a partnership, the
19 names and addresses of all partners, both general and limited.

20 (d) No person may be licensed as a video gaming terminal
21 manufacturer, distributor, supplier, operator, handler,
22 licensed establishment, licensed truck stop establishment,
23 licensed fraternal establishment, or licensed veterans
24 establishment if that person has been found by the Board to:

25 (1) have a background, including a criminal record,
26 reputation, habits, social or business associations, or

1 prior activities that pose a threat to the public interests
2 of the State or to the security and integrity of video
3 gaming;

4 (2) create or enhance the dangers of unsuitable,
5 unfair, or illegal practices, methods, and activities in
6 the conduct of video gaming; or

7 (3) present questionable business practices and
8 financial arrangements incidental to the conduct of video
9 gaming activities.

10 (e) Any applicant for any license under this Act has the
11 burden of proving his or her qualifications to the satisfaction
12 of the Board. The Board may adopt rules to establish additional
13 qualifications and requirements to preserve the integrity and
14 security of video gaming in this State.

15 (f) A non-refundable application fee shall be paid at the
16 time an application for a license is filed with the Board in
17 the following amounts:

- 18 (1) Manufacturer \$5,000
- 19 (2) Distributor..... \$5,000
- 20 (3) Terminal operator..... \$5,000
- 21 (4) Supplier \$2,500
- 22 (5) Technician \$100
- 23 (6) Terminal Handler \$50

24 (g) The Board shall establish an annual fee for each
25 license not to exceed the following:

- 26 (1) Manufacturer \$10,000

- 1 (2) Distributor..... \$10,000
- 2 (3) Terminal operator..... \$5,000
- 3 (4) Supplier \$2,000
- 4 (5) Technician \$100
- 5 (6) Licensed establishment, licensed truck stop
- 6 establishment, licensed fraternal establishment,
- 7 or licensed veterans establishment \$100
- 8 (7) Video gaming terminal..... \$100
- 9 (8) Terminal Handler \$50
- 10 (h) A terminal operator and a licensed establishment,
- 11 licensed truck stop establishment, licensed fraternal
- 12 establishment, or licensed veterans establishment shall
- 13 equally split the fees specified in item (7) of subsection (g).
- 14 (Source: P.A. 97-1150, eff. 1-25-13; 98-31, eff. 6-24-13;
- 15 98-587, eff. 8-27-13; 98-756, eff. 7-16-14.)

16 (230 ILCS 40/79)

17 Sec. 79. Investigators. Investigators appointed by the

18 Board pursuant to the powers conferred upon the Board by

19 paragraph (20.6) of subsection (c) of Section 5 of the Illinois

20 ~~Riverboat~~ Gambling Act and Section 80 of this Act shall have

21 authority to conduct investigations, searches, seizures,

22 arrests, and other duties imposed under this Act and the

23 Illinois ~~Riverboat~~ Gambling Act, as deemed necessary by the

24 Board. These investigators have and may exercise all of the

25 rights and powers of peace officers, provided that these powers

1 shall be (1) limited to offenses or violations occurring or
2 committed in connection with conduct subject to this Act,
3 including, but not limited to, the manufacture, distribution,
4 supply, operation, placement, service, maintenance, or play of
5 video gaming terminals and the distribution of profits and
6 collection of revenues resulting from such play, and (2)
7 exercised, to the fullest extent practicable, in cooperation
8 with the local police department of the applicable municipality
9 or, if these powers are exercised outside the boundaries of an
10 incorporated municipality or within a municipality that does
11 not have its own police department, in cooperation with the
12 police department whose jurisdiction encompasses the
13 applicable locality.

14 (Source: P.A. 97-809, eff. 7-13-12.)

15 (230 ILCS 40/80)

16 Sec. 80. Applicability of Illinois ~~Riverboat~~ Gambling Act.
17 The provisions of the Illinois ~~Riverboat~~ Gambling Act, and all
18 rules promulgated thereunder, shall apply to the Video Gaming
19 Act, except where there is a conflict between the 2 Acts. In
20 the event of a conflict between the 2 Acts, the provisions of
21 the Illinois Gambling Act shall prevail. All provisions of the
22 Uniform Penalty and Interest Act shall apply, as far as
23 practicable, to the subject matter of this Act to the same
24 extent as if such provisions were included herein.

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

1 Section 90-45. The Liquor Control Act of 1934 is amended by
2 changing Sections 5-1 and 6-30 as follows:

3 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

4 Sec. 5-1. Licenses issued by the Illinois Liquor Control
5 Commission shall be of the following classes:

6 (a) Manufacturer's license - Class 1. Distiller, Class 2.
7 Rectifier, Class 3. Brewer, Class 4. First Class Wine
8 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.
9 First Class Winemaker, Class 7. Second Class Winemaker, Class
10 8. Limited Wine Manufacturer, Class 9. Craft Distiller, Class
11 10. Class 1 Brewer, Class 11. Class 2 Brewer,

12 (b) Distributor's license,

13 (c) Importing Distributor's license,

14 (d) Retailer's license,

15 (e) Special Event Retailer's license (not-for-profit),

16 (f) Railroad license,

17 (g) Boat license,

18 (h) Non-Beverage User's license,

19 (i) Wine-maker's premises license,

20 (j) Airplane license,

21 (k) Foreign importer's license,

22 (l) Broker's license,

23 (m) Non-resident dealer's license,

24 (n) Brew Pub license,

- 1 (o) Auction liquor license,
- 2 (p) Caterer retailer license,
- 3 (q) Special use permit license,
- 4 (r) Winery shipper's license,
- 5 (s) Craft distiller tasting permit.

6 No person, firm, partnership, corporation, or other legal
7 business entity that is engaged in the manufacturing of wine
8 may concurrently obtain and hold a wine-maker's license and a
9 wine manufacturer's license.

10 (a) A manufacturer's license shall allow the manufacture,
11 importation in bulk, storage, distribution and sale of
12 alcoholic liquor to persons without the State, as may be
13 permitted by law and to licensees in this State as follows:

14 Class 1. A Distiller may make sales and deliveries of
15 alcoholic liquor to distillers, rectifiers, importing
16 distributors, distributors and non-beverage users and to no
17 other licensees.

18 Class 2. A Rectifier, who is not a distiller, as defined
19 herein, may make sales and deliveries of alcoholic liquor to
20 rectifiers, importing distributors, distributors, retailers
21 and non-beverage users and to no other licensees.

22 Class 3. A Brewer may make sales and deliveries of beer to
23 importing distributors and distributors and may make sales as
24 authorized under subsection (e) of Section 6-4 of this Act.

25 Class 4. A first class wine-manufacturer may make sales and
26 deliveries of up to 50,000 gallons of wine to manufacturers,

1 importing distributors and distributors, and to no other
2 licensees.

3 Class 5. A second class Wine manufacturer may make sales
4 and deliveries of more than 50,000 gallons of wine to
5 manufacturers, importing distributors and distributors and to
6 no other licensees.

7 Class 6. A first-class wine-maker's license shall allow the
8 manufacture of up to 50,000 gallons of wine per year, and the
9 storage and sale of such wine to distributors in the State and
10 to persons without the State, as may be permitted by law. A
11 person who, prior to June 1, 2008 (the effective date of Public
12 Act 95-634), is a holder of a first-class wine-maker's license
13 and annually produces more than 25,000 gallons of its own wine
14 and who distributes its wine to licensed retailers shall cease
15 this practice on or before July 1, 2008 in compliance with
16 Public Act 95-634.

17 Class 7. A second-class wine-maker's license shall allow
18 the manufacture of between 50,000 and 150,000 gallons of wine
19 per year, and the storage and sale of such wine to distributors
20 in this State and to persons without the State, as may be
21 permitted by law. A person who, prior to June 1, 2008 (the
22 effective date of Public Act 95-634), is a holder of a
23 second-class wine-maker's license and annually produces more
24 than 25,000 gallons of its own wine and who distributes its
25 wine to licensed retailers shall cease this practice on or
26 before July 1, 2008 in compliance with Public Act 95-634.

1 Class 8. A limited wine-manufacturer may make sales and
2 deliveries not to exceed 40,000 gallons of wine per year to
3 distributors, and to non-licensees in accordance with the
4 provisions of this Act.

5 Class 9. A craft distiller license shall allow the
6 manufacture of up to 100,000 ~~March 1, 2013 (Public Act 97-1166)~~
7 gallons of spirits by distillation per year and the storage of
8 such spirits. If a craft distiller licensee, including a craft
9 distiller licensee who holds more than one craft distiller
10 license, is not affiliated with any other manufacturer of
11 spirits, then the craft distiller licensee may sell such
12 spirits to distributors in this State and up to 2,500 gallons
13 of such spirits to non-licensees to the extent permitted by any
14 exemption approved by the Commission pursuant to Section 6-4 of
15 this Act. A craft distiller license holder may store such
16 spirits at a non-contiguous licensed location, but at no time
17 shall a craft distiller license holder directly or indirectly
18 produce in the aggregate more than 100,000 gallons of spirits
19 per year.

