

1 AN ACT concerning revenue.

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

4 Article 5. Leveling the Playing Field for Illinois Retail Act

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

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

1 transactions by retailers maintaining a physical presence in
2 Illinois.

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

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

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

12 "Department" means the Department of Revenue.

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

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

22 Section 5-15. Certification of certified service
23 providers. The Department shall, no later than December 31,
24 2019, establish standards for the certification of certified

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

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

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

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

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

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

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

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

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

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

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

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

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

1 proper collection and remittance of use and occupation
2 taxes;

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

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

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

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

19 Section 5-30. Relief from liability. Beginning January 1,
20 2020, remote retailers using certified service providers or
21 certified automated systems and their certified service
22 providers or certified automated systems providers are
23 relieved from liability to the State for having charged and
24 collected the incorrect amount of use or occupation tax
25 resulting from a certified service provider or certified

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

6 The Department shall, to the best of its ability, assign
7 addresses to the proper local taxing jurisdiction using a
8 9-digit zip code identifier. On an annual basis, the Department
9 shall make available to local taxing jurisdictions the taxing
10 jurisdiction boundaries determined by the Department for their
11 verification. If a jurisdiction fails to verify their taxing
12 jurisdiction boundaries to the Department in any given year,
13 the Department shall assign retailers' occupation tax revenue
14 from remote retail sales based on its best information. In that
15 case, tax revenues from remote retail sales remitted to a
16 taxing jurisdiction based on erroneous local tax boundary
17 information will be assigned to the correct taxing jurisdiction
18 on a prospective basis upon notice of the boundary error from a
19 local taxing jurisdiction. No certified service provider or
20 remote retailer using a certified automated system shall be
21 subject to a class action brought on behalf of customers and
22 arising from, or in any way related to, an overpayment of
23 retailers' occupation tax collected by the certified service
24 provider if, at the time of the sale, they relied on
25 information provided by the Department, regardless of whether
26 that claim is characterized as a tax refund claim. Nothing in

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

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

5 Article 10. Parking Excise Tax Act

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

9 Section 10-5. Definitions.

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

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

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

7 "Department" means the Department of Revenue.

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

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

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

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

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

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

1 include consideration paid for:

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

5 (2) any charge for a dishonored check;

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

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

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

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

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

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

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

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

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

8 (2) 9% of the purchase price for a parking space paid
9 for on a monthly or annual basis.

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

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

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

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

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

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

11 (1) the name of the operator;

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

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

20 (4) deductions allowed by law;

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

24 (6) the amount of tax due; and

25 (7) such other reasonable information as the

1 Department may require.

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Section 10-25. Collection of tax.

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

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

1 Section 10-30. Registration of operators.

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

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

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

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

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

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

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

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

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

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

16 Section 10-40. Valet services.

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

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

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

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

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

9 Section 10-50. Incorporation by reference. All of the
10 provisions of Sections 1, 2a, 2b, 3 (except provisions relating
11 to transaction returns and except for provisions that are
12 inconsistent with this Act), in respect to all provisions
13 therein other than the State rate of tax) 4, 5, 5a, 5b, 5c, 5d,
14 5e, 5f, 5g, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and
15 13 of the Retailers' Occupation Tax Act that are not
16 inconsistent with this Act, and all provisions of the Uniform
17 Penalty and Interest Act shall apply, as far as practicable, to
18 the subject matter of this Act to the same extent as if such
19 provisions were included in this Act.

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

1 Article 15. Amendatory Provisions

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

4 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

5 Sec. 5-45. Emergency rulemaking.

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

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

1 persons who may be affected by them.

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

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

1 1971, rules to alter the contributions to be paid by the State,
2 annuitants, survivors, retired employees, or any combination
3 of those entities, for that program of group health benefits,
4 shall be adopted as emergency rules. The adoption of those
5 rules shall be considered an emergency and necessary for the
6 public interest, safety, and welfare.

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

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

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

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

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

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

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

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

1 (j) In order to provide for the expeditious and timely
2 implementation of the provisions of the State's fiscal year
3 2005 budget as provided under the Fiscal Year 2005 Budget
4 Implementation (Human Services) Act, emergency rules to
5 implement any provision of the Fiscal Year 2005 Budget
6 Implementation (Human Services) Act may be adopted in
7 accordance with this Section by the agency charged with
8 administering that provision, except that the 24-month
9 limitation on the adoption of emergency rules and the
10 provisions of Sections 5-115 and 5-125 do not apply to rules
11 adopted under this subsection (j). The Department of Public Aid
12 may also adopt rules under this subsection (j) necessary to
13 administer the Illinois Public Aid Code and the Children's
14 Health Insurance Program Act. The adoption of emergency rules
15 authorized by this subsection (j) shall be deemed to be
16 necessary for the public interest, safety, and welfare.

17 (k) In order to provide for the expeditious and timely
18 implementation of the provisions of the State's fiscal year
19 2006 budget, emergency rules to implement any provision of
20 Public Act 94-48 or any other budget initiative for fiscal year
21 2006 may be adopted in accordance with this Section by the
22 agency charged with administering that provision or
23 initiative, except that the 24-month limitation on the adoption
24 of emergency rules and the provisions of Sections 5-115 and
25 5-125 do not apply to rules adopted under this subsection (k).
26 The Department of Healthcare and Family Services may also adopt

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

10 (l) In order to provide for the expeditious and timely
11 implementation of the provisions of the State's fiscal year
12 2007 budget, the Department of Healthcare and Family Services
13 may adopt emergency rules during fiscal year 2007, including
14 rules effective July 1, 2007, in accordance with this
15 subsection to the extent necessary to administer the
16 Department's responsibilities with respect to amendments to
17 the State plans and Illinois waivers approved by the federal
18 Centers for Medicare and Medicaid Services necessitated by the
19 requirements of Title XIX and Title XXI of the federal Social
20 Security Act. The adoption of emergency rules authorized by
21 this subsection (l) shall be deemed to be necessary for the
22 public interest, safety, and welfare.

23 (m) In order to provide for the expeditious and timely
24 implementation of the provisions of the State's fiscal year
25 2008 budget, the Department of Healthcare and Family Services
26 may adopt emergency rules during fiscal year 2008, including

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

10 (n) In order to provide for the expeditious and timely
11 implementation of the provisions of the State's fiscal year
12 2010 budget, emergency rules to implement any provision of
13 Public Act 96-45 or any other budget initiative authorized by
14 the 96th General Assembly for fiscal year 2010 may be adopted
15 in accordance with this Section by the agency charged with
16 administering that provision or initiative. The adoption of
17 emergency rules authorized by this subsection (n) shall be
18 deemed to be necessary for the public interest, safety, and
19 welfare. The rulemaking authority granted in this subsection
20 (n) shall apply only to rules promulgated during Fiscal Year
21 2010.

22 (o) In order to provide for the expeditious and timely
23 implementation of the provisions of the State's fiscal year
24 2011 budget, emergency rules to implement any provision of
25 Public Act 96-958 or any other budget initiative authorized by
26 the 96th General Assembly for fiscal year 2011 may be adopted

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

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

21 (q) In order to provide for the expeditious and timely
22 implementation of the provisions of Articles 7, 8, 9, 11, and
23 12 of Public Act 98-104, emergency rules to implement any
24 provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104
25 may be adopted in accordance with this subsection (q) by the
26 agency charged with administering that provision or

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

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

15 (s) In order to provide for the expeditious and timely
16 implementation of the provisions of Sections 5-5b.1 and 5A-2 of
17 the Illinois Public Aid Code, emergency rules to implement any
18 provision of Section 5-5b.1 or Section 5A-2 of the Illinois
19 Public Aid Code may be adopted in accordance with this
20 subsection (s) by the Department of Healthcare and Family
21 Services. The rulemaking authority granted in this subsection
22 (s) shall apply only to those rules adopted prior to July 1,
23 2015. Notwithstanding any other provision of this Section, any
24 emergency rule adopted under this subsection (s) shall only
25 apply to payments made for State fiscal year 2015. The adoption
26 of emergency rules authorized by this subsection (s) is deemed

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

2 (t) In order to provide for the expeditious and timely
3 implementation of the provisions of Article II of Public Act
4 99-6, emergency rules to implement the changes made by Article
5 II of Public Act 99-6 to the Emergency Telephone System Act may
6 be adopted in accordance with this subsection (t) by the
7 Department of State Police. The rulemaking authority granted in
8 this subsection (t) shall apply only to those rules adopted
9 prior to July 1, 2016. The 24-month limitation on the adoption
10 of emergency rules does not apply to rules adopted under this
11 subsection (t). The adoption of emergency rules authorized by
12 this subsection (t) is deemed to be necessary for the public
13 interest, safety, and welfare.

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

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

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

6 (w) In order to provide for the expeditious and timely
7 implementation of the provisions of Public Act 99-796,
8 emergency rules to implement the changes made by Public Act
9 99-796 may be adopted in accordance with this subsection (w) by
10 the Adjutant General. The adoption of emergency rules
11 authorized by this subsection (w) is deemed to be necessary for
12 the public interest, safety, and welfare.

13 (x) In order to provide for the expeditious and timely
14 implementation of the provisions of Public Act 99-906,
15 emergency rules to implement subsection (i) of Section 16-115D,
16 subsection (g) of Section 16-128A, and subsection (a) of
17 Section 16-128B of the Public Utilities Act may be adopted in
18 accordance with this subsection (x) by the Illinois Commerce
19 Commission. The rulemaking authority granted in this
20 subsection (x) shall apply only to those rules adopted within
21 180 days after June 1, 2017 (the effective date of Public Act
22 99-906). The adoption of emergency rules authorized by this
23 subsection (x) is deemed to be necessary for the public
24 interest, safety, and welfare.

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

1 emergency rules to implement the changes made by Public Act
2 100-23 to Section 4.02 of the Illinois Act on the Aging,
3 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,
4 Section 55-30 of the Alcoholism and Other Drug Abuse and
5 Dependency Act, and Sections 74 and 75 of the Mental Health and
6 Developmental Disabilities Administrative Act may be adopted
7 in accordance with this subsection (y) by the respective
8 Department. The adoption of emergency rules authorized by this
9 subsection (y) is deemed to be necessary for the public
10 interest, safety, and welfare.

11 (z) In order to provide for the expeditious and timely
12 implementation of the provisions of Public Act 100-554,
13 emergency rules to implement the changes made by Public Act
14 100-554 to Section 4.7 of the Lobbyist Registration Act may be
15 adopted in accordance with this subsection (z) by the Secretary
16 of State. The adoption of emergency rules authorized by this
17 subsection (z) is deemed to be necessary for the public
18 interest, safety, and welfare.

19 (aa) In order to provide for the expeditious and timely
20 initial implementation of the changes made to Articles 5, 5A,
21 12, and 14 of the Illinois Public Aid Code under the provisions
22 of Public Act 100-581, the Department of Healthcare and Family
23 Services may adopt emergency rules in accordance with this
24 subsection (aa). The 24-month limitation on the adoption of
25 emergency rules does not apply to rules to initially implement
26 the changes made to Articles 5, 5A, 12, and 14 of the Illinois

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

5 (bb) In order to provide for the expeditious and timely
6 implementation of the provisions of Public Act 100-587,
7 emergency rules to implement the changes made by Public Act
8 100-587 to Section 4.02 of the Illinois Act on the Aging,
9 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,
10 subsection (b) of Section 55-30 of the Alcoholism and Other
11 Drug Abuse and Dependency Act, Section 5-104 of the Specialized
12 Mental Health Rehabilitation Act of 2013, and Section 75 and
13 subsection (b) of Section 74 of the Mental Health and
14 Developmental Disabilities Administrative Act may be adopted
15 in accordance with this subsection (bb) by the respective
16 Department. The adoption of emergency rules authorized by this
17 subsection (bb) is deemed to be necessary for the public
18 interest, safety, and welfare.