20 A craft distiller licensee may hold more than one craft
21 distiller's license. However, a craft distiller that holds more
22 than one craft distiller license shall not manufacture, in the
23 aggregate, more than 100,000 gallons of spirits by distillation
24 per year and shall not sell, in the aggregate, more than 2,500
25 gallons of such spirits to non-licensees in accordance with an
26 exemption approved by the State Commission pursuant to Section

1 6-4 of this Act.

2 Any craft distiller licensed under this Act who on July 28,
3 2010 (the effective date of Public Act 96-1367) was licensed as
4 a distiller and manufactured no more spirits than permitted by
5 this Section shall not be required to pay the initial licensing
6 fee.

7 Class 10. A class 1 brewer license, which may only be
8 issued to a licensed brewer or licensed non-resident dealer,
9 shall allow the manufacture of up to 930,000 gallons of beer
10 per year provided that the class 1 brewer licensee does not
11 manufacture more than a combined 930,000 gallons of beer per
12 year and is not a member of or affiliated with, directly or
13 indirectly, a manufacturer that produces more than 930,000
14 gallons of beer per year or any other alcoholic liquor. A class
15 1 brewer licensee may make sales and deliveries to importing
16 distributors and distributors and to retail licensees in
17 accordance with the conditions set forth in paragraph (18) of
18 subsection (a) of Section 3-12 of this Act.

19 Class 11. A class 2 brewer license, which may only be
20 issued to a licensed brewer or licensed non-resident dealer,
21 shall allow the manufacture of up to 3,720,000 gallons of beer
22 per year provided that the class 2 brewer licensee does not
23 manufacture more than a combined 3,720,000 gallons of beer per
24 year and is not a member of or affiliated with, directly or
25 indirectly, a manufacturer that produces more than 3,720,000
26 gallons of beer per year or any other alcoholic liquor. A class

1 2 brewer licensee may make sales and deliveries to importing
2 distributors and distributors, but shall not make sales or
3 deliveries to any other licensee. If the State Commission
4 provides prior approval, a class 2 brewer licensee may annually
5 transfer up to 3,720,000 gallons of beer manufactured by that
6 class 2 brewer licensee to the premises of a licensed class 2
7 brewer wholly owned and operated by the same licensee.

8 (a-1) A manufacturer which is licensed in this State to
9 make sales or deliveries of alcoholic liquor to licensed
10 distributors or importing distributors and which enlists
11 agents, representatives, or individuals acting on its behalf
12 who contact licensed retailers on a regular and continual basis
13 in this State must register those agents, representatives, or
14 persons acting on its behalf with the State Commission.

15 Registration of agents, representatives, or persons acting
16 on behalf of a manufacturer is fulfilled by submitting a form
17 to the Commission. The form shall be developed by the
18 Commission and shall include the name and address of the
19 applicant, the name and address of the manufacturer he or she
20 represents, the territory or areas assigned to sell to or
21 discuss pricing terms of alcoholic liquor, and any other
22 questions deemed appropriate and necessary. All statements in
23 the forms required to be made by law or by rule shall be deemed
24 material, and any person who knowingly misstates any material
25 fact under oath in an application is guilty of a Class B
26 misdemeanor. Fraud, misrepresentation, false statements,

1 misleading statements, evasions, or suppression of material
2 facts in the securing of a registration are grounds for
3 suspension or revocation of the registration. The State
4 Commission shall post a list of registered agents on the
5 Commission's website.

6 (b) A distributor's license shall allow the wholesale
7 purchase and storage of alcoholic liquors and sale of alcoholic
8 liquors to licensees in this State and to persons without the
9 State, as may be permitted by law. No person licensed as a
10 distributor shall be granted a non-resident dealer's license.

11 (c) An importing distributor's license may be issued to and
12 held by those only who are duly licensed distributors, upon the
13 filing of an application by a duly licensed distributor, with
14 the Commission and the Commission shall, without the payment of
15 any fee, immediately issue such importing distributor's
16 license to the applicant, which shall allow the importation of
17 alcoholic liquor by the licensee into this State from any point
18 in the United States outside this State, and the purchase of
19 alcoholic liquor in barrels, casks or other bulk containers and
20 the bottling of such alcoholic liquors before resale thereof,
21 but all bottles or containers so filled shall be sealed,
22 labeled, stamped and otherwise made to comply with all
23 provisions, rules and regulations governing manufacturers in
24 the preparation and bottling of alcoholic liquors. The
25 importing distributor's license shall permit such licensee to
26 purchase alcoholic liquor from Illinois licensed non-resident

1 dealers and foreign importers only. No person licensed as an
2 importing distributor shall be granted a non-resident dealer's
3 license.

4 (d) A retailer's license shall allow the licensee to sell
5 and offer for sale at retail, only in the premises specified in
6 the license, alcoholic liquor for use or consumption, but not
7 for resale in any form. Nothing in Public Act 95-634 shall
8 deny, limit, remove, or restrict the ability of a holder of a
9 retailer's license to transfer, deliver, or ship alcoholic
10 liquor to the purchaser for use or consumption subject to any
11 applicable local law or ordinance. Any retail license issued to
12 a manufacturer shall only permit the manufacturer to sell beer
13 at retail on the premises actually occupied by the
14 manufacturer. For the purpose of further describing the type of
15 business conducted at a retail licensed premises, a retailer's
16 licensee may be designated by the State Commission as (i) an on
17 premise consumption retailer, (ii) an off premise sale
18 retailer, or (iii) a combined on premise consumption and off
19 premise sale retailer.

20 Notwithstanding any other provision of this subsection
21 (d), a retail licensee may sell alcoholic liquors to a special
22 event retailer licensee for resale to the extent permitted
23 under subsection (e).

24 (e) A special event retailer's license (not-for-profit)
25 shall permit the licensee to purchase alcoholic liquors from an
26 Illinois licensed distributor (unless the licensee purchases

1 less than \$500 of alcoholic liquors for the special event, in
2 which case the licensee may purchase the alcoholic liquors from
3 a licensed retailer) and shall allow the licensee to sell and
4 offer for sale, at retail, alcoholic liquors for use or
5 consumption, but not for resale in any form and only at the
6 location and on the specific dates designated for the special
7 event in the license. An applicant for a special event retailer
8 license must (i) furnish with the application: (A) a resale
9 number issued under Section 2c of the Retailers' Occupation Tax
10 Act or evidence that the applicant is registered under Section
11 2a of the Retailers' Occupation Tax Act, (B) a current, valid
12 exemption identification number issued under Section 1g of the
13 Retailers' Occupation Tax Act, and a certification to the
14 Commission that the purchase of alcoholic liquors will be a
15 tax-exempt purchase, or (C) a statement that the applicant is
16 not registered under Section 2a of the Retailers' Occupation
17 Tax Act, does not hold a resale number under Section 2c of the
18 Retailers' Occupation Tax Act, and does not hold an exemption
19 number under Section 1g of the Retailers' Occupation Tax Act,
20 in which event the Commission shall set forth on the special
21 event retailer's license a statement to that effect; (ii)
22 submit with the application proof satisfactory to the State
23 Commission that the applicant will provide dram shop liability
24 insurance in the maximum limits; and (iii) show proof
25 satisfactory to the State Commission that the applicant has
26 obtained local authority approval.

1 (f) A railroad license shall permit the licensee to import
2 alcoholic liquors into this State from any point in the United
3 States outside this State and to store such alcoholic liquors
4 in this State; to make wholesale purchases of alcoholic liquors
5 directly from manufacturers, foreign importers, distributors
6 and importing distributors from within or outside this State;
7 and to store such alcoholic liquors in this State; provided
8 that the above powers may be exercised only in connection with
9 the importation, purchase or storage of alcoholic liquors to be
10 sold or dispensed on a club, buffet, lounge or dining car
11 operated on an electric, gas or steam railway in this State;
12 and provided further, that railroad licensees exercising the
13 above powers shall be subject to all provisions of Article VIII
14 of this Act as applied to importing distributors. A railroad
15 license shall also permit the licensee to sell or dispense
16 alcoholic liquors on any club, buffet, lounge or dining car
17 operated on an electric, gas or steam railway regularly
18 operated by a common carrier in this State, but shall not
19 permit the sale for resale of any alcoholic liquors to any
20 licensee within this State. A license shall be obtained for
21 each car in which such sales are made.

22 (g) A boat license shall allow the sale of alcoholic liquor
23 in individual drinks, on any passenger boat regularly operated
24 as a common carrier on navigable waters in this State or on any
25 riverboat operated under the Illinois ~~Riverboat~~ Gambling Act,
26 which boat or riverboat maintains a public dining room or

1 restaurant thereon.

2 (h) A non-beverage user's license shall allow the licensee
3 to purchase alcoholic liquor from a licensed manufacturer or
4 importing distributor, without the imposition of any tax upon
5 the business of such licensed manufacturer or importing
6 distributor as to such alcoholic liquor to be used by such
7 licensee solely for the non-beverage purposes set forth in
8 subsection (a) of Section 8-1 of this Act, and such licenses
9 shall be divided and classified and shall permit the purchase,
10 possession and use of limited and stated quantities of
11 alcoholic liquor as follows:

- 12 Class 1, not to exceed 500 gallons
- 13 Class 2, not to exceed 1,000 gallons
- 14 Class 3, not to exceed 5,000 gallons
- 15 Class 4, not to exceed 10,000 gallons
- 16 Class 5, not to exceed 50,000 gallons

17 (i) A wine-maker's premises license shall allow a licensee
18 that concurrently holds a first-class wine-maker's license to
19 sell and offer for sale at retail in the premises specified in
20 such license not more than 50,000 gallons of the first-class
21 wine-maker's wine that is made at the first-class wine-maker's
22 licensed premises per year for use or consumption, but not for
23 resale in any form. A wine-maker's premises license shall allow
24 a licensee who concurrently holds a second-class wine-maker's
25 license to sell and offer for sale at retail in the premises
26 specified in such license up to 100,000 gallons of the

1 second-class wine-maker's wine that is made at the second-class
2 wine-maker's licensed premises per year for use or consumption
3 but not for resale in any form. A wine-maker's premises license
4 shall allow a licensee that concurrently holds a first-class
5 wine-maker's license or a second-class wine-maker's license to
6 sell and offer for sale at retail at the premises specified in
7 the wine-maker's premises license, for use or consumption but
8 not for resale in any form, any beer, wine, and spirits
9 purchased from a licensed distributor. Upon approval from the
10 State Commission, a wine-maker's premises license shall allow
11 the licensee to sell and offer for sale at (i) the wine-maker's
12 licensed premises and (ii) at up to 2 additional locations for
13 use and consumption and not for resale. Each location shall
14 require additional licensing per location as specified in
15 Section 5-3 of this Act. A wine-maker's premises licensee shall
16 secure liquor liability insurance coverage in an amount at
17 least equal to the maximum liability amounts set forth in
18 subsection (a) of Section 6-21 of this Act.

19 (j) An airplane license shall permit the licensee to import
20 alcoholic liquors into this State from any point in the United
21 States outside this State and to store such alcoholic liquors
22 in this State; to make wholesale purchases of alcoholic liquors
23 directly from manufacturers, foreign importers, distributors
24 and importing distributors from within or outside this State;
25 and to store such alcoholic liquors in this State; provided
26 that the above powers may be exercised only in connection with

1 the importation, purchase or storage of alcoholic liquors to be
2 sold or dispensed on an airplane; and provided further, that
3 airplane licensees exercising the above powers shall be subject
4 to all provisions of Article VIII of this Act as applied to
5 importing distributors. An airplane licensee shall also permit
6 the sale or dispensing of alcoholic liquors on any passenger
7 airplane regularly operated by a common carrier in this State,
8 but shall not permit the sale for resale of any alcoholic
9 liquors to any licensee within this State. A single airplane
10 license shall be required of an airline company if liquor
11 service is provided on board aircraft in this State. The annual
12 fee for such license shall be as determined in Section 5-3.

13 (k) A foreign importer's license shall permit such licensee
14 to purchase alcoholic liquor from Illinois licensed
15 non-resident dealers only, and to import alcoholic liquor other
16 than in bulk from any point outside the United States and to
17 sell such alcoholic liquor to Illinois licensed importing
18 distributors and to no one else in Illinois; provided that (i)
19 the foreign importer registers with the State Commission every
20 brand of alcoholic liquor that it proposes to sell to Illinois
21 licensees during the license period, (ii) the foreign importer
22 complies with all of the provisions of Section 6-9 of this Act
23 with respect to registration of such Illinois licensees as may
24 be granted the right to sell such brands at wholesale, and
25 (iii) the foreign importer complies with the provisions of
26 Sections 6-5 and 6-6 of this Act to the same extent that these

1 provisions apply to manufacturers.

2 (1) (i) A broker's license shall be required of all persons
3 who solicit orders for, offer to sell or offer to supply
4 alcoholic liquor to retailers in the State of Illinois, or who
5 offer to retailers to ship or cause to be shipped or to make
6 contact with distillers, rectifiers, brewers or manufacturers
7 or any other party within or without the State of Illinois in
8 order that alcoholic liquors be shipped to a distributor,
9 importing distributor or foreign importer, whether such
10 solicitation or offer is consummated within or without the
11 State of Illinois.

12 No holder of a retailer's license issued by the Illinois
13 Liquor Control Commission shall purchase or receive any
14 alcoholic liquor, the order for which was solicited or offered
15 for sale to such retailer by a broker unless the broker is the
16 holder of a valid broker's license.

17 The broker shall, upon the acceptance by a retailer of the
18 broker's solicitation of an order or offer to sell or supply or
19 deliver or have delivered alcoholic liquors, promptly forward
20 to the Illinois Liquor Control Commission a notification of
21 said transaction in such form as the Commission may by
22 regulations prescribe.

23 (ii) A broker's license shall be required of a person
24 within this State, other than a retail licensee, who, for a fee
25 or commission, promotes, solicits, or accepts orders for
26 alcoholic liquor, for use or consumption and not for resale, to

1 be shipped from this State and delivered to residents outside
2 of this State by an express company, common carrier, or
3 contract carrier. This Section does not apply to any person who
4 promotes, solicits, or accepts orders for wine as specifically
5 authorized in Section 6-29 of this Act.

6 A broker's license under this subsection (1) shall not
7 entitle the holder to buy or sell any alcoholic liquors for his
8 own account or to take or deliver title to such alcoholic
9 liquors.

10 This subsection (1) shall not apply to distributors,
11 employees of distributors, or employees of a manufacturer who
12 has registered the trademark, brand or name of the alcoholic
13 liquor pursuant to Section 6-9 of this Act, and who regularly
14 sells such alcoholic liquor in the State of Illinois only to
15 its registrants thereunder.

16 Any agent, representative, or person subject to
17 registration pursuant to subsection (a-1) of this Section shall
18 not be eligible to receive a broker's license.

19 (m) A non-resident dealer's license shall permit such
20 licensee to ship into and warehouse alcoholic liquor into this
21 State from any point outside of this State, and to sell such
22 alcoholic liquor to Illinois licensed foreign importers and
23 importing distributors and to no one else in this State;
24 provided that (i) said non-resident dealer shall register with
25 the Illinois Liquor Control Commission each and every brand of
26 alcoholic liquor which it proposes to sell to Illinois

1 licensees during the license period, (ii) it shall comply with
2 all of the provisions of Section 6-9 hereof with respect to
3 registration of such Illinois licensees as may be granted the
4 right to sell such brands at wholesale, and (iii) the
5 non-resident dealer shall comply with the provisions of
6 Sections 6-5 and 6-6 of this Act to the same extent that these
7 provisions apply to manufacturers. No person licensed as a
8 non-resident dealer shall be granted a distributor's or
9 importing distributor's license.

10 (n) A brew pub license shall allow the licensee to only (i)
11 manufacture up to 155,000 gallons of beer per year only on the
12 premises specified in the license, (ii) make sales of the beer
13 manufactured on the premises or, with the approval of the
14 Commission, beer manufactured on another brew pub licensed
15 premises that is wholly owned and operated by the same licensee
16 to importing distributors, distributors, and to non-licensees
17 for use and consumption, (iii) store the beer upon the
18 premises, (iv) sell and offer for sale at retail from the
19 licensed premises for off-premises consumption no more than
20 155,000 gallons per year so long as such sales are only made
21 in-person, (v) sell and offer for sale at retail for use and
22 consumption on the premises specified in the license any form
23 of alcoholic liquor purchased from a licensed distributor or
24 importing distributor, and (vi) with the prior approval of the
25 Commission, annually transfer no more than 155,000 gallons of
26 beer manufactured on the premises to a licensed brew pub wholly

1 owned and operated by the same licensee.

2 A brew pub licensee shall not under any circumstance sell
3 or offer for sale beer manufactured by the brew pub licensee to
4 retail licensees.

5 A person who holds a class 2 brewer license may
6 simultaneously hold a brew pub license if the class 2 brewer
7 (i) does not, under any circumstance, sell or offer for sale
8 beer manufactured by the class 2 brewer to retail licensees;
9 (ii) does not hold more than 3 brew pub licenses in this State;
10 (iii) does not manufacture more than a combined 3,720,000
11 gallons of beer per year, including the beer manufactured at
12 the brew pub; and (iv) is not a member of or affiliated with,
13 directly or indirectly, a manufacturer that produces more than
14 3,720,000 gallons of beer per year or any other alcoholic
15 liquor.