19 (cc) In order to provide for the expeditious and timely
20 implementation of the provisions of Public Act 100-587,
21 emergency rules may be adopted in accordance with this
22 subsection (cc) to implement the changes made by Public Act
23 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois
24 Pension Code by the Board created under Article 14 of the Code;
25 Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by
26 the Board created under Article 15 of the Code; and Sections

1 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board
2 created under Article 16 of the Code. The adoption of emergency
3 rules authorized by this subsection (cc) is deemed to be
4 necessary for the public interest, safety, and welfare.

5 (dd) In order to provide for the expeditious and timely
6 implementation of the provisions of Public Act 100-864,
7 emergency rules to implement the changes made by Public Act
8 100-864 to Section 3.35 of the Newborn Metabolic Screening Act
9 may be adopted in accordance with this subsection (dd) by the
10 Secretary of State. The adoption of emergency rules authorized
11 by this subsection (dd) is deemed to be necessary for the
12 public interest, safety, and welfare.

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

21 (ff) ~~(ee)~~ In order to provide for the expeditious and
22 timely initial implementation of the changes made to Articles
23 5A and 14 of the Illinois Public Aid Code under the provisions
24 of Public Act 100-1181 ~~this amendatory Act of the 100th General~~
25 ~~Assembly~~, the Department of Healthcare and Family Services may
26 on a one-time-only basis adopt emergency rules in accordance

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

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

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

25 (Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17;
26 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff.

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

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

7 (20 ILCS 605/605-1025 new)

8 Sec. 605-1025. Data center investment.

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

18 (b) For taxable years beginning on or after January 1,
19 2019, the Department shall award credits against the taxes
20 imposed under subsections (a) and (b) of Section 201 of the
21 Illinois Income Tax Act as provided in Section 229 of the
22 Illinois Income Tax Act.

23 (c) For purposes of this Section:

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

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

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

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

14 (2) in the case of an existing data center, made a
15 capital investment of at least \$250,000,000
16 collectively by the data center operator and the
17 tenants of all of its data centers over the 60-month
18 period immediately prior to January 1, 2020 or
19 committed to make a capital investment of at least
20 \$250,000,000 over a 60-month period commencing before
21 January 1, 2020 and ending after January 1, 2020; or

22 (3) in the case of a new data center, makes a
23 capital investment of at least \$250,000,000 over a
24 60-month period; and

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

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

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

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

15 (B) ENERGY STAR;

16 (C) Envision;

17 (D) ISO 50001-energy management;

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

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

22 (G) UL 3223; or

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

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

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

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

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

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

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

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

22 (2) the number of new jobs created;

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

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

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

3 (5) the duration of the exemption; and

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

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

11 (1) the name of each recipient business;

12 (2) the location of the project;

13 (3) the estimated value of the credit;

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

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

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

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

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

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

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

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

1 (i) The Department shall not issue any new certificates of
2 exemption under the provisions of this Section after July 1,
3 2029. This sunset shall not affect any existing certificates of
4 exemption in effect on July 1, 2029.

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

7 (30 ILCS 105/5.891 new)

8 Sec. 5.891. The Transportation Renewal Fund.

9 (30 ILCS 105/5.893 new)

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

12 (30 ILCS 105/5.894 new)

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

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

17 (35 ILCS 5/229 new)

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

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

1 605-1025 of the Department of Commerce and Economic Opportunity
2 Law of the Civil Administrative Code of Illinois is entitled to
3 a credit against the taxes imposed under subsections (a) and
4 (b) of Section 201 of this Act. The amount of the credit shall
5 be 20% of the wages paid during the taxable year to a full-time
6 or part-time employee of a construction contractor employed by
7 a certified data center if those wages are paid for the
8 construction of a new data center in a geographic area that
9 meets any one of the following criteria:

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

12 (2) 75% or more of the children in the area participate
13 in the federal free lunch program, according to reported
14 statistics from the State Board of Education;

15 (3) 20% or more of the households in the area receive
16 assistance under the Supplemental Nutrition Assistance
17 Program (SNAP); or

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

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

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

8 (b) In no event shall a credit under this Section reduce
9 the taxpayer's liability to less than zero. If the amount of
10 the credit exceeds the tax liability for the year, the excess
11 may be carried forward and applied to the tax liability of the
12 5 taxable years following the excess credit year. The tax
13 credit shall be applied to the earliest year for which there is
14 a tax liability. If there are credits for more than one year
15 that are available to offset a liability, the earlier credit
16 shall be applied first.

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

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

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

6 (35 ILCS 105/2) (from Ch. 120, par. 439.2)

7 Sec. 2. Definitions.

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

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

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

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

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

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

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

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

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

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

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

14 "Selling price" means the consideration for a sale valued
15 in money whether received in money or otherwise, including
16 cash, credits, property other than as hereinafter provided, and
17 services, but, prior to January 1, 2020, not including the
18 value of or credit given for traded-in tangible personal
19 property where the item that is traded-in is of like kind and
20 character as that which is being sold; beginning January 1,
21 2020, "selling price" includes the portion of the value of or
22 credit given for traded-in motor vehicles of the First Division
23 as defined in Section 1-146 of the Illinois Vehicle Code of
24 like kind and character as that which is being sold that
25 exceeds \$10,000. "Selling price",~~and~~ shall be determined
26 without any deduction on account of the cost of the property

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

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

1 a self-contained motor vehicle designed or permanently
2 converted to provide living quarters for recreational,
3 camping, or travel use, with direct walk through access to the
4 living quarters from the driver's seat; (B) is of the van
5 configuration designed for the transportation of not less than
6 7 nor more than 16 passengers; or (C) has a gross vehicle
7 weight rating of 8,000 pounds or less or (2) is a motor vehicle
8 of the first division, "selling price" or "amount of sale"
9 means the consideration received by the lessor pursuant to the
10 lease contract, including amounts due at lease signing and all
11 monthly or other regular payments charged over the term of the
12 lease. Also included in the selling price is any amount
13 received by the lessor from the lessee for the leased vehicle
14 that is not calculated at the time the lease is executed,
15 including, but not limited to, excess mileage charges and
16 charges for excess wear and tear. For sales that occur in
17 Illinois, with respect to any amount received by the lessor
18 from the lessee for the leased vehicle that is not calculated
19 at the time the lease is executed, the lessor who purchased the
20 motor vehicle does not incur the tax imposed by the Use Tax Act
21 on those amounts, and the retailer who makes the retail sale of
22 the motor vehicle to the lessor is not required to collect the
23 tax imposed by this Act or to pay the tax imposed by the
24 Retailers' Occupation Tax Act on those amounts. However, the
25 lessor who purchased the motor vehicle assumes the liability
26 for reporting and paying the tax on those amounts directly to

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

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

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

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

5 "Department" means the Department of Revenue.

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

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

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

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

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

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

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

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

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

1 retailers:

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

19 (1.1) (Blank). ~~A retailer having a contract with a~~
20 ~~person located in this State under which the person, for a~~
21 ~~commission or other consideration based upon the sale of~~
22 ~~tangible personal property by the retailer, directly or~~
23 ~~indirectly refers potential customers to the retailer by~~
24 ~~providing to the potential customers a promotional code or~~
25 ~~other mechanism that allows the retailer to track purchases~~
26 ~~referred by such persons. Examples of mechanisms that allow~~

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

20 (1.2) (Blank). ~~Beginning July 1, 2011, a retailer~~
21 ~~having a contract with a person located in this State under~~
22 ~~which:~~

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

1 ~~located in this State; and~~

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

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

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

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

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

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

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

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

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

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

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

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

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

4 The retailer shall determine on a quarterly basis,
5 ending on the last day of March, June, September, and
6 December, whether he or she meets the criteria of either
7 subparagraph (A) or (B) of this paragraph (9) for the
8 preceding 12-month period. If the retailer meets the
9 criteria of either subparagraph (A) or (B) for a 12-month
10 period, he or she is considered a retailer maintaining a
11 place of business in this State and is required to collect
12 and remit the tax imposed under this Act and file returns
13 for one year. At the end of that one-year period, the
14 retailer shall determine whether the retailer met the
15 criteria of either subparagraph (A) or (B) during the
16 preceding 12-month period. If the retailer met the criteria
17 in either subparagraph (A) or (B) for the preceding
18 12-month period, he or she is considered a retailer
19 maintaining a place of business in this State and is
20 required to collect and remit the tax imposed under this
21 Act and file returns for the subsequent year. If at the end
22 of a one-year period a retailer that was required to
23 collect and remit the tax imposed under this Act determines
24 that he or she did not meet the criteria in either
25 subparagraph (A) or (B) during the preceding 12-month
26 period, the retailer shall subsequently determine on a

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

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

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

12 (35 ILCS 105/3-5)

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

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

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

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

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

15 (4) Personal property purchased by a governmental body, by
16 a corporation, society, association, foundation, or
17 institution organized and operated exclusively for charitable,
18 religious, or educational purposes, or by a not-for-profit
19 corporation, society, association, foundation, institution, or
20 organization that has no compensated officers or employees and
21 that is organized and operated primarily for the recreation of
22 persons 55 years of age or older. A limited liability company
23 may qualify for the exemption under this paragraph only if the
24 limited liability company is organized and operated
25 exclusively for educational purposes. On and after July 1,
26 1987, however, no entity otherwise eligible for this exemption

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

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

6 (6) Until July 1, 2003 and beginning again on September 1,
7 2004 through August 30, 2014, graphic arts machinery and
8 equipment, including repair and replacement parts, both new and
9 used, and including that manufactured on special order,
10 certified by the purchaser to be used primarily for graphic
11 arts production, and including machinery and equipment
12 purchased for lease. Equipment includes chemicals or chemicals
13 acting as catalysts but only if the chemicals or chemicals
14 acting as catalysts effect a direct and immediate change upon a
15 graphic arts product. Beginning on July 1, 2017, graphic arts
16 machinery and equipment is included in the manufacturing and
17 assembling machinery and equipment exemption under paragraph
18 (18).

19 (7) Farm chemicals.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 of Section 3-90, and the exemption provided for under this item
2 (21) applies for all periods beginning May 30, 1995, but no
3 claim for credit or refund is allowed on or after January 1,
4 2008 for such taxes paid during the period beginning May 30,
5 2000 and ending on January 1, 2008.

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

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

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

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

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

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

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

23 (27) A motor vehicle, as that term is defined in Section
24 1-146 of the Illinois Vehicle Code, that is donated to a
25 corporation, limited liability company, society, association,
26 foundation, or institution that is determined by the Department

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

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

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

3 (29) Beginning January 1, 2000 and through December 31,
4 2001, new or used automatic vending machines that prepare and
5 serve hot food and beverages, including coffee, soup, and other
6 items, and replacement parts for these machines. Beginning
7 January 1, 2002 and through June 30, 2003, machines and parts
8 for machines used in commercial, coin-operated amusement and
9 vending business if a use or occupation tax is paid on the
10 gross receipts derived from the use of the commercial,
11 coin-operated amusement and vending machines. This paragraph
12 is exempt from the provisions of Section 3-90.

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

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

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

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

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

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

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

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

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

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

22 (36) Tangible personal property purchased by a
23 public-facilities corporation, as described in Section
24 11-65-10 of the Illinois Municipal Code, for purposes of
25 constructing or furnishing a municipal convention hall, but
26 only if the legal title to the municipal convention hall is

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

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

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

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

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

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

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

16 For the purposes of this item (40):

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

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

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

22 This item (40) is exempt from the provisions of Section
23 3-90.

24 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;
25 100-22, eff. 7-6-17; 100-437, eff. 1-1-18; 100-594, eff.
26 6-29-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; revised

1 1-8-19.)

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

4 (35 ILCS 110/3-5)

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

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

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

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

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

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

12 (5) Until July 1, 2003 and beginning again on September 1,
13 2004 through August 30, 2014, graphic arts machinery and
14 equipment, including repair and replacement parts, both new and
15 used, and including that manufactured on special order or
16 purchased for lease, certified by the purchaser to be used
17 primarily for graphic arts production. Equipment includes
18 chemicals or chemicals acting as catalysts but only if the
19 chemicals or chemicals acting as catalysts effect a direct and
20 immediate change upon a graphic arts product. Beginning on July
21 1, 2017, graphic arts machinery and equipment is included in
22 the manufacturing and assembling machinery and equipment
23 exemption under Section 2 of this Act.

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

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

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

1 such equipment.

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

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

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

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

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

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

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

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

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

12 (14) Horses, or interests in horses, registered with and
13 meeting the requirements of any of the Arabian Horse Club
14 Registry of America, Appaloosa Horse Club, American Quarter
15 Horse Association, United States Trotting Association, or
16 Jockey Club, as appropriate, used for purposes of breeding or
17 racing for prizes. This item (14) is exempt from the provisions
18 of Section 3-75, and the exemption provided for under this item
19 (14) applies for all periods beginning May 30, 1995, but no
20 claim for credit or refund is allowed on or after January 1,
21 2008 (the effective date of Public Act 95-88) ~~this amendatory~~
22 ~~Act of the 95th General Assembly~~ for such taxes paid during the
23 period beginning May 30, 2000 and ending on January 1, 2008
24 (the effective date of Public Act 95-88) ~~this amendatory Act of~~
25 ~~the 95th General Assembly~~.

26 (15) Computers and communications equipment utilized for

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

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

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

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

26 (18) Beginning with taxable years ending on or after

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

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

16 (20) A motor vehicle, as that term is defined in Section
17 1-146 of the Illinois Vehicle Code, that is donated to a
18 corporation, limited liability company, society, association,
19 foundation, or institution that is determined by the Department
20 to be organized and operated exclusively for educational
21 purposes. For purposes of this exemption, "a corporation,
22 limited liability company, society, association, foundation,
23 or institution organized and operated exclusively for
24 educational purposes" means all tax-supported public schools,
25 private schools that offer systematic instruction in useful
26 branches of learning by methods common to public schools and

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

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

22 (22) Beginning January 1, 2000 and through December 31,
23 2001, new or used automatic vending machines that prepare and
24 serve hot food and beverages, including coffee, soup, and other
25 items, and replacement parts for these machines. Beginning
26 January 1, 2002 and through June 30, 2003, machines and parts

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

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

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

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

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

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

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

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

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

24 (28) Tangible personal property purchased by a
25 public-facilities corporation, as described in Section
26 11-65-10 of the Illinois Municipal Code, for purposes of

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

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

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

18 (31) Qualified tangible personal property used in the
19 construction or operation of a data center that has been
20 granted a certificate of exemption by the Department of
21 Commerce and Economic Opportunity, whether that tangible
22 personal property is purchased by the owner, operator, or
23 tenant of the data center or by a contractor or subcontractor
24 of the owner, operator, or tenant. Data centers that would have
25 qualified for a certificate of exemption prior to January 1,
26 2020 had this amendatory Act of the 101st General Assembly been

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

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

11 For the purposes of this item (31):

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

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

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

17 This item (31) is exempt from the provisions of Section
18 3-75.

19 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;
20 100-22, eff. 7-6-17; 100-594, eff. 6-29-18; 100-1171, eff.
21 1-4-19; revised 1-8-19.)

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

24 (35 ILCS 115/3-5)

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

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

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

13 (3) Personal property purchased by any not-for-profit arts
14 or cultural organization that establishes, by proof required by
15 the Department by rule, that it has received an exemption under
16 Section 501(c)(3) of the Internal Revenue Code and that is
17 organized and operated primarily for the presentation or
18 support of arts or cultural programming, activities, or
19 services. These organizations include, but are not limited to,
20 music and dramatic arts organizations such as symphony
21 orchestras and theatrical groups, arts and cultural service
22 organizations, local arts councils, visual arts organizations,
23 and media arts organizations. On and after July 1, 2001 (the
24 effective date of Public Act 92-35) ~~this amendatory Act of the~~
25 ~~92nd General Assembly~~, however, an entity otherwise eligible
26 for this exemption shall not make tax-free purchases unless it

1 has an active identification number issued by the Department.

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

6 (5) Until July 1, 2003 and beginning again on September 1,
7 2004 through August 30, 2014, graphic arts machinery and
8 equipment, including repair and replacement parts, both new and
9 used, and including that manufactured on special order or
10 purchased for lease, certified by the purchaser to be used
11 primarily for graphic arts production. Equipment includes
12 chemicals or chemicals acting as catalysts but only if the
13 chemicals or chemicals acting as catalysts effect a direct and
14 immediate change upon a graphic arts product. Beginning on July
15 1, 2017, graphic arts machinery and equipment is included in
16 the manufacturing and assembling machinery and equipment
17 exemption under Section 2 of this Act.

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

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

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

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

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

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

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

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

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

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

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

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

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

1 16, 2013 (the effective date of Public Act 98-456).

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

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

17 (15) Horses, or interests in horses, registered with and
18 meeting the requirements of any of the Arabian Horse Club
19 Registry of America, Appaloosa Horse Club, American Quarter
20 Horse Association, United States Trotting Association, or
21 Jockey Club, as appropriate, used for purposes of breeding or
22 racing for prizes. This item (15) is exempt from the provisions
23 of Section 3-55, and the exemption provided for under this item
24 (15) applies for all periods beginning May 30, 1995, but no
25 claim for credit or refund is allowed on or after January 1,
26 2008 (the effective date of Public Act 95-88) for such taxes

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

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

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

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

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

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

17 (21) A motor vehicle, as that term is defined in Section
18 1-146 of the Illinois Vehicle Code, that is donated to a
19 corporation, limited liability company, society, association,
20 foundation, or institution that is determined by the Department
21 to be organized and operated exclusively for educational
22 purposes. For purposes of this exemption, "a corporation,
23 limited liability company, society, association, foundation,
24 or institution organized and operated exclusively for
25 educational purposes" means all tax-supported public schools,
26 private schools that offer systematic instruction in useful

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

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

23 (23) Beginning January 1, 2000 and through December 31,
24 2001, new or used automatic vending machines that prepare and
25 serve hot food and beverages, including coffee, soup, and other
26 items, and replacement parts for these machines. Beginning

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

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

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

1 (26) Beginning on January 1, 2002 and through June 30,
2 2016, tangible personal property purchased from an Illinois
3 retailer by a taxpayer engaged in centralized purchasing
4 activities in Illinois who will, upon receipt of the property
5 in Illinois, temporarily store the property in Illinois (i) for
6 the purpose of subsequently transporting it outside this State
7 for use or consumption thereafter solely outside this State or
8 (ii) for the purpose of being processed, fabricated, or
9 manufactured into, attached to, or incorporated into other
10 tangible personal property to be transported outside this State
11 and thereafter used or consumed solely outside this State. The
12 Director of Revenue shall, pursuant to rules adopted in
13 accordance with the Illinois Administrative Procedure Act,
14 issue a permit to any taxpayer in good standing with the
15 Department who is eligible for the exemption under this
16 paragraph (26). The permit issued under this paragraph (26)
17 shall authorize the holder, to the extent and in the manner
18 specified in the rules adopted under this Act, to purchase
19 tangible personal property from a retailer exempt from the
20 taxes imposed by this Act. Taxpayers shall maintain all
21 necessary books and records to substantiate the use and
22 consumption of all such tangible personal property outside of
23 the State of Illinois.

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

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

5 (28) Tangible personal property sold to a
6 public-facilities corporation, as described in Section
7 11-65-10 of the Illinois Municipal Code, for purposes of
8 constructing or furnishing a municipal convention hall, but
9 only if the legal title to the municipal convention hall is
10 transferred to the municipality without any further
11 consideration by or on behalf of the municipality at the time
12 of the completion of the municipal convention hall or upon the
13 retirement or redemption of any bonds or other debt instruments
14 issued by the public-facilities corporation in connection with
15 the development of the municipal convention hall. This
16 exemption includes existing public-facilities corporations as
17 provided in Section 11-65-25 of the Illinois Municipal Code.
18 This paragraph is exempt from the provisions of Section 3-55.

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

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

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

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

26 (32) Qualified tangible personal property used in the

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

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

19 For the purposes of this item (32):

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

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

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

25 This item (32) is exempt from the provisions of Section

26 3-55.

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

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

6 (35 ILCS 120/1) (from Ch. 120, par. 440)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 money or otherwise, including cash, credits, property, other
2 than as hereinafter provided, and services, but, prior to
3 January 1, 2020, not including the value of or credit given for
4 traded-in tangible personal property where the item that is
5 traded-in is of like kind and character as that which is being
6 sold; beginning January 1, 2020, "selling price" includes the
7 portion of the value of or credit given for traded-in motor
8 vehicles of the First Division as defined in Section 1-146 of
9 the Illinois Vehicle Code of like kind and character as that
10 which is being sold that exceeds \$10,000. "Selling price", and
11 shall be determined without any deduction on account of the
12 cost of the property sold, the cost of materials used, labor or
13 service cost or any other expense whatsoever, but does not
14 include charges that are added to prices by sellers on account
15 of the seller's tax liability under this Act, or on account of
16 the seller's duty to collect, from the purchaser, the tax that
17 is imposed by the Use Tax Act, or, except as otherwise provided
18 with respect to any cigarette tax imposed by a home rule unit,
19 on account of the seller's tax liability under any local
20 occupation tax administered by the Department, or, except as
21 otherwise provided with respect to any cigarette tax imposed by
22 a home rule unit on account of the seller's duty to collect,
23 from the purchasers, the tax that is imposed under any local
24 use tax administered by the Department. Effective December 1,
25 1985, "selling price" shall include charges that are added to
26 prices by sellers on account of the seller's tax liability

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

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

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

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

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

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

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

23 "Department" means the Department of Revenue.