16 Notwithstanding any other provision of this Act, a licensed
17 brewer, class 2 brewer, or non-resident dealer who before July
18 1, 2015 manufactured less than 3,720,000 gallons of beer per
19 year and held a brew pub license on or before July 1, 2015 may
20 (i) continue to qualify for and hold that brew pub license for
21 the licensed premises and (ii) manufacture more than 3,720,000
22 gallons of beer per year and continue to qualify for and hold
23 that brew pub license if that brewer, class 2 brewer, or
24 non-resident dealer does not simultaneously hold a class 1
25 brewer license and is not a member of or affiliated with,
26 directly or indirectly, a manufacturer that produces more than

1 3,720,000 gallons of beer per year or that produces any other
2 alcoholic liquor.

3 (o) A caterer retailer license shall allow the holder to
4 serve alcoholic liquors as an incidental part of a food service
5 that serves prepared meals which excludes the serving of snacks
6 as the primary meal, either on or off-site whether licensed or
7 unlicensed.

8 (p) An auction liquor license shall allow the licensee to
9 sell and offer for sale at auction wine and spirits for use or
10 consumption, or for resale by an Illinois liquor licensee in
11 accordance with provisions of this Act. An auction liquor
12 license will be issued to a person and it will permit the
13 auction liquor licensee to hold the auction anywhere in the
14 State. An auction liquor license must be obtained for each
15 auction at least 14 days in advance of the auction date.

16 (q) A special use permit license shall allow an Illinois
17 licensed retailer to transfer a portion of its alcoholic liquor
18 inventory from its retail licensed premises to the premises
19 specified in the license hereby created, and to sell or offer
20 for sale at retail, only in the premises specified in the
21 license hereby created, the transferred alcoholic liquor for
22 use or consumption, but not for resale in any form. A special
23 use permit license may be granted for the following time
24 periods: one day or less; 2 or more days to a maximum of 15 days
25 per location in any 12-month ~~12-month~~ period. An applicant for
26 the special use permit license must also submit with the

1 application proof satisfactory to the State Commission that the
2 applicant will provide dram shop liability insurance to the
3 maximum limits and have local authority approval.

4 (r) A winery shipper's license shall allow a person with a
5 first-class or second-class wine manufacturer's license, a
6 first-class or second-class wine-maker's license, or a limited
7 wine manufacturer's license or who is licensed to make wine
8 under the laws of another state to ship wine made by that
9 licensee directly to a resident of this State who is 21 years
10 of age or older for that resident's personal use and not for
11 resale. Prior to receiving a winery shipper's license, an
12 applicant for the license must provide the Commission with a
13 true copy of its current license in any state in which it is
14 licensed as a manufacturer of wine. An applicant for a winery
15 shipper's license must also complete an application form that
16 provides any other information the Commission deems necessary.
17 The application form shall include all addresses from which the
18 applicant for a winery shipper's license intends to ship wine,
19 including the name and address of any third party, except for a
20 common carrier, authorized to ship wine on behalf of the
21 manufacturer. The application form shall include an
22 acknowledgement consenting to the jurisdiction of the
23 Commission, the Illinois Department of Revenue, and the courts
24 of this State concerning the enforcement of this Act and any
25 related laws, rules, and regulations, including authorizing
26 the Department of Revenue and the Commission to conduct audits

1 for the purpose of ensuring compliance with Public Act 95-634,
2 and an acknowledgement that the wine manufacturer is in
3 compliance with Section 6-2 of this Act. Any third party,
4 except for a common carrier, authorized to ship wine on behalf
5 of a first-class or second-class wine manufacturer's licensee,
6 a first-class or second-class wine-maker's licensee, a limited
7 wine manufacturer's licensee, or a person who is licensed to
8 make wine under the laws of another state shall also be
9 disclosed by the winery shipper's licensee, and a copy of the
10 written appointment of the third-party wine provider, except
11 for a common carrier, to the wine manufacturer shall be filed
12 with the State Commission as a supplement to the winery
13 shipper's license application or any renewal thereof. The
14 winery shipper's license holder shall affirm under penalty of
15 perjury, as part of the winery shipper's license application or
16 renewal, that he or she only ships wine, either directly or
17 indirectly through a third-party provider, from the licensee's
18 own production.

19 Except for a common carrier, a third-party provider
20 shipping wine on behalf of a winery shipper's license holder is
21 the agent of the winery shipper's license holder and, as such,
22 a winery shipper's license holder is responsible for the acts
23 and omissions of the third-party provider acting on behalf of
24 the license holder. A third-party provider, except for a common
25 carrier, that engages in shipping wine into Illinois on behalf
26 of a winery shipper's license holder shall consent to the

1 jurisdiction of the State Commission and the State. Any
2 third-party, except for a common carrier, holding such an
3 appointment shall, by February 1 of each calendar year, file
4 with the State Commission a statement detailing each shipment
5 made to an Illinois resident. The State Commission shall adopt
6 rules as soon as practicable to implement the requirements of
7 Public Act 99-904 ~~this amendatory Act of the 99th General~~
8 ~~Assembly~~ and shall adopt rules prohibiting any such third-party
9 appointment of a third-party provider, except for a common
10 carrier, that has been deemed by the State Commission to have
11 violated the provisions of this Act with regard to any winery
12 shipper licensee.

13 A winery shipper licensee must pay to the Department of
14 Revenue the State liquor gallonage tax under Section 8-1 for
15 all wine that is sold by the licensee and shipped to a person
16 in this State. For the purposes of Section 8-1, a winery
17 shipper licensee shall be taxed in the same manner as a
18 manufacturer of wine. A licensee who is not otherwise required
19 to register under the Retailers' Occupation Tax Act must
20 register under the Use Tax Act to collect and remit use tax to
21 the Department of Revenue for all gallons of wine that are sold
22 by the licensee and shipped to persons in this State. If a
23 licensee fails to remit the tax imposed under this Act in
24 accordance with the provisions of Article VIII of this Act, the
25 winery shipper's license shall be revoked in accordance with
26 the provisions of Article VII of this Act. If a licensee fails

1 to properly register and remit tax under the Use Tax Act or the
2 Retailers' Occupation Tax Act for all wine that is sold by the
3 winery shipper and shipped to persons in this State, the winery
4 shipper's license shall be revoked in accordance with the
5 provisions of Article VII of this Act.

6 A winery shipper licensee must collect, maintain, and
7 submit to the Commission on a semi-annual basis the total
8 number of cases per resident of wine shipped to residents of
9 this State. A winery shipper licensed under this subsection (r)
10 must comply with the requirements of Section 6-29 of this Act.

11 Pursuant to paragraph (5.1) or (5.3) of subsection (a) of
12 Section 3-12, the State Commission may receive, respond to, and
13 investigate any complaint and impose any of the remedies
14 specified in paragraph (1) of subsection (a) of Section 3-12.

15 (s) A craft distiller tasting permit license shall allow an
16 Illinois licensed craft distiller to transfer a portion of its
17 alcoholic liquor inventory from its craft distiller licensed
18 premises to the premises specified in the license hereby
19 created and to conduct a sampling, only in the premises
20 specified in the license hereby created, of the transferred
21 alcoholic liquor in accordance with subsection (c) of Section
22 6-31 of this Act. The transferred alcoholic liquor may not be
23 sold or resold in any form. An applicant for the craft
24 distiller tasting permit license must also submit with the
25 application proof satisfactory to the State Commission that the
26 applicant will provide dram shop liability insurance to the

1 maximum limits and have local authority approval.

2 (Source: P.A. 98-394, eff. 8-16-13; 98-401, eff. 8-16-13;
3 98-756, eff. 7-16-14; 99-448, eff. 8-24-15; 99-642, eff.
4 7-28-16; 99-800, eff. 8-12-16; 99-902, eff. 8-26-16; 99-904,
5 eff. 1-1-17; revised 9-15-16.)

6 (235 ILCS 5/6-30) (from Ch. 43, par. 144f)

7 Sec. 6-30. Notwithstanding any other provision of this Act,
8 the Illinois Gaming Board shall have exclusive authority to
9 establish the hours for sale and consumption of alcoholic
10 liquor on board a riverboat during riverboat gambling
11 excursions and in a casino conducted in accordance with the
12 Illinois Riverboat Gambling Act.

13 (Source: P.A. 87-826.)

14 Section 90-46. The Illinois Public Aid Code is amended by
15 changing Section 10-17.15 as follows:

16 (305 ILCS 5/10-17.15)

17 Sec. 10-17.15. Certification of information to State
18 gaming licensees.

19 (a) For purposes of this Section, "State gaming licensee"
20 means, as applicable, an organization licensee or advance
21 deposit wagering licensee licensed under the Illinois Horse
22 Racing Act of 1975, an owners licensee licensed under the
23 Illinois Riverboat Gambling Act, or a licensee that operates,

1 under any law of this State, one or more facilities or gaming
2 locations at which lawful gambling is authorized and licensed
3 as provided in the Illinois Riverboat Gambling Act.