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

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

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

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

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

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

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

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

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

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

19 (35 ILCS 120/2) (from Ch. 120, par. 441)

20 Sec. 2. Tax imposed.

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

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

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

17 (1) the cumulative gross receipts from sales of
18 tangible personal property to purchasers in Illinois are
19 \$100,000 or more; or

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

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

1 The remote retailer shall determine on a quarterly basis,
2 ending on the last day of March, June, September, and December,
3 whether he or she meets the criteria of either paragraph (1) or
4 (2) of this subsection for the preceding 12-month period. If
5 the retailer meets the criteria of either paragraph (1) or (2)
6 for a 12-month period, he or she is considered a retailer
7 maintaining a place of business in this State and is required
8 to collect and remit the tax imposed under this Act and all
9 retailers' occupation tax imposed by local taxing
10 jurisdictions in Illinois, provided such local taxes are
11 administered by the Department, and to file all applicable
12 returns for one year. At the end of that one-year period, the
13 retailer shall determine whether the retailer met the criteria
14 of either paragraph (1) or (2) for the preceding 12-month
15 period. If the retailer met the criteria in either paragraph
16 (1) or (2) for the preceding 12-month period, he or she is
17 considered a retailer maintaining a place of business in this
18 State and is required to collect and remit all applicable State
19 and local retailers' occupation taxes and file returns for the
20 subsequent year. If, at the end of a one-year period, a
21 retailer that was required to collect and remit the tax imposed
22 under this Act determines that he or she did not meet the
23 criteria in either paragraph (1) or (2) during the preceding
24 12-month period, then the retailer shall subsequently
25 determine on a quarterly basis, ending on the last day of
26 March, June, September, and December, whether he or she meets

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

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

4 (35 ILCS 120/2-5)

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

8 (1) Farm chemicals.

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

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

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

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

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

1 (4) Until July 1, 2003 and beginning again September 1,
2 2004 through August 30, 2014, graphic arts machinery and
3 equipment, including repair and replacement parts, both
4 new and used, and including that manufactured on special
5 order or purchased for lease, certified by the purchaser to
6 be used primarily for graphic arts production. Equipment
7 includes chemicals or chemicals acting as catalysts but
8 only if the chemicals or chemicals acting as catalysts
9 effect a direct and immediate change upon a graphic arts
10 product. Beginning on July 1, 2017, graphic arts machinery
11 and equipment is included in the manufacturing and
12 assembling machinery and equipment exemption under
13 paragraph (14).

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

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

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

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

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

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

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

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

12 (12) (Blank).

13 (12-5) On and after July 1, 2003 and through June 30,
14 2004, motor vehicles of the second division with a gross
15 vehicle weight in excess of 8,000 pounds that are subject
16 to the commercial distribution fee imposed under Section
17 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,
18 2004 and through June 30, 2005, the use in this State of
19 motor vehicles of the second division: (i) with a gross
20 vehicle weight rating in excess of 8,000 pounds; (ii) that
21 are subject to the commercial distribution fee imposed
22 under Section 3-815.1 of the Illinois Vehicle Code; and
23 (iii) that are primarily used for commercial purposes.
24 Through June 30, 2005, this exemption applies to repair and
25 replacement parts added after the initial purchase of such
26 a motor vehicle if that motor vehicle is used in a manner

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

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

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

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

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

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

26 (17) Tangible personal property sold to a common

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

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

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

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

1 purchased for lease.

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

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

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

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

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

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

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

1 (25-5) The exemption under item (25) does not apply if
2 the state in which the motor vehicle will be titled does
3 not allow a reciprocal exemption for a motor vehicle sold
4 and delivered in that state to an Illinois resident but
5 titled in Illinois. The tax collected under this Act on the
6 sale of a motor vehicle in this State to a resident of
7 another state that does not allow a reciprocal exemption
8 shall be imposed at a rate equal to the state's rate of tax
9 on taxable property in the state in which the purchaser is
10 a resident, except that the tax shall not exceed the tax
11 that would otherwise be imposed under this Act. At the time
12 of the sale, the purchaser shall execute a statement,
13 signed under penalty of perjury, of his or her intent to
14 title the vehicle in the state in which the purchaser is a
15 resident within 30 days after the sale and of the fact of
16 the payment to the State of Illinois of tax in an amount
17 equivalent to the state's rate of tax on taxable property
18 in his or her state of residence and shall submit the
19 statement to the appropriate tax collection agency in his
20 or her state of residence. In addition, the retailer must
21 retain a signed copy of the statement in his or her
22 records. Nothing in this item shall be construed to require
23 the removal of the vehicle from this state following the
24 filing of an intent to title the vehicle in the purchaser's
25 state of residence if the purchaser titles the vehicle in
26 his or her state of residence within 30 days after the date

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

5 (25-7) Beginning on July 1, 2007, no tax is imposed
6 under this Act on the sale of an aircraft, as defined in
7 Section 3 of the Illinois Aeronautics Act, if all of the
8 following conditions are met:

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

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

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

1 other information that the Department may reasonably
2 require.

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

4 "Based in this State" means hangared, stored, or
5 otherwise used, excluding post-sale customizations as
6 defined in this Section, for 10 or more days in each
7 12-month period immediately following the date of the sale
8 of the aircraft.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 (35) Beginning January 1, 2000 and through December 31,
5 2001, new or used automatic vending machines that prepare
6 and serve hot food and beverages, including coffee, soup,
7 and other items, and replacement parts for these machines.
8 Beginning January 1, 2002 and through June 30, 2003,
9 machines and parts for machines used in commercial,
10 coin-operated amusement and vending business if a use or
11 occupation tax is paid on the gross receipts derived from
12 the use of the commercial, coin-operated amusement and
13 vending machines. This paragraph is exempt from the
14 provisions of Section 2-70.

15 (35-5) Beginning August 23, 2001 and through June 30,
16 2016, food for human consumption that is to be consumed off
17 the premises where it is sold (other than alcoholic
18 beverages, soft drinks, and food that has been prepared for
19 immediate consumption) and prescription and
20 nonprescription medicines, drugs, medical appliances, and
21 insulin, urine testing materials, syringes, and needles
22 used by diabetics, for human use, when purchased for use by
23 a person receiving medical assistance under Article V of
24 the Illinois Public Aid Code who resides in a licensed
25 long-term care facility, as defined in the Nursing Home
26 Care Act, or a licensed facility as defined in the ID/DD

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

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

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

19 (38) Beginning on January 1, 2002 and through June 30,
20 2016, tangible personal property purchased from an
21 Illinois retailer by a taxpayer engaged in centralized
22 purchasing activities in Illinois who will, upon receipt of
23 the property in Illinois, temporarily store the property in
24 Illinois (i) for the purpose of subsequently transporting
25 it outside this State for use or consumption thereafter
26 solely outside this State or (ii) for the purpose of being

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

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

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

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

1 existing law.

2 (41) Tangible personal property sold to a
3 public-facilities corporation, as described in Section
4 11-65-10 of the Illinois Municipal Code, for purposes of
5 constructing or furnishing a municipal convention hall,
6 but only if the legal title to the municipal convention
7 hall is transferred to the municipality without any further
8 consideration by or on behalf of the municipality at the
9 time of the completion of the municipal convention hall or
10 upon the retirement or redemption of any bonds or other
11 debt instruments issued by the public-facilities
12 corporation in connection with the development of the
13 municipal convention hall. This exemption includes
14 existing public-facilities corporations as provided in
15 Section 11-65-25 of the Illinois Municipal Code. This
16 paragraph is exempt from the provisions of Section 2-70.

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

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

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

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

21 For the purposes of this item (44):

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

26 "Qualified tangible personal property" means:

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

1 Commerce and Economic Opportunity.

2 This item (44) is exempt from the provisions of Section
3 2-70.

4 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;
5 100-22, eff. 7-6-17; 100-321, eff. 8-24-17; 100-437, eff.
6 1-1-18; 100-594, eff. 6-29-18; 100-863, eff. 8-14-18;
7 100-1171, eff. 1-4-19; revised 1-8-19.)

8 (35 ILCS 120/2-12)

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

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

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

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

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

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

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

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

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

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

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

12 (35 ILCS 120/2a) (from Ch. 120, par. 441a)

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

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

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

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

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

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

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

1 of the bond or other security, taking into consideration the
2 amount of money expected to become due from the applicant under
3 this Act and under any other State tax law or municipal or
4 county tax ordinance or resolution under which the certificate
5 of registration that is issued to the applicant under this Act
6 will permit the applicant to engage in business without
7 registering separately under such other law, ordinance, or
8 resolution. The amount of security required by the Department
9 shall be such as, in its opinion, will protect the State of
10 Illinois against failure to pay the amount which may become due
11 from the applicant under this Act and under any other State tax
12 law or municipal or county tax ordinance or resolution under
13 which the certificate of registration that is issued to the
14 applicant under this Act will permit the applicant to engage in
15 business without registering separately under such other law,
16 ordinance or resolution, but the amount of the security
17 required by the Department shall not exceed three times the
18 amount of the applicant's average monthly tax liability, or
19 \$50,000.00, whichever amount is lower.

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

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

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

10 No certificate of registration issued prior to July 1, 2017
11 to a taxpayer who files returns required by this Act on a
12 monthly basis or renewed prior to July 1, 2017 by a taxpayer
13 who files returns required by this Act on a monthly basis shall
14 be valid after the expiration of 5 years from the date of its
15 issuance or last renewal. No certificate of registration issued
16 on or after July 1, 2017 to a taxpayer who files returns
17 required by this Act on a monthly basis or renewed on or after
18 July 1, 2017 by a taxpayer who files returns required by this
19 Act on a monthly basis shall be valid after the expiration of
20 one year from the date of its issuance or last renewal. The
21 expiration date of a sub-certificate of registration shall be
22 that of the certificate of registration to which the
23 sub-certificate relates. Prior to July 1, 2017, a certificate
24 of registration shall automatically be renewed, subject to
25 revocation as provided by this Act, for an additional 5 years
26 from the date of its expiration unless otherwise notified by

1 the Department as provided by this paragraph. On and after July
2 1, 2017, a certificate of registration shall automatically be
3 renewed, subject to revocation as provided by this Act, for an
4 additional one year from the date of its expiration unless
5 otherwise notified by the Department as provided by this
6 paragraph.

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

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

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

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

26 A certificate of registration issued under this Act more

1 than 5 years before January 1, 1990 (the effective date of
2 Public Act 86-383) shall expire and be subject to the renewal
3 provisions of this Section on the next anniversary of the date
4 of issuance of such certificate which occurs more than 6 months
5 after January 1, 1990 (the effective date of Public Act
6 86-383). A certificate of registration issued less than 5 years
7 before January 1, 1990 (the effective date of Public Act
8 86-383) shall expire and be subject to the renewal provisions
9 of this Section on the 5th anniversary of the issuance of the
10 certificate.

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

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

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

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

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

3 Any person who is registered under the Retailers'
4 Occupation Tax Act as of March 8, 1963, and who, during the
5 3-year period immediately prior to March 8, 1963, or during a
6 continuous 3-year period part of which passed immediately
7 before and the remainder of which passes immediately after
8 March 8, 1963, has been so registered continuously and who is
9 determined by the Department not to have been either delinquent
10 or deficient in the payment of tax liability during that period
11 under this Act or under any other State tax law or municipal or
12 county tax ordinance or resolution under which the certificate
13 of registration that is issued to the registrant under this Act
14 will permit the registrant to engage in business without
15 registering separately under such other law, ordinance or
16 resolution, shall be considered to be a Prior Continuous
17 Compliance taxpayer. Also any taxpayer who has, as verified by
18 the Department, faithfully and continuously complied with the
19 condition of his bond or other security under the provisions of
20 this Act for a period of 3 consecutive years shall be
21 considered to be a Prior Continuous Compliance taxpayer.