4 (b) The Department may provide, by rule, for certification
5 to any State gaming licensee of past due child support owed by
6 a responsible relative under a support order entered by a court
7 or administrative body of this or any other State on behalf of
8 a resident or non-resident receiving child support services
9 under this Article in accordance with the requirements of Title
10 IV-D, Part D, of the Social Security Act. The State gaming
11 licensee shall have the ability to withhold from winnings
12 required to be reported to the Internal Revenue Service on Form
13 W-2G, up to the full amount of winnings necessary to pay the
14 winner's past due child support. The rule shall provide for
15 notice to and an opportunity to be heard by each responsible
16 relative affected and any final administrative decision
17 rendered by the Department shall be reviewed only under and in
18 accordance with the Administrative Review Law.

19 (c) For withholding of winnings, the State gaming licensee
20 shall be entitled to an administrative fee not to exceed the
21 lesser of 4% of the total amount of cash winnings paid to the
22 gambling winner or \$150.

23 (d) In no event may the total amount withheld from the cash
24 payout, including the administrative fee, exceed the total cash
25 winnings claimed by the obligor. If the cash payout claimed is
26 greater than the amount sufficient to satisfy the obligor's

1 delinquent child support payments, the State gaming licensee
2 shall pay the obligor the remaining balance of the payout, less
3 the administrative fee authorized by subsection (c) of this
4 Section, at the time it is claimed.

5 (e) A State gaming licensee who in good faith complies with
6 the requirements of this Section shall not be liable to the
7 gaming winner or any other individual or entity.

8 (Source: P.A. 98-318, eff. 8-12-13.)

9 Section 90-47. The Firearm Concealed Carry Act is amended
10 by changing Section 65 as follows:

11 (430 ILCS 66/65)

12 Sec. 65. Prohibited areas.

13 (a) A licensee under this Act shall not knowingly carry a
14 firearm on or into:

15 (1) Any building, real property, and parking area under
16 the control of a public or private elementary or secondary
17 school.

18 (2) Any building, real property, and parking area under
19 the control of a pre-school or child care facility,
20 including any room or portion of a building under the
21 control of a pre-school or child care facility. Nothing in
22 this paragraph shall prevent the operator of a child care
23 facility in a family home from owning or possessing a
24 firearm in the home or license under this Act, if no child

1 under child care at the home is present in the home or the
2 firearm in the home is stored in a locked container when a
3 child under child care at the home is present in the home.

4 (3) Any building, parking area, or portion of a
5 building under the control of an officer of the executive
6 or legislative branch of government, provided that nothing
7 in this paragraph shall prohibit a licensee from carrying a
8 concealed firearm onto the real property, bikeway, or trail
9 in a park regulated by the Department of Natural Resources
10 or any other designated public hunting area or building
11 where firearm possession is permitted as established by the
12 Department of Natural Resources under Section 1.8 of the
13 Wildlife Code.

14 (4) Any building designated for matters before a
15 circuit court, appellate court, or the Supreme Court, or
16 any building or portion of a building under the control of
17 the Supreme Court.

18 (5) Any building or portion of a building under the
19 control of a unit of local government.

20 (6) Any building, real property, and parking area under
21 the control of an adult or juvenile detention or
22 correctional institution, prison, or jail.

23 (7) Any building, real property, and parking area under
24 the control of a public or private hospital or hospital
25 affiliate, mental health facility, or nursing home.

26 (8) Any bus, train, or form of transportation paid for

1 in whole or in part with public funds, and any building,
2 real property, and parking area under the control of a
3 public transportation facility paid for in whole or in part
4 with public funds.

5 (9) Any building, real property, and parking area under
6 the control of an establishment that serves alcohol on its
7 premises, if more than 50% of the establishment's gross
8 receipts within the prior 3 months is from the sale of
9 alcohol. The owner of an establishment who knowingly fails
10 to prohibit concealed firearms on its premises as provided
11 in this paragraph or who knowingly makes a false statement
12 or record to avoid the prohibition on concealed firearms
13 under this paragraph is subject to the penalty under
14 subsection (c-5) of Section 10-1 of the Liquor Control Act
15 of 1934.

16 (10) Any public gathering or special event conducted on
17 property open to the public that requires the issuance of a
18 permit from the unit of local government, provided this
19 prohibition shall not apply to a licensee who must walk
20 through a public gathering in order to access his or her
21 residence, place of business, or vehicle.

22 (11) Any building or real property that has been issued
23 a Special Event Retailer's license as defined in Section
24 1-3.17.1 of the Liquor Control Act during the time
25 designated for the sale of alcohol by the Special Event
26 Retailer's license, or a Special use permit license as

1 defined in subsection (q) of Section 5-1 of the Liquor
2 Control Act during the time designated for the sale of
3 alcohol by the Special use permit license.

4 (12) Any public playground.

5 (13) Any public park, athletic area, or athletic
6 facility under the control of a municipality or park
7 district, provided nothing in this Section shall prohibit a
8 licensee from carrying a concealed firearm while on a trail
9 or bikeway if only a portion of the trail or bikeway
10 includes a public park.

11 (14) Any real property under the control of the Cook
12 County Forest Preserve District.

13 (15) Any building, classroom, laboratory, medical
14 clinic, hospital, artistic venue, athletic venue,
15 entertainment venue, officially recognized
16 university-related organization property, whether owned or
17 leased, and any real property, including parking areas,
18 sidewalks, and common areas under the control of a public
19 or private community college, college, or university.

20 (16) Any building, real property, or parking area under
21 the control of a gaming facility licensed under the
22 Illinois Riverboat ~~Riverboat~~ Gambling Act or the Illinois Horse
23 Racing Act of 1975, including an inter-track wagering
24 location licensee.

25 (17) Any stadium, arena, or the real property or
26 parking area under the control of a stadium, arena, or any

1 collegiate or professional sporting event.

2 (18) Any building, real property, or parking area under
3 the control of a public library.

4 (19) Any building, real property, or parking area under
5 the control of an airport.

6 (20) Any building, real property, or parking area under
7 the control of an amusement park.

8 (21) Any building, real property, or parking area under
9 the control of a zoo or museum.

10 (22) Any street, driveway, parking area, property,
11 building, or facility, owned, leased, controlled, or used
12 by a nuclear energy, storage, weapons, or development site
13 or facility regulated by the federal Nuclear Regulatory
14 Commission. The licensee shall not under any circumstance
15 store a firearm or ammunition in his or her vehicle or in a
16 compartment or container within a vehicle located anywhere
17 in or on the street, driveway, parking area, property,
18 building, or facility described in this paragraph.

19 (23) Any area where firearms are prohibited under
20 federal law.

21 (a-5) Nothing in this Act shall prohibit a public or
22 private community college, college, or university from:

23 (1) prohibiting persons from carrying a firearm within
24 a vehicle owned, leased, or controlled by the college or
25 university;

26 (2) developing resolutions, regulations, or policies

1 regarding student, employee, or visitor misconduct and
2 discipline, including suspension and expulsion;

3 (3) developing resolutions, regulations, or policies
4 regarding the storage or maintenance of firearms, which
5 must include designated areas where persons can park
6 vehicles that carry firearms; and

7 (4) permitting the carrying or use of firearms for the
8 purpose of instruction and curriculum of officially
9 recognized programs, including but not limited to military
10 science and law enforcement training programs, or in any
11 designated area used for hunting purposes or target
12 shooting.

13 (a-10) The owner of private real property of any type may
14 prohibit the carrying of concealed firearms on the property
15 under his or her control. The owner must post a sign in
16 accordance with subsection (d) of this Section indicating that
17 firearms are prohibited on the property, unless the property is
18 a private residence.

19 (b) Notwithstanding subsections (a), (a-5), and (a-10) of
20 this Section except under paragraph (22) or (23) of subsection
21 (a), any licensee prohibited from carrying a concealed firearm
22 into the parking area of a prohibited location specified in
23 subsection (a), (a-5), or (a-10) of this Section shall be
24 permitted to carry a concealed firearm on or about his or her
25 person within a vehicle into the parking area and may store a
26 firearm or ammunition concealed in a case within a locked

1 vehicle or locked container out of plain view within the
2 vehicle in the parking area. A licensee may carry a concealed
3 firearm in the immediate area surrounding his or her vehicle
4 within a prohibited parking lot area only for the limited
5 purpose of storing or retrieving a firearm within the vehicle's
6 trunk. For purposes of this subsection, "case" includes a glove
7 compartment or console that completely encloses the concealed
8 firearm or ammunition, the trunk of the vehicle, or a firearm
9 carrying box, shipping box, or other container.