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

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

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

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

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

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

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

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

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

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

18 (Source: P.A. 100-302, eff. 8-24-17; 100-303, eff. 8-24-17;
19 100-863, eff. 8-14-18.)

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

22 (35 ILCS 130/2) (from Ch. 120, par. 453.2)

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

1 (a) Beginning on July 1, 2019, in place of the aggregate
2 tax rate of 99 mills previously imposed by this Act, a tax is
3 imposed upon any person engaged in business as a retailer of
4 cigarettes at the rate of 149 mills per cigarette sold or
5 otherwise disposed of in the course of such business in this
6 State. ~~A tax is imposed upon any person engaged in business as~~
7 ~~a retailer of cigarettes in this State at the rate of 5 1/2~~
8 ~~mills per cigarette sold, or otherwise disposed of in the~~
9 ~~course of such business in this State. In addition to any other~~
10 ~~tax imposed by this Act, a tax is imposed upon any person~~
11 ~~engaged in business as a retailer of cigarettes in this State~~
12 ~~at a rate of 1/2 mill per cigarette sold or otherwise disposed~~
13 ~~of in the course of such business in this State on and after~~
14 ~~January 1, 1947, and shall be paid into the Metropolitan Fair~~
15 ~~and Exposition Authority Reconstruction Fund or as otherwise~~
16 ~~provided in Section 29. On and after December 1, 1985, in~~
17 ~~addition to any other tax imposed by this Act, a tax is imposed~~
18 ~~upon any person engaged in business as a retailer of cigarettes~~
19 ~~in this State at a rate of 4 mills per cigarette sold or~~
20 ~~otherwise disposed of in the course of such business in this~~
21 ~~State. Of the additional tax imposed by this amendatory Act of~~
22 ~~1985, \$9,000,000 of the moneys received by the Department of~~
23 ~~Revenue pursuant to this Act shall be paid each month into the~~
24 ~~Common School Fund. On and after the effective date of this~~
25 ~~amendatory Act of 1989, in addition to any other tax imposed by~~
26 ~~this Act, a tax is imposed upon any person engaged in business~~

1 ~~as a retailer of cigarettes at the rate of 5 mills per~~
2 ~~cigarette sold or otherwise disposed of in the course of such~~
3 ~~business in this State. On and after the effective date of this~~
4 ~~amendatory Act of 1993, in addition to any other tax imposed by~~
5 ~~this Act, a tax is imposed upon any person engaged in business~~
6 ~~as a retailer of cigarettes at the rate of 7 mills per~~
7 ~~cigarette sold or otherwise disposed of in the course of such~~
8 ~~business in this State. On and after December 15, 1997, in~~
9 ~~addition to any other tax imposed by this Act, a tax is imposed~~
10 ~~upon any person engaged in business as a retailer of cigarettes~~
11 ~~at the rate of 7 mills per cigarette sold or otherwise disposed~~
12 ~~of in the course of such business of this State. All of the~~
13 ~~moneys received by the Department of Revenue pursuant to this~~
14 ~~Act and the Cigarette Use Tax Act from the additional taxes~~
15 ~~imposed by this amendatory Act of 1997, shall be paid each~~
16 ~~month into the Common School Fund. On and after July 1, 2002,~~
17 ~~in addition to any other tax imposed by this Act, a tax is~~
18 ~~imposed upon any person engaged in business as a retailer of~~
19 ~~cigarettes at the rate of 20.0 mills per cigarette sold or~~
20 ~~otherwise disposed of in the course of such business in this~~
21 ~~State. Beginning on June 24, 2012, in addition to any other tax~~
22 ~~imposed by this Act, a tax is imposed upon any person engaged~~
23 ~~in business as a retailer of cigarettes at the rate of 50 mills~~
24 ~~per cigarette sold or otherwise disposed of in the course of~~
25 ~~such business in this State. All moneys received by the~~
26 ~~Department of Revenue under this Act and the Cigarette Use Tax~~

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

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

13 ~~Beginning on the effective date of this amendatory Act of~~
14 ~~the 92nd General Assembly and through June 30, 2006, all of the~~
15 ~~moneys received by the Department of Revenue pursuant to this~~
16 ~~Act and the Cigarette Use Tax Act, other than the moneys that~~
17 ~~are dedicated to the Common School Fund, shall be distributed~~
18 ~~each month as follows: first, there shall be paid into the~~
19 ~~General Revenue Fund an amount which, when added to the amount~~
20 ~~paid into the Common School Fund for that month, equals~~
21 ~~\$33,300,000, except that in the month of August of 2004, this~~
22 ~~amount shall equal \$83,300,000; then, from the moneys~~
23 ~~remaining, if any amounts required to be paid into the General~~
24 ~~Revenue Fund in previous months remain unpaid, those amounts~~
25 ~~shall be paid into the General Revenue Fund; then, beginning on~~
26 ~~April 1, 2003, from the moneys remaining, \$5,000,000 per month~~

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

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

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

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

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

1 the Long-Term Care Provider Fund under this Section.

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

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

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

1 the tax imposed by this Act shall be liable for the tax. ~~Any~~
2 ~~distributor having cigarettes to which stamps have been affixed~~
3 ~~in his possession for sale on the effective date of this~~
4 ~~amendatory Act of 1989 shall not be required to pay the~~
5 ~~additional tax imposed by this amendatory Act of 1989 on such~~
6 ~~stamped cigarettes. Any distributor having cigarettes to which~~
7 ~~stamps have been affixed in his or her possession for sale at~~
8 ~~12:01 a.m. on the effective date of this amendatory Act of~~
9 ~~1993, is required to pay the additional tax imposed by this~~
10 ~~amendatory Act of 1993 on such stamped cigarettes. This~~
11 ~~payment, less the discount provided in subsection (b), shall be~~
12 ~~due when the distributor first makes a purchase of cigarette~~
13 ~~tax stamps after the effective date of this amendatory Act of~~
14 ~~1993, or on the first due date of a return under this Act after~~
15 ~~the effective date of this amendatory Act of 1993, whichever~~
16 ~~occurs first. Any distributor having cigarettes to which stamps~~
17 ~~have been affixed in his possession for sale on December 15,~~
18 ~~1997 shall not be required to pay the additional tax imposed by~~
19 ~~this amendatory Act of 1997 on such stamped cigarettes.~~

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

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

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

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

1 possession on July 1, 2019 ~~June 24, 2012~~ to which tax stamps
2 have been affixed is not required to pay the additional tax
3 that begins on July 1, 2019 ~~June 24, 2012~~ imposed by this
4 amendatory Act of the 101st General Assembly ~~this amendatory~~
5 ~~Act of the 97th General Assembly~~ on those stamped cigarettes.
6 ~~Any distributor having cigarettes in his or her possession on~~
7 ~~June 24, 2012 to which tax stamps have been affixed, and any~~
8 ~~distributor having stamps in his or her possession on June 24,~~
9 ~~2012 that have not been affixed to packages of cigarettes~~
10 ~~before June 24, 2012, is required to pay the additional tax~~
11 ~~that begins on June 24, 2012 imposed by this amendatory Act of~~
12 ~~the 97th General Assembly to the extent the calendar year 2012~~
13 ~~average monthly volume of cigarette stamps in the distributor's~~
14 ~~possession exceeds the average monthly volume of cigarette~~
15 ~~stamps purchased by the distributor in calendar year 2011. This~~
16 ~~payment, less the discount provided in subsection (b), is due~~
17 ~~when the distributor first makes a purchase of cigarette stamps~~
18 ~~on or after June 24, 2012 or on the first due date of a return~~
19 ~~under this Act occurring on or after June 24, 2012, whichever~~
20 ~~occurs first. Those distributors may elect to pay the~~
21 ~~additional tax on packages of cigarettes to which stamps have~~
22 ~~been affixed and on any stamps in the distributor's possession~~
23 ~~that have not been affixed to packages of cigarettes over a~~
24 ~~period not to exceed 12 months from the due date of the~~
25 ~~additional tax by notifying the Department in writing. The~~
26 ~~first payment for distributors making such election is due when~~

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

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

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

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

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

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

26 Two or more distributors that use a common means of

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

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

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

9 (35 ILCS 130/29 rep.)

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

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

14 (35 ILCS 135/2) (from Ch. 120, par. 453.32)

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

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

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

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

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

8 Any retailer having cigarettes in its possession on July 1,
9 2019 to which tax stamps have been affixed is not required to
10 pay the additional tax that begins on July 1, 2019 imposed by
11 this amendatory Act of the 101st General Assembly on those
12 stamped cigarettes. Any distributor having cigarettes in his or
13 her possession on July 1, 2019 to which tax stamps have been
14 affixed, and any distributor having stamps in his or her
15 possession on July 1, 2019 that have not been affixed to
16 packages of cigarettes before July 1, 2019, is required to pay
17 the additional tax that begins on July 1, 2019 imposed by this
18 amendatory Act of the 101st General Assembly to the extent that
19 the volume of affixed and unaffixed stamps in the distributor's
20 possession on July 1, 2019 exceeds the average monthly volume
21 of cigarette stamps purchased by the distributor in calendar
22 year 2018. This payment, less the discount provided in Section
23 3, is due when the distributor first makes a purchase of
24 cigarette stamps on or after July 1, 2019 or on the first due
25 date of a return under this Act occurring on or after July 1,
26 2019, whichever occurs first. Those distributors may elect to

1 pay the additional tax on packages of cigarettes to which
2 stamps have been affixed and on any stamps in the distributor's
3 possession that have not been affixed to packages of cigarettes
4 in their possession on July 1, 2019 over a period not to exceed
5 12 months from the due date of the additional tax by notifying
6 the Department in writing. The first payment for distributors
7 making such election is due when the distributor first makes a
8 purchase of cigarette tax stamps on or after July 1, 2019 or on
9 the first due date of a return under this Act occurring on or
10 after July 1, 2019, whichever occurs first. Distributors making
11 such an election are not entitled to take the discount provided
12 in Section 3 on such payments.

13 ~~Any distributor having cigarettes to which stamps have been~~
14 ~~affixed in his possession for sale on the effective date of~~
15 ~~this amendatory Act of 1989 shall not be required to pay the~~
16 ~~additional tax imposed by this amendatory Act of 1989 on such~~
17 ~~stamped cigarettes. Any distributor having cigarettes to which~~
18 ~~stamps have been affixed in his or her possession for sale at~~
19 ~~12:01 a.m. on the effective date of this amendatory Act of~~
20 ~~1993, is required to pay the additional tax imposed by this~~
21 ~~amendatory Act of 1993 on such stamped cigarettes. This payment~~
22 ~~shall be due when the distributor first makes a purchase of~~
23 ~~cigarette tax stamps after the effective date of this~~
24 ~~amendatory Act of 1993, or on the first due date of a return~~
25 ~~under this Act after the effective date of this amendatory Act~~
26 ~~of 1993, whichever occurs first. Once a distributor tenders~~

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

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

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

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

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

18 (35 ILCS 135/35) (from Ch. 120, par. 453.65)

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

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

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

1 (35 ILCS 143/10-5)

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

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

6 "Cigarette" has the meaning ascribed to the term in Section
7 1 of the Cigarette Tax Act.

8 "Contraband little cigar" means:

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

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

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

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

1 paid.

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

7 "Department" means the Illinois Department of Revenue.

8 "Distributor" means any of the following:

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

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

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

1 distributor.