10 (c) A licensee shall not be in violation of this Section
11 while he or she is traveling along a public right of way that
12 touches or crosses any of the premises under subsection (a),
13 (a-5), or (a-10) of this Section if the concealed firearm is
14 carried on his or her person in accordance with the provisions
15 of this Act or is being transported in a vehicle by the
16 licensee in accordance with all other applicable provisions of
17 law.

18 (d) Signs stating that the carrying of firearms is
19 prohibited shall be clearly and conspicuously posted at the
20 entrance of a building, premises, or real property specified in
21 this Section as a prohibited area, unless the building or
22 premises is a private residence. Signs shall be of a uniform
23 design as established by the Department and shall be 4 inches
24 by 6 inches in size. The Department shall adopt rules for
25 standardized signs to be used under this subsection.

26 (Source: P.A. 98-63, eff. 7-9-13; 99-29, eff. 7-10-15.)

1 Section 90-50. The Criminal Code of 2012 is amended by
2 changing Sections 28-1, 28-1.1, 28-3, 28-5, and 28-7 as
3 follows:

4 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

5 Sec. 28-1. Gambling.

6 (a) A person commits gambling when he or she:

7 (1) knowingly plays a game of chance or skill for money
8 or other thing of value, unless excepted in subsection (b)
9 of this Section;

10 (2) knowingly makes a wager upon the result of any
11 game, contest, or any political nomination, appointment or
12 election;

13 (3) knowingly operates, keeps, owns, uses, purchases,
14 exhibits, rents, sells, bargains for the sale or lease of,
15 manufactures or distributes any gambling device;

16 (4) contracts to have or give himself or herself or
17 another the option to buy or sell, or contracts to buy or
18 sell, at a future time, any grain or other commodity
19 whatsoever, or any stock or security of any company, where
20 it is at the time of making such contract intended by both
21 parties thereto that the contract to buy or sell, or the
22 option, whenever exercised, or the contract resulting
23 therefrom, shall be settled, not by the receipt or delivery
24 of such property, but by the payment only of differences in

1 prices thereof; however, the issuance, purchase, sale,
2 exercise, endorsement or guarantee, by or through a person
3 registered with the Secretary of State pursuant to Section
4 8 of the Illinois Securities Law of 1953, or by or through
5 a person exempt from such registration under said Section
6 8, of a put, call, or other option to buy or sell
7 securities which have been registered with the Secretary of
8 State or which are exempt from such registration under
9 Section 3 of the Illinois Securities Law of 1953 is not
10 gambling within the meaning of this paragraph (4);

11 (5) knowingly owns or possesses any book, instrument or
12 apparatus by means of which bets or wagers have been, or
13 are, recorded or registered, or knowingly possesses any
14 money which he has received in the course of a bet or
15 wager;

16 (6) knowingly sells pools upon the result of any game
17 or contest of skill or chance, political nomination,
18 appointment or election;

19 (7) knowingly sets up or promotes any lottery or sells,
20 offers to sell or transfers any ticket or share for any
21 lottery;

22 (8) knowingly sets up or promotes any policy game or
23 sells, offers to sell or knowingly possesses or transfers
24 any policy ticket, slip, record, document or other similar
25 device;

26 (9) knowingly drafts, prints or publishes any lottery

1 ticket or share, or any policy ticket, slip, record,
2 document or similar device, except for such activity
3 related to lotteries, bingo games and raffles authorized by
4 and conducted in accordance with the laws of Illinois or
5 any other state or foreign government;

6 (10) knowingly advertises any lottery or policy game,
7 except for such activity related to lotteries, bingo games
8 and raffles authorized by and conducted in accordance with
9 the laws of Illinois or any other state;

10 (11) knowingly transmits information as to wagers,
11 betting odds, or changes in betting odds by telephone,
12 telegraph, radio, semaphore or similar means; or knowingly
13 installs or maintains equipment for the transmission or
14 receipt of such information; except that nothing in this
15 subdivision (11) prohibits transmission or receipt of such
16 information for use in news reporting of sporting events or
17 contests; or

18 (12) knowingly establishes, maintains, or operates an
19 Internet site that permits a person to play a game of
20 chance or skill for money or other thing of value by means
21 of the Internet or to make a wager upon the result of any
22 game, contest, political nomination, appointment, or
23 election by means of the Internet. This item (12) does not
24 apply to activities referenced in items (6) and (6.1) of
25 subsection (b) of this Section.

26 (b) Participants in any of the following activities shall

1 not be convicted of gambling:

2 (1) Agreements to compensate for loss caused by the
3 happening of chance including without limitation contracts
4 of indemnity or guaranty and life or health or accident
5 insurance.

6 (2) Offers of prizes, award or compensation to the
7 actual contestants in any bona fide contest for the
8 determination of skill, speed, strength or endurance or to
9 the owners of animals or vehicles entered in such contest.

10 (3) Pari-mutuel betting as authorized by the law of
11 this State.

12 (4) Manufacture of gambling devices, including the
13 acquisition of essential parts therefor and the assembly
14 thereof, for transportation in interstate or foreign
15 commerce to any place outside this State when such
16 transportation is not prohibited by any applicable Federal
17 law; or the manufacture, distribution, or possession of
18 video gaming terminals, as defined in the Video Gaming Act,
19 by manufacturers, distributors, and terminal operators
20 licensed to do so under the Video Gaming Act.

21 (5) The game commonly known as "bingo", when conducted
22 in accordance with the Bingo License and Tax Act.

23 (6) Lotteries when conducted by the State of Illinois
24 in accordance with the Illinois Lottery Law. This exemption
25 includes any activity conducted by the Department of
26 Revenue to sell lottery tickets pursuant to the provisions

1 of the Illinois Lottery Law and its rules.

2 (6.1) The purchase of lottery tickets through the
3 Internet for a lottery conducted by the State of Illinois
4 under the program established in Section 7.12 of the
5 Illinois Lottery Law.

6 (7) Possession of an antique slot machine that is
7 neither used nor intended to be used in the operation or
8 promotion of any unlawful gambling activity or enterprise.
9 For the purpose of this subparagraph (b)(7), an antique
10 slot machine is one manufactured 25 years ago or earlier.

11 (8) Raffles and poker runs when conducted in accordance
12 with the Raffles and Poker Runs Act.

13 (9) Charitable games when conducted in accordance with
14 the Charitable Games Act.

15 (10) Pull tabs and jar games when conducted under the
16 Illinois Pull Tabs and Jar Games Act.

17 (11) Gambling games ~~conducted on riverboats~~ when
18 authorized by the Illinois ~~Riverboat~~ Gambling Act.

19 (12) Video gaming terminal games at a licensed
20 establishment, licensed truck stop establishment, licensed
21 fraternal establishment, or licensed veterans
22 establishment when conducted in accordance with the Video
23 Gaming Act.

24 (13) Games of skill or chance where money or other
25 things of value can be won but no payment or purchase is
26 required to participate.

1 (14) Savings promotion raffles authorized under
2 Section 5g of the Illinois Banking Act, Section 7008 of the
3 Savings Bank Act, Section 42.7 of the Illinois Credit Union
4 Act, Section 5136B of the National Bank Act (12 U.S.C.
5 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.
6 1463).

7 (c) Sentence.

8 Gambling is a Class A misdemeanor. A second or subsequent
9 conviction under subsections (a) (3) through (a) (12), is a Class
10 4 felony.

11 (d) Circumstantial evidence.

12 In prosecutions under this Section circumstantial evidence
13 shall have the same validity and weight as in any criminal
14 prosecution.

15 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

16 (720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

17 Sec. 28-1.1. Syndicated gambling.

18 (a) Declaration of Purpose. Recognizing the close
19 relationship between professional gambling and other organized
20 crime, it is declared to be the policy of the legislature to
21 restrain persons from engaging in the business of gambling for
22 profit in this State. This Section shall be liberally construed
23 and administered with a view to carrying out this policy.

24 (b) A person commits syndicated gambling when he or she
25 operates a "policy game" or engages in the business of

1 bookmaking.

2 (c) A person "operates a policy game" when he or she
3 knowingly uses any premises or property for the purpose of
4 receiving or knowingly does receive from what is commonly
5 called "policy":

6 (1) money from a person other than the bettor or player
7 whose bets or plays are represented by the money; or

8 (2) written "policy game" records, made or used over
9 any period of time, from a person other than the bettor or
10 player whose bets or plays are represented by the written
11 record.

12 (d) A person engages in bookmaking when he or she knowingly
13 receives or accepts more than five bets or wagers upon the
14 result of any trials or contests of skill, speed or power of
15 endurance or upon any lot, chance, casualty, unknown or
16 contingent event whatsoever, which bets or wagers shall be of
17 such size that the total of the amounts of money paid or
18 promised to be paid to the bookmaker on account thereof shall
19 exceed \$2,000. Bookmaking is the receiving or accepting of bets
20 or wagers regardless of the form or manner in which the
21 bookmaker records them.