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

7 "Electronic cigarette" means:

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

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

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

16 "Electronic cigarette" includes, but is not limited to, any
17 electronic nicotine delivery system, electronic cigar,
18 electronic cigarillo, electronic pipe, electronic hookah, vape
19 pen, or similar product or device, and any component or part
20 that can be used to build the product or device. "Electronic
21 cigarette" does not include: cigarettes, as defined in Section
22 1 of the Cigarette Tax Act; any product approved by the United
23 States Food and Drug Administration for sale as a tobacco
24 cessation product, a tobacco dependence product, or for other
25 medical purposes that is marketed and sold solely for that
26 approved purpose; any asthma inhaler prescribed by a physician

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Act.

2 (Source: P.A. 97-688, eff. 6-14-12; 98-273, eff. 8-9-13;
3 98-1055, eff. 1-1-16.)

4 (35 ILCS 143/10-10)

5 Sec. 10-10. Tax imposed.

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

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

12 (b) Notwithstanding subsection (a) of this Section,
13 stamping distributors of packages of little cigars containing
14 20 or 25 little cigars sold or otherwise disposed of in this
15 State shall remit the tax by purchasing tax stamps from the
16 Department and affixing them to packages of little cigars in
17 the same manner as stamps are purchased and affixed to
18 cigarettes under the Cigarette Tax Act, unless the stamping
19 distributor sells or otherwise disposes of those packages of
20 little cigars to another stamping distributor. Only persons
21 meeting the definition of "stamping distributor" contained in
22 Section 10-5 of this Act may affix stamps to packages of little
23 cigars containing 20 or 25 little cigars. Stamping distributors
24 may not sell or dispose of little cigars at retail to consumers
25 or users at locations where stamping distributors affix stamps
26 to packages of little cigars containing 20 or 25 little cigars.

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

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

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

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

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

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

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

12 (815 ILCS 375/11.1) (from Ch. 121 1/2, par. 571.1)

13 Sec. 11.1.

14 (a) A seller in a retail installment contract may add a
15 "documentary fee" for processing documents and performing
16 services related to closing of a sale. The maximum amount that
17 may be charged by a seller for a documentary fee is the base
18 documentary fee beginning January 1, 2008 until January 1,
19 2020, of \$150, which shall be subject to an annual rate
20 adjustment equal to the percentage of change in the Bureau of
21 Labor Statistics Consumer Price Index. Every retail
22 installment contract under this Act shall contain or be
23 accompanied by a notice containing the following information:

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

1 A DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO
2 BUYERS FOR HANDLING DOCUMENTS AND PERFORMING SERVICES RELATED
3 TO CLOSING OF A SALE. THE BASE DOCUMENTARY FEE BEGINNING
4 JANUARY 1, 2008, WAS \$150. THE MAXIMUM AMOUNT THAT MAY BE
5 CHARGED FOR A DOCUMENTARY FEE IS THE BASE DOCUMENTARY FEE OF
6 \$150, WHICH SHALL BE SUBJECT TO AN ANNUAL RATE ADJUSTMENT EQUAL
7 TO THE PERCENTAGE OF CHANGE IN THE BUREAU OF LABOR STATISTICS
8 CONSUMER PRICE INDEX. THIS NOTICE IS REQUIRED BY LAW."

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

19 "DOCUMENTARY FEE. A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE.
20 A DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO
21 BUYERS FOR HANDLING DOCUMENTS AND PERFORMING SERVICES RELATED
22 TO CLOSING OF A SALE. THE BASE DOCUMENTARY FEE BEGINNING
23 JANUARY 1, 2020, WAS \$300. THE MAXIMUM AMOUNT THAT MAY BE
24 CHARGED FOR A DOCUMENTARY FEE IS THE BASE DOCUMENTARY FEE OF
25 \$300, WHICH SHALL BE SUBJECT TO AN ANNUAL RATE ADJUSTMENT EQUAL
26 TO THE PERCENTAGE OF CHANGE IN THE BUREAU OF LABOR STATISTICS

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

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

3 Article 20. Illinois Works Jobs Program Act

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

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

15 Section 20-10. Definitions.

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

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

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

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

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

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

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

16 (4) a plan to provide the following:

17 (A) preparatory classes;

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

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

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

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

1 public work.

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

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

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

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

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

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

25 Section 20-15. Illinois Works Preapprenticeship Program;

1 Illinois Works Bid Credit Program.

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

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

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

1 information:

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

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

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

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

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

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

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

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

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

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

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

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

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

7 Section 20-20. Illinois Works Apprenticeship Initiative.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 (30 ILCS 105/5.895 new)

10 Sec. 5.895. The Illinois Works Fund.

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

13 (30 ILCS 500/20-10)

14 (Text of Section from P.A. 96-159, 96-588, 97-96, 97-895,
15 98-1076, 99-906 and 100-43)

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

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

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

1 procurement.

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

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

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

26 (f) Correction or withdrawal of bids. Correction or

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

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

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

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

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

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

26 Each chief procurement officer may adopt guidelines to

1 implement the requirements of this subsection (g).

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

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

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

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

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

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

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

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

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

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

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

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

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

10 (Text of Section from P.A. 96-159, 96-795, 97-96, 97-895,
11 98-1076, 99-906, and 100-43)

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

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

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

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

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

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

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

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

1 supported by written determination made by a State purchasing
2 officer.

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

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

13 (2) a determination that the anticipated cost will be
14 fair and reasonable;

15 (3) a listing of all responsible and responsive
16 bidders; and

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

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

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

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

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

6 (i) Alternative procedures. Notwithstanding any other
7 provision of this Act to the contrary, the Director of the
8 Illinois Power Agency may create alternative bidding
9 procedures to be used in procuring professional services under
10 subsections (a) and (c) of Section 1-75 and subsection (d) of
11 Section 1-78 of the Illinois Power Agency Act and Section
12 16-111.5(c) of the Public Utilities Act and to procure
13 renewable energy resources under Section 1-56 of the Illinois
14 Power Agency Act. These alternative procedures shall be set
15 forth together with the other criteria contained in the
16 invitation for bids, and shall appear in the appropriate volume
17 of the Illinois Procurement Bulletin.

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

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

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

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

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

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

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

1 design professional services.

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

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

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

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

7 Sec. 5. Certified payroll.

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

10 (1) make and keep, for a period of not less than 3
11 years from the date of the last payment made before January
12 1, 2014 (the effective date of Public Act 98-328) and for a
13 period of 5 years from the date of the last payment made on
14 or after January 1, 2014 (the effective date of Public Act
15 98-328) on a contract or subcontract for public works,
16 records of all laborers, mechanics, and other workers
17 employed by them on the project; the records shall include
18 (i) the worker's name, (ii) the worker's address, (iii) the
19 worker's telephone number when available, (iv) the
20 worker's social security number, (v) the worker's
21 classification or classifications, (vi) the worker's skill
22 level, such as apprentice or journeyman, (vii) ~~(vi)~~ the
23 worker's gross and net wages paid in each pay period,
24 (viii) ~~(vii)~~ the worker's number of hours worked each day,

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

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

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

1 security number, and made available in accordance with the
2 Freedom of Information Act. The public body shall accept
3 any reasonable submissions by the contractor that meet the
4 requirements of this Section.

5 A contractor, subcontractor, or public body may retain
6 records required under this Section in paper or electronic
7 format.

8 (b) Upon 7 business days' notice, the contractor and each
9 subcontractor shall make available for inspection and copying
10 at a location within this State during reasonable hours, the
11 records identified in paragraph (1) of subsection (a) of this
12 Section to the public body in charge of the project, its
13 officers and agents, the Director of Labor and his deputies and
14 agents, and to federal, State, or local law enforcement
15 agencies and prosecutors.

16 (c) A contractor or subcontractor who remits contributions
17 to fringe benefit funds that are jointly maintained and jointly
18 governed by one or more employers and one or more labor
19 organizations in accordance with the federal Labor Management
20 Relations Act shall make and keep certified payroll records
21 that include the information required under items (i) through
22 (ix) ~~(viii)~~ of paragraph (1) of subsection (a) only. However,
23 the information required under items (x) ~~(ix)~~ through (xv)
24 ~~(xiv)~~ of paragraph (1) of subsection (a) shall be required for
25 any contractor or subcontractor who remits contributions to a
26 fringe benefit fund that is not jointly maintained and jointly

1 governed by one or more employers and one or more labor
2 organizations in accordance with the federal Labor Management
3 Relations Act.

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

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

7 Sec. 5. Certified payroll.

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

10 (1) make and keep, for a period of not less than 3
11 years from the date of the last payment made before January
12 1, 2014 (the effective date of Public Act 98-328) and for a
13 period of 5 years from the date of the last payment made on
14 or after January 1, 2014 (the effective date of Public Act
15 98-328) on a contract or subcontract for public works,
16 records of all laborers, mechanics, and other workers
17 employed by them on the project; the records shall include
18 (i) the worker's name, (ii) the worker's address, (iii) the
19 worker's telephone number when available, (iv) the last 4
20 digits of the worker's social security number, (v) the
21 worker's gender, (vi) the worker's race, (vii) the worker's
22 ethnicity, (viii) veteran status, (ix) the worker's
23 classification or classifications, (x) the worker's skill
24 level, such as apprentice or journeyman, (xi) ~~(x)~~ the
25 worker's gross and net wages paid in each pay period, (xii)

1 ~~(xi)~~ the worker's number of hours worked each day, (xiii)
2 ~~(xii)~~ the worker's starting and ending times of work each
3 day, (xiv) ~~(xiii)~~ the worker's hourly wage rate, (xv) ~~(xiv)~~
4 the worker's hourly overtime wage rate, (xvi) ~~(xv)~~ the
5 worker's hourly fringe benefit rates, (xvii) ~~(xvi)~~ the name
6 and address of each fringe benefit fund, (xviii) ~~(xvii)~~ the
7 plan sponsor of each fringe benefit, if applicable, and
8 (xix) ~~(xviii)~~ the plan administrator of each fringe
9 benefit, if applicable; and

10 (2) no later than the 15th day of each calendar month
11 file a certified payroll for the immediately preceding
12 month with the public body in charge of the project until
13 the Department of Labor activates the database created
14 under Section 5.1 at which time certified payroll shall
15 only be submitted to that database, except for projects
16 done by State agencies that opt to have contractors submit
17 certified payrolls directly to that State agency. A State
18 agency that opts to directly receive certified payrolls
19 must submit the required information in a specified
20 electronic format to the Department of Labor no later than
21 10 days after the certified payroll was filed with the
22 State agency. A certified payroll must be filed for only
23 those calendar months during which construction on a public
24 works project has occurred. The certified payroll shall
25 consist of a complete copy of the records identified in
26 paragraph (1) of this subsection (a), but may exclude the

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

1 subsection (a) before January 1, 2014 (the effective date
2 of Public Act 98-328) for a period of not less than 3
3 years, and the records submitted in accordance with this
4 paragraph (2) of subsection (a) on or after January 1, 2014
5 (the effective date of Public Act 98-328) for a period of 5
6 years, from the date of the last payment for work on a
7 contract or subcontract for public works or until the
8 Department of Labor activates the database created under
9 Section 5.1, whichever is less. After the activation of the
10 database created under Section 5.1, the Department of Labor
11 rather than the public body in charge of the project shall
12 keep the records and maintain the database. The records
13 submitted in accordance with this paragraph (2) of
14 subsection (a) shall be considered public records, except
15 an employee's address, telephone number, social security
16 number, race, ethnicity, and gender, and made available in
17 accordance with the Freedom of Information Act. The public
18 body shall accept any reasonable submissions by the
19 contractor that meet the requirements of this Section.