22 (e) Participants in any of the following activities shall
23 not be convicted of syndicated gambling:

24 (1) Agreements to compensate for loss caused by the
25 happening of chance including without limitation contracts
26 of indemnity or guaranty and life or health or accident

1 insurance;

2 (2) Offers of prizes, award or compensation to the
3 actual contestants in any bona fide contest for the
4 determination of skill, speed, strength or endurance or to
5 the owners of animals or vehicles entered in the contest;

6 (3) Pari-mutuel betting as authorized by law of this
7 State;

8 (4) Manufacture of gambling devices, including the
9 acquisition of essential parts therefor and the assembly
10 thereof, for transportation in interstate or foreign
11 commerce to any place outside this State when the
12 transportation is not prohibited by any applicable Federal
13 law;

14 (5) Raffles and poker runs when conducted in accordance
15 with the Raffles and Poker Runs Act;

16 (6) Gambling games conducted on riverboats, in
17 casinos, or at electronic gaming facilities when
18 authorized by the Illinois Riverboat Gambling Act;

19 (7) Video gaming terminal games at a licensed
20 establishment, licensed truck stop establishment, licensed
21 fraternal establishment, or licensed veterans
22 establishment when conducted in accordance with the Video
23 Gaming Act; and

24 (8) Savings promotion raffles authorized under Section
25 5g of the Illinois Banking Act, Section 7008 of the Savings
26 Bank Act, Section 42.7 of the Illinois Credit Union Act,

1 Section 5136B of the National Bank Act (12 U.S.C. 25a), or
2 Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463).

3 (f) Sentence. Syndicated gambling is a Class 3 felony.
4 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

5 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

6 Sec. 28-3. Keeping a Gambling Place. A "gambling place" is
7 any real estate, vehicle, boat or any other property whatsoever
8 used for the purposes of gambling other than gambling conducted
9 in the manner authorized by the Illinois ~~Riverboat~~ Gambling Act
10 or the Video Gaming Act. Any person who knowingly permits any
11 premises or property owned or occupied by him or under his
12 control to be used as a gambling place commits a Class A
13 misdemeanor. Each subsequent offense is a Class 4 felony. When
14 any premises is determined by the circuit court to be a
15 gambling place:

16 (a) Such premises is a public nuisance and may be proceeded
17 against as such, and

18 (b) All licenses, permits or certificates issued by the
19 State of Illinois or any subdivision or public agency thereof
20 authorizing the serving of food or liquor on such premises
21 shall be void; and no license, permit or certificate so
22 cancelled shall be reissued for such premises for a period of
23 60 days thereafter; nor shall any person convicted of keeping a
24 gambling place be reissued such license for one year from his
25 conviction and, after a second conviction of keeping a gambling

1 place, any such person shall not be reissued such license, and

2 (c) Such premises of any person who knowingly permits
3 thereon a violation of any Section of this Article shall be
4 held liable for, and may be sold to pay any unsatisfied
5 judgment that may be recovered and any unsatisfied fine that
6 may be levied under any Section of this Article.

7 (Source: P.A. 96-34, eff. 7-13-09.)

8 (720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

9 Sec. 28-5. Seizure of gambling devices and gambling funds.

10 (a) Every device designed for gambling which is incapable
11 of lawful use or every device used unlawfully for gambling
12 shall be considered a "gambling device", and shall be subject
13 to seizure, confiscation and destruction by the Department of
14 State Police or by any municipal, or other local authority,
15 within whose jurisdiction the same may be found. As used in
16 this Section, a "gambling device" includes any slot machine,
17 and includes any machine or device constructed for the
18 reception of money or other thing of value and so constructed
19 as to return, or to cause someone to return, on chance to the
20 player thereof money, property or a right to receive money or
21 property. With the exception of any device designed for
22 gambling which is incapable of lawful use, no gambling device
23 shall be forfeited or destroyed unless an individual with a
24 property interest in said device knows of the unlawful use of
25 the device.

1 (b) Every gambling device shall be seized and forfeited to
2 the county wherein such seizure occurs. Any money or other
3 thing of value integrally related to acts of gambling shall be
4 seized and forfeited to the county wherein such seizure occurs.

5 (c) If, within 60 days after any seizure pursuant to
6 subparagraph (b) of this Section, a person having any property
7 interest in the seized property is charged with an offense, the
8 court which renders judgment upon such charge shall, within 30
9 days after such judgment, conduct a forfeiture hearing to
10 determine whether such property was a gambling device at the
11 time of seizure. Such hearing shall be commenced by a written
12 petition by the State, including material allegations of fact,
13 the name and address of every person determined by the State to
14 have any property interest in the seized property, a
15 representation that written notice of the date, time and place
16 of such hearing has been mailed to every such person by
17 certified mail at least 10 days before such date, and a request
18 for forfeiture. Every such person may appear as a party and
19 present evidence at such hearing. The quantum of proof required
20 shall be a preponderance of the evidence, and the burden of
21 proof shall be on the State. If the court determines that the
22 seized property was a gambling device at the time of seizure,
23 an order of forfeiture and disposition of the seized property
24 shall be entered: a gambling device shall be received by the
25 State's Attorney, who shall effect its destruction, except that
26 valuable parts thereof may be liquidated and the resultant

1 money shall be deposited in the general fund of the county
2 wherein such seizure occurred; money and other things of value
3 shall be received by the State's Attorney and, upon
4 liquidation, shall be deposited in the general fund of the
5 county wherein such seizure occurred. However, in the event
6 that a defendant raises the defense that the seized slot
7 machine is an antique slot machine described in subparagraph
8 (b) (7) of Section 28-1 of this Code and therefore he is exempt
9 from the charge of a gambling activity participant, the seized
10 antique slot machine shall not be destroyed or otherwise
11 altered until a final determination is made by the Court as to
12 whether it is such an antique slot machine. Upon a final
13 determination by the Court of this question in favor of the
14 defendant, such slot machine shall be immediately returned to
15 the defendant. Such order of forfeiture and disposition shall,
16 for the purposes of appeal, be a final order and judgment in a
17 civil proceeding.

18 (d) If a seizure pursuant to subparagraph (b) of this
19 Section is not followed by a charge pursuant to subparagraph
20 (c) of this Section, or if the prosecution of such charge is
21 permanently terminated or indefinitely discontinued without
22 any judgment of conviction or acquittal (1) the State's
23 Attorney shall commence an in rem proceeding for the forfeiture
24 and destruction of a gambling device, or for the forfeiture and
25 deposit in the general fund of the county of any seized money
26 or other things of value, or both, in the circuit court and (2)

1 any person having any property interest in such seized gambling
2 device, money or other thing of value may commence separate
3 civil proceedings in the manner provided by law.

4 (e) Any gambling device displayed for sale to a riverboat
5 gambling operation, casino gambling operation, or electronic
6 gaming facility or used to train occupational licensees of a
7 riverboat gambling operation, casino gambling operation, or
8 electronic gaming facility as authorized under the Illinois
9 ~~Riverboat~~ Gambling Act is exempt from seizure under this
10 Section.

11 (f) Any gambling equipment, devices and supplies provided
12 by a licensed supplier in accordance with the Illinois
13 ~~Riverboat~~ Gambling Act which are removed from a the riverboat,
14 casino, or electronic gaming facility for repair are exempt
15 from seizure under this Section.

16 (g) The following video gaming terminals are exempt from
17 seizure under this Section:

18 (1) Video gaming terminals for sale to a licensed
19 distributor or operator under the Video Gaming Act.

20 (2) Video gaming terminals used to train licensed
21 technicians or licensed terminal handlers.

22 (3) Video gaming terminals that are removed from a
23 licensed establishment, licensed truck stop establishment,
24 licensed fraternal establishment, or licensed veterans
25 establishment for repair.

26 (Source: P.A. 98-31, eff. 6-24-13.)

1 (720 ILCS 5/28-7) (from Ch. 38, par. 28-7)

2 Sec. 28-7. Gambling contracts void.

3 (a) All promises, notes, bills, bonds, covenants,
4 contracts, agreements, judgments, mortgages, or other
5 securities or conveyances made, given, granted, drawn, or
6 entered into, or executed by any person whatsoever, where the
7 whole or any part of the consideration thereof is for any money
8 or thing of value, won or obtained in violation of any Section
9 of this Article are null and void.

10 (b) Any obligation void under this Section may be set aside
11 and vacated by any court of competent jurisdiction, upon a
12 complaint filed for that purpose, by the person so granting,
13 giving, entering into, or executing the same, or by his
14 executors or administrators, or by any creditor, heir, legatee,
15 purchaser or other person interested therein; or if a judgment,
16 the same may be set aside on motion of any person stated above,
17 on due notice thereof given.