20 A contractor, subcontractor, or public body may retain
21 records required under this Section in paper or electronic
22 format.

23 (b) Upon 7 business days' notice, the contractor and each
24 subcontractor shall make available for inspection and copying
25 at a location within this State during reasonable hours, the
26 records identified in paragraph (1) of subsection (a) of this

1 Section to the public body in charge of the project, its
2 officers and agents, the Director of Labor and his deputies and
3 agents, and to federal, State, or local law enforcement
4 agencies and prosecutors.

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

19 (Source: P.A. 100-1177, eff. 6-1-19.)

20 Article 25. Sports Wagering Act

21 Section 25-1. Short title. This Article may be cited as the
22 Sports Wagering Act. References in this Article to "this Act"
23 mean this Article.

1 Section 25-5. Legislative findings. The General Assembly
2 recognizes the promotion of public safety is an important
3 consideration for sports leagues, teams, players, and fans at
4 large. All persons who present sporting contests are encouraged
5 to take reasonable measures to ensure the safety and security
6 of all involved or attending sporting contests. Persons who
7 present sporting contests are encouraged to establish codes of
8 conduct that forbid all persons associated with the sporting
9 contest from engaging in violent behavior and to hire, train,
10 and equip safety and security personnel to enforce those codes
11 of conduct. Persons who present sporting contests are further
12 encouraged to provide public notice of those codes of conduct.

13 Section 25-10. Definitions. As used in this Act:

14 "Adjusted gross sports wagering receipts" means a master
15 sports wagering licensee's gross sports wagering receipts,
16 less winnings paid to wagerers in such games.

17 "Athlete" means any current or former professional athlete
18 or collegiate athlete.

19 "Board" means the Illinois Gaming Board.

20 "Covered persons" includes athletes; umpires, referees,
21 and officials; personnel associated with clubs, teams,
22 leagues, and athletic associations; medical professionals
23 (including athletic trainers) who provide services to athletes
24 and players; and the family members and associates of these
25 persons where required to serve the purposes of this Act.

1 "Department" means the Department of the Lottery.

2 "Gaming facility" means a facility at which gambling
3 operations are conducted under the Illinois Gambling Act,
4 pari-mutuel wagering is conducted under the Illinois Horse
5 Racing Act of 1975, or sports wagering is conducted under this
6 Act.

7 "Official league data" means statistics, results,
8 outcomes, and other data related to a sports event obtained
9 pursuant to an agreement with the relevant sports governing
10 body, or an entity expressly authorized by the sports governing
11 body to provide such information to licensees, that authorizes
12 the use of such data for determining the outcome of tier 2
13 sports wagers on such sports events.

14 "Organization licensee" has the meaning given to that term
15 in the Illinois Horse Racing Act of 1975.

16 "Owners licensee" means the holder of an owners license
17 under the Illinois Gambling Act.

18 "Person" means an individual, partnership, committee,
19 association, corporation, or any other organization or group of
20 persons.

21 "Personal biometric data" means an athlete's information
22 derived from DNA, heart rate, blood pressure, perspiration
23 rate, internal or external body temperature, hormone levels,
24 glucose levels, hydration levels, vitamin levels, bone
25 density, muscle density, and sleep patterns.

26 "Prohibited conduct" includes any statement, action, and

1 other communication intended to influence, manipulate, or
2 control a betting outcome of a sporting contest or of any
3 individual occurrence or performance in a sporting contest in
4 exchange for financial gain or to avoid financial or physical
5 harm. "Prohibited conduct" includes statements, actions, and
6 communications made to a covered person by a third party, such
7 as a family member or through social media. "Prohibited
8 conduct" does not include statements, actions, or
9 communications made or sanctioned by a team or sports governing
10 body.

11 "Qualified applicant" means an applicant for a license
12 under this Act whose application meets the mandatory minimum
13 qualification criteria as required by the Board.

14 "Sporting contest" means a sports event or game on which
15 the State allows sports wagering to occur under this Act.

16 "Sports event" means a professional sport or athletic
17 event, a collegiate sport or athletic event, a motor race
18 event, or any other event or competition of relative skill
19 authorized by the Board under this Act.

20 "Sports facility" means a facility that hosts sports events
21 and holds a seating capacity greater than 17,000 persons.

22 "Sports governing body" means the organization that
23 prescribes final rules and enforces codes of conduct with
24 respect to a sports event and participants therein.

25 "Sports wagering" means accepting wagers on sports events
26 or portions of sports events, or on the individual performance

1 statistics of athletes in a sports event or combination of
2 sports events, by any system or method of wagering, including,
3 but not limited to, in person or over the Internet through
4 websites and on mobile devices. "Sports wagering" includes, but
5 is not limited to, single-game bets, teaser bets, parlays,
6 over-under, moneyline, pools, exchange wagering, in-game
7 wagering, in-play bets, proposition bets, and straight bets.

8 "Sports wagering account" means a financial record
9 established by a master sports wagering licensee for an
10 individual patron in which the patron may deposit and withdraw
11 funds for sports wagering and other authorized purchases and to
12 which the master sports wagering licensee may credit winnings
13 or other amounts due to that patron or authorized by that
14 patron.

15 "Tier 1 sports wager" means a sports wager that is
16 determined solely by the final score or final outcome of the
17 sports event and is placed before the sports event has begun.

18 "Tier 2 sports wager" means a sports wager that is not a
19 tier 1 sports wager.

20 "Wager" means a sum of money or thing of value risked on an
21 uncertain occurrence.

22 "Winning bidder" means a qualified applicant for a master
23 sports wagering license chosen through the competitive
24 selection process under Section 25-45.

25 Section 25-15. Board duties and powers.

1 (a) Except for sports wagering conducted under Section
2 25-70, the Board shall have the authority to regulate the
3 conduct of sports wagering under this Act.

4 (b) The Board may adopt any rules the Board considers
5 necessary for the successful implementation, administration,
6 and enforcement of this Act, except for Section 25-70. Rules
7 proposed by the Board may be adopted as emergency rules
8 pursuant to Section 5-45 of the Illinois Administrative
9 Procedure Act.

10 (c) The Board shall levy and collect all fees, surcharges,
11 civil penalties, and monthly taxes on adjusted gross sports
12 wagering receipts imposed by this Act and deposit all moneys
13 into the Sports Wagering Fund, except as otherwise provided
14 under this Act.

15 (d) The Board may exercise any other powers necessary to
16 enforce the provisions of this Act that it regulates and the
17 rules of the Board.

18 (e) The Board shall adopt rules for a license to be
19 employed by a master sports wagering licensee when the employee
20 works in a designated gaming area that has sports wagering or
21 performs duties in furtherance of or associated with the
22 operation of sports wagering by the master sports wagering
23 licensee (occupational license), which shall require an annual
24 license fee of \$250. License fees shall be deposited into the
25 State Gaming Fund and used for the administration of this Act.

26 (f) The Board may require that licensees share, in real

1 time and at the sports wagering account level, information
2 regarding a wagerer, amount and type of wager, the time the
3 wager was placed, the location of the wager, including the
4 Internet protocol address, if applicable, the outcome of the
5 wager, and records of abnormal wagering activity. Information
6 shared under this subsection (f) must be submitted in the form
7 and manner as required by rule. If a sports governing body has
8 notified the Board that real-time information sharing for
9 wagers placed on its sports events is necessary and desirable,
10 licensees may share the same information in the form and manner
11 required by the Board by rule with the sports governing body or
12 its designee with respect to wagers on its sports events
13 subject to applicable federal, State, or local laws or
14 regulations, including, without limitation, privacy laws and
15 regulations. Such information may be provided in anonymized
16 form and may be used by a sports governing body solely for
17 integrity purposes. For purposes of this subsection (f),
18 "real-time" means a commercially reasonable periodic interval.

19 (g) A master sports wagering licensee, professional sports
20 team, league, or association, sports governing body, or
21 institution of higher education may submit to the Board in
22 writing a request to prohibit a type or form of wagering if the
23 master sports wagering licensee, professional sports team,
24 league, or association, sports governing body, or institution
25 of higher education believes that such wagering by type or form
26 is contrary to public policy, unfair to consumers, or affects

1 the integrity of a particular sport or the sports betting
2 industry. The Board shall grant the request upon a
3 demonstration of good cause from the requester and consultation
4 with licensees. The Board shall respond to a request pursuant
5 to this subsection (g) concerning a particular event before the
6 start of the event or, if it is not feasible to respond before
7 the start of the event, as soon as practicable.

8 (h) The Board and master sports wagering licensees may
9 cooperate with investigations conducted by sports governing
10 bodies or law enforcement agencies, including, but not limited
11 to, providing and facilitating the provision of account-level
12 betting information and audio or video files relating to
13 persons placing wagers.

14 (i) A master sports wagering licensee shall make
15 commercially reasonable efforts to promptly notify the Board
16 any information relating to:

17 (1) criminal or disciplinary proceedings commenced
18 against the master sports wagering licensee in connection
19 with its operations;

20 (2) abnormal wagering activity or patterns that may
21 indicate a concern with the integrity of a sports event or
22 sports events;

23 (3) any potential breach of the relevant sports
24 governing body's internal rules and codes of conduct
25 pertaining to sports wagering that a licensee has knowledge
26 of;

1 (4) any other conduct that corrupts a wagering outcome
2 of a sports event or sports events for purposes of
3 financial gain, including match fixing; and

4 (5) suspicious or illegal wagering activities,
5 including use of funds derived from illegal activity,
6 wagers to conceal or launder funds derived from illegal
7 activity, using agents to place wagers, and using false
8 identification.

9 A master sports wagering licensee shall also make
10 commercially reasonable efforts to promptly report information
11 relating to conduct described in paragraphs (2), (3), and (4)
12 of this subsection (i) to the relevant sports governing body.

13 Section 25-20. Licenses required.

14 (a) No person may engage in any activity in connection with
15 sports wagering in this State unless all necessary licenses
16 have been obtained in accordance with this Act and the rules of
17 the Board and the Department. The following licenses shall be
18 issued under this Act:

19 (1) master sports wagering license;

20 (2) occupational license;

21 (3) supplier license;

22 (4) management services provider license

23 (5) tier 2 official league data provider license; and

24 (6) central system provider license.

25 No person or entity may engage in a sports wagering

1 operation or activity without first obtaining the appropriate
2 license.

3 (b) An applicant for a license issued under this Act shall
4 submit an application to the Board in the form the Board
5 requires. The applicant shall submit fingerprints for a
6 national criminal records check by the Department of State
7 Police and the Federal Bureau of Investigation. The
8 fingerprints shall be furnished by the applicant's officers and
9 directors (if a corporation), members (if a limited liability
10 company), and partners (if a partnership). The fingerprints
11 shall be accompanied by a signed authorization for the release
12 of information by the Federal Bureau of Investigation. The
13 Board may require additional background checks on licensees
14 when they apply for license renewal, and an applicant convicted
15 of a disqualifying offense shall not be licensed.

16 (c) Each master sports wagering licensee shall display the
17 license conspicuously in the licensee's place of business or
18 have the license available for inspection by an agent of the
19 Board or a law enforcement agency.