18 (c) No assignment of any obligation void under this Section
19 may in any manner affect the defense of the person giving,
20 granting, drawing, entering into or executing such obligation,
21 or the remedies of any person interested therein.

22 (d) This Section shall not prevent a licensed owner of a
23 riverboat gambling operation, casino gambling operation, or an
24 electronic gaming licensee under the Illinois Gambling Act and
25 the Illinois Horse Racing Act of 1975 from instituting a cause

1 of action to collect any amount due and owing under an
2 extension of credit to a ~~riverboat~~ gambling patron as
3 authorized under Section 11.1 of the Illinois Riverboat
4 Gambling Act.

5 (Source: P.A. 87-826.)

6 Section 90-55. The Eminent Domain Act is amended by adding
7 Section 15-5-48 as follows:

8 (735 ILCS 30/15-5-48 new)

9 Sec. 15-5-48. Eminent domain powers in new Acts. The
10 following provisions of law may include express grants of the
11 power to acquire property by condemnation or eminent domain:

12 Chicago Casino Development Authority Act; City of Chicago; for
13 the purposes of the Act.

14 Section 90-60. The Payday Loan Reform Act is amended by
15 changing Section 3-5 as follows:

16 (815 ILCS 122/3-5)

17 Sec. 3-5. Licensure.

18 (a) A license to make a payday loan shall state the
19 address, including city and state, at which the business is to
20 be conducted and shall state fully the name of the licensee.
21 The license shall be conspicuously posted in the place of

1 business of the licensee and shall not be transferable or
2 assignable.

3 (b) An application for a license shall be in writing and in
4 a form prescribed by the Secretary. The Secretary may not issue
5 a payday loan license unless and until the following findings
6 are made:

7 (1) that the financial responsibility, experience,
8 character, and general fitness of the applicant are such as
9 to command the confidence of the public and to warrant the
10 belief that the business will be operated lawfully and
11 fairly and within the provisions and purposes of this Act;
12 and

13 (2) that the applicant has submitted such other
14 information as the Secretary may deem necessary.

15 (c) A license shall be issued for no longer than one year,
16 and no renewal of a license may be provided if a licensee has
17 substantially violated this Act and has not cured the violation
18 to the satisfaction of the Department.

19 (d) A licensee shall appoint, in writing, the Secretary as
20 attorney-in-fact upon whom all lawful process against the
21 licensee may be served with the same legal force and validity
22 as if served on the licensee. A copy of the written
23 appointment, duly certified, shall be filed in the office of
24 the Secretary, and a copy thereof certified by the Secretary
25 shall be sufficient evidence to subject a licensee to
26 jurisdiction in a court of law. This appointment shall remain

1 in effect while any liability remains outstanding in this State
2 against the licensee. When summons is served upon the Secretary
3 as attorney-in-fact for a licensee, the Secretary shall
4 immediately notify the licensee by registered mail, enclosing
5 the summons and specifying the hour and day of service.

6 (e) A licensee must pay an annual fee of \$1,000. In
7 addition to the license fee, the reasonable expense of any
8 examination or hearing by the Secretary under any provisions of
9 this Act shall be borne by the licensee. If a licensee fails to
10 renew its license by December 31, its license shall
11 automatically expire; however, the Secretary, in his or her
12 discretion, may reinstate an expired license upon:

13 (1) payment of the annual fee within 30 days of the
14 date of expiration; and

15 (2) proof of good cause for failure to renew.

16 (f) Not more than one place of business shall be maintained
17 under the same license, but the Secretary may issue more than
18 one license to the same licensee upon compliance with all the
19 provisions of this Act governing issuance of a single license.
20 The location, except those locations already in existence as of
21 June 1, 2005, may not be within one mile of a horse race track
22 subject to the Illinois Horse Racing Act of 1975, within one
23 mile of a facility at which gambling is conducted under the
24 Illinois Riverboat ~~Riverboat~~ Gambling Act, within one mile of the
25 location at which a riverboat subject to the Illinois Riverboat
26 Gambling Act docks, or within one mile of any State of Illinois

1 or United States military base or naval installation.

2 (g) No licensee shall conduct the business of making loans
3 under this Act within any office, suite, room, or place of
4 business in which (1) any loans are offered or made under the
5 Consumer Installment Loan Act other than title secured loans as
6 defined in subsection (a) of Section 15 of the Consumer
7 Installment Loan Act and governed by Title 38, Section 110.330
8 of the Illinois Administrative Code or (2) any other business
9 is solicited or engaged in unless the other business is
10 licensed by the Department or, in the opinion of the Secretary,
11 the other business would not be contrary to the best interests
12 of consumers and is authorized by the Secretary in writing.

13 (g-5) Notwithstanding subsection (g) of this Section, a
14 licensee may obtain a license under the Consumer Installment
15 Loan Act (CILA) for the exclusive purpose and use of making
16 title secured loans, as defined in subsection (a) of Section 15
17 of CILA and governed by Title 38, Section 110.300 of the
18 Illinois Administrative Code. A licensee may continue to
19 service Consumer Installment Loan Act loans that were
20 outstanding as of the effective date of this amendatory Act of
21 the 96th General Assembly.

22 (h) The Secretary shall maintain a list of licensees that
23 shall be available to interested consumers and lenders and the
24 public. The Secretary shall maintain a toll-free number whereby
25 consumers may obtain information about licensees. The
26 Secretary shall also establish a complaint process under which

1 an aggrieved consumer may file a complaint against a licensee
2 or non-licensee who violates any provision of this Act.

3 (Source: P.A. 96-936, eff. 3-21-11.)

4 Section 90-65. The Travel Promotion Consumer Protection
5 Act is amended by changing Section 2 as follows:

6 (815 ILCS 420/2) (from Ch. 121 1/2, par. 1852)

7 Sec. 2. Definitions.

8 (a) "Travel promoter" means a person, including a tour
9 operator, who sells, provides, furnishes, contracts for,
10 arranges or advertises that he or she will arrange wholesale or
11 retail transportation by air, land, sea or navigable stream,
12 either separately or in conjunction with other services.
13 "Travel promoter" does not include (1) an air carrier; (2) a
14 sea carrier; (3) an officially appointed agent of an air
15 carrier who is a member in good standing of the Airline
16 Reporting Corporation; (4) a travel promoter who has in force
17 \$1,000,000 or more of liability insurance coverage for
18 professional errors and omissions and a surety bond or
19 equivalent surety in the amount of \$100,000 or more for the
20 benefit of consumers in the event of a bankruptcy on the part
21 of the travel promoter; or (5) a riverboat subject to
22 regulation under the Illinois Riverboat ~~Riverboat~~ Gambling Act.

23 (b) "Advertise" means to make any representation in the
24 solicitation of passengers and includes communication with

1 other members of the same partnership, corporation, joint
2 venture, association, organization, group or other entity.

3 (c) "Passenger" means a person on whose behalf money or
4 other consideration has been given or is to be given to
5 another, including another member of the same partnership,
6 corporation, joint venture, association, organization, group
7 or other entity, for travel.

8 (d) "Ticket or voucher" means a writing or combination of
9 writings which is itself good and sufficient to obtain
10 transportation and other services for which the passenger has
11 contracted.

12 (Source: P.A. 91-357, eff. 7-29-99.)

13 (30 ILCS 105/5.490 rep.)

14 Section 90-70. The State Finance Act is amended by
15 repealing Section 5.490.

16 (230 ILCS 5/54 rep.)

17 Section 90-75. The Illinois Horse Racing Act of 1975 is
18 amended by repealing Section 54.

19 ARTICLE 99.

20 Section 99-97. Severability. The provisions of this Act are
21 severable under Section 1.31 of the Statute on Statutes.

22 Section 99-99. Effective date. This Act takes effect upon

1 becoming law, but this Act does not take effect at all unless
2 Senate Bills 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, and 13 of the
3 100th General Assembly become law.

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24	205 ILCS 670/12.5	
25	230 ILCS 5/1.2	

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2	230 ILCS 5/3.12	from Ch. 8, par. 37-3.12
3	230 ILCS 5/3.31 new	
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5	230 ILCS 5/3.33 new	
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8	230 ILCS 5/6	from Ch. 8, par. 37-6
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5	230 ILCS 10/2	from Ch. 120, par. 2402
6	230 ILCS 10/3	from Ch. 120, par. 2403
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8	230 ILCS 10/5	from Ch. 120, par. 2405
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11	230 ILCS 10/6	from Ch. 120, par. 2406
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- 1 720 ILCS 5/28-7 from Ch. 38, par. 28-7
- 2 735 ILCS 30/15-5-48 new
- 3 815 ILCS 122/3-5
- 4 815 ILCS 420/2 from Ch. 121 1/2, par. 1852
- 5 30 ILCS 105/5.490 rep.
- 6 230 ILCS 5/54 rep.