20 (d) Each holder of an occupational license shall carry the
21 license and have some indicia of licensure prominently
22 displayed on his or her person when present in a gaming
23 facility licensed under this Act at all times, in accordance
24 with the rules of the Board.

25 (e) Each person licensed under this Act shall give the
26 Board written notice within 30 days after a material change to

1 information provided in the licensee's application for a
2 license or renewal.

3 Section 25-25. Sports wagering authorized.

4 (a) Notwithstanding any provision of law to the contrary,
5 the operation of sports wagering is only lawful when conducted
6 in accordance with the provisions of this Act and the rules of
7 the Illinois Gaming Board and the Department of the Lottery.

8 (b) A person placing a wager under this Act shall be at
9 least 21 years of age.

10 (c) A licensee under this Act may not accept a wager on a
11 minor league sports event.

12 (d) A licensee under this Act may not accept a wager for a
13 sports event involving an Illinois collegiate team.

14 (e) A licensee under this Act may only accept a wager from
15 a person physically located in the State.

16 (f) Master sports wagering licensees may use any data
17 source for determining the results of all tier 1 sports wagers.

18 (g) A sports governing body headquartered in the United
19 States may notify the Board that it desires to supply official
20 league data to master sports wagering licensees for determining
21 the results of tier 2 sports wagers. Such notification shall be
22 made in the form and manner as the Board may require. If a
23 sports governing body does not notify the Board of its desire
24 to supply official league data, a master sports wagering
25 licensee may use any data source for determining the results of

1 any and all tier 2 sports wagers on sports contests for that
2 sports governing body.

3 Within 30 days of a sports governing body notifying the
4 Board, master sports wagering licensees shall use only official
5 league data to determine the results of tier 2 sports wagers on
6 sports events sanctioned by that sports governing body, unless:
7 (1) the sports governing body or designee cannot provide a feed
8 of official league data to determine the results of a
9 particular type of tier 2 sports wager, in which case master
10 sports wagering licensees may use any data source for
11 determining the results of the applicable tier 2 sports wager
12 until such time as such data feed becomes available on
13 commercially reasonable terms; or (2) a master sports wagering
14 licensee can demonstrate to the Board that the sports governing
15 body or its designee cannot provide a feed of official league
16 data to the master sports wagering licensee on commercially
17 reasonable terms. During the pendency of the Board's
18 determination, such master sports wagering licensee may use any
19 data source for determining the results of any and all tier 2
20 sports wagers.

21 (h) A licensee under this Act may not accept wagers on a
22 kindergarten through 12th grade sports event.

23 Section 25-30. Master sports wagering license issued to an
24 organization licensee.

25 (a) An organization licensee may apply to the Board for a

1 master sports wagering license. To the extent permitted by
2 federal and State law, the Board shall actively seek to achieve
3 racial, ethnic, and geographic diversity when issuing master
4 sports wagering licenses to organization licensees and
5 encourage minority-owned businesses, women-owned businesses,
6 veteran-owned businesses, and businesses owned by persons with
7 disabilities to apply for licensure. Additionally, the report
8 published under subsection (m) of Section 25-45 shall impact
9 the issuance of the master sports wagering license to the
10 extent permitted by federal and State law.

11 For the purposes of this subsection (a), "minority-owned
12 business", "women-owned business", and "business owned by
13 persons with disabilities" have the meanings given to those
14 terms in Section 2 of the Business Enterprise for Minorities,
15 Women, and Persons with Disabilities Act.

16 (b) Except as otherwise provided in this subsection (b),
17 the initial license fee for a master sports wagering license
18 for an organization licensee is 5% of its handle from the
19 preceding calendar year or the lowest amount that is required
20 to be paid as an initial license fee by an owners licensee
21 under subsection (b) of Section 25-35, whichever is greater. No
22 initial license fee shall exceed \$10,000,000. An organization
23 licensee licensed on the effective date of this Act shall pay
24 the initial master sports wagering license fee by July 1, 2020.
25 For an organization licensee licensed after the effective date
26 of this Act, the master sports wagering license fee shall be

1 \$5,000,000, but the amount shall be adjusted 12 months after
2 the organization licensee begins racing operations based on 5%
3 of its handle from the first 12 months of racing operations.
4 The master sports wagering license is valid for 4 years.

5 (c) The organization licensee may renew the master sports
6 wagering license for a period of 4 years by paying a \$1,000,000
7 renewal fee to the Board.

8 (d) An organization licensee issued a master sports
9 wagering license may conduct sports wagering:

10 (1) at its facility at which inter-track wagering is
11 conducted pursuant to an inter-track wagering license
12 under the Illinois Horse Racing Act of 1975;

13 (2) at 3 inter-track wagering locations if the
14 inter-track wagering location licensee from which it
15 derives its license is an organization licensee that is
16 issued a master sports wagering license; and

17 (3) over the Internet or through a mobile application.

18 (e) The sports wagering offered over the Internet or
19 through a mobile application shall only be offered under either
20 the same brand as the organization licensee is operating under
21 or a brand owned by a direct or indirect holding company that
22 owns at least an 80% interest in that organization licensee on
23 the effective date of this Act.

24 (f) Until issuance of the first license under Section
25 25-45, an individual must create a sports wagering account in
26 person at a facility under paragraph (1) or (2) of subsection

1 (d) to participate in sports wagering offered over the Internet
2 or through a mobile application.

3 Section 25-35. Master sports wagering license issued to an
4 owners licensee.

5 (a) An owners licensee may apply to the Board for a master
6 sports wagering license. To the extent permitted by federal and
7 State law, the Board shall actively seek to achieve racial,
8 ethnic, and geographic diversity when issuing master sports
9 wagering licenses to owners licensees and encourage
10 minority-owned businesses, women-owned businesses,
11 veteran-owned businesses, and businesses owned by persons with
12 disabilities to apply for licensure. Additionally, the report
13 published under subsection (m) of Section 25-45 shall impact
14 the issuance of the master sports wagering license to the
15 extent permitted by federal and State law.

16 For the purposes of this subsection (a), "minority-owned
17 business", "women-owned business", and "business owned by
18 persons with disabilities" have the meanings given to those
19 terms in Section 2 of the Business Enterprise for Minorities,
20 Women, and Persons with Disabilities Act.

21 (b) Except as otherwise provided in subsection (b-5), the
22 initial license fee for a master sports wagering license for an
23 owners licensee is 5% of its adjusted gross receipts from the
24 preceding calendar year. No initial license fee shall exceed
25 \$10,000,000. An owners licensee licensed on the effective date

1 of this Act shall pay the initial master sports wagering
2 license fee by July 1, 2020. The master sports wagering license
3 is valid for 4 years.

4 (b-5) For an owners licensee licensed after the effective
5 date of this Act, the master sports wagering license fee shall
6 be \$5,000,000, but the amount shall be adjusted 12 months after
7 the owners licensee begins gambling operations under the
8 Illinois Gambling Act based on 5% of its adjusted gross
9 receipts from the first 12 months of gambling operations. The
10 master sports wagering license is valid for 4 years.

11 (c) The owners licensee may renew the master sports
12 wagering license for a period of 4 years by paying a \$1,000,000
13 renewal fee to the Board.

14 (d) An owners licensee issued a master sports wagering
15 license may conduct sports wagering:

16 (1) at its facility in this State that is authorized to
17 conduct gambling operations under the Illinois Gambling
18 Act; and

19 (2) over the Internet or through a mobile application.

20 (e) The sports wagering offered over the Internet or
21 through a mobile application shall only be offered under either
22 the same brand as the owners licensee is operating under or a
23 brand owned by a direct or indirect holding company that owns
24 at least an 80% interest in that owners licensee on the
25 effective date of this Act.

26 (f) Until issuance of the first license under Section

1 25-45, an individual must create a sports wagering account in
2 person at a facility under paragraph (1) of subsection (d) to
3 participate in sports wagering offered over the Internet or
4 through a mobile application.

5 Section 25-40. Master sports wagering license issued to a
6 sports facility.

7 (a) As used in this Section, "designee" means a master
8 sports wagering licensee under Section 25-30, 25-35, or 25-45
9 or a management services provider licensee.

10 (b) A sports facility or a designee contracted to operate
11 sports wagering at or within a 5-block radius of the sports
12 facility may apply to the Board for a master sports wagering
13 license. To the extent permitted by federal and State law, the
14 Board shall actively seek to achieve racial, ethnic, and
15 geographic diversity when issuing master sports wagering
16 licenses to sports facilities or their designees and encourage
17 minority-owned businesses, women-owned businesses,
18 veteran-owned businesses, and businesses owned by persons with
19 disabilities to apply for licensure. Additionally, the report
20 published under subsection (m) of Section 25-45 shall impact
21 the issuance of the master sports wagering license to the
22 extent permitted by federal and State law.

23 For the purposes of this subsection (b), "minority-owned
24 business", "women-owned business", and "business owned by
25 persons with disabilities" have the meanings given to those

1 terms in Section 2 of the Business Enterprise for Minorities,
2 Women, and Persons with Disabilities Act.

3 (c) The Board may issue up to 7 master sports wagering
4 licenses to sports facilities or their designees that meet the
5 requirements for licensure as determined by rule by the Board.
6 If more than 7 qualified applicants apply for a master sports
7 wagering license under this Section, the licenses shall be
8 granted in the order in which the applications were received.
9 If a license is denied, revoked, or not renewed, the Board may
10 begin a new application process and issue a license under this
11 Section in the order in which the application was received.

12 (d) The initial license fee for a master sports wagering
13 license for a sports facility is \$10,000,000. The master sports
14 wagering license is valid for 4 years.

15 (e) The sports facility or its designee may renew the
16 master sports wagering license for a period of 4 years by
17 paying a \$1,000,000 renewal fee to the Board.

18 (f) A sports facility or its designee issued a master
19 sports wagering license may conduct sports wagering at or
20 within a 5-block radius of the sports facility.

21 (g) A sports facility or its designee issued a master
22 sports wagering license may conduct sports wagering over the
23 Internet within the sports facility or within a 5-block radius
24 of the sports facility.

25 (h) The sports wagering offered by a sports facility or its
26 designee over the Internet or through a mobile application

1 shall be offered under the same brand as the sports facility is
2 operating under, the brand the designee is operating under, or
3 a combination thereof.

4 (i) Until issuance of the first license under Section
5 25-45, an individual must register in person at a sports
6 facility or the designee's facility to participate in sports
7 wagering offered over the Internet or through a mobile
8 application.

9 Section 25-45. Master sports wagering license issued to an
10 online sports wagering operator.

11 (a) The Board shall issue 3 master sports wagering licenses
12 to online sports wagering operators for a nonrefundable license
13 fee of \$20,000,000 pursuant to an open and competitive
14 selection process. The master sports wagering license issued
15 under this Section may be renewed every 4 years upon payment of
16 a \$1,000,000 renewal fee. To the extent permitted by federal
17 and State law, the Board shall actively seek to achieve racial,
18 ethnic, and geographic diversity when issuing master sports
19 wagering licenses under this Section and encourage
20 minority-owned businesses, women-owned businesses,
21 veteran-owned businesses, and businesses owned by persons with
22 disabilities to apply for licensure.

23 For the purposes of this subsection (a), "minority-owned
24 business", "women-owned business", and "business owned by
25 persons with disabilities" have the meanings given to those

1 terms in Section 2 of the Business Enterprise for Minorities,
2 Women, and Persons with Disabilities Act.

3 (b) Applications for the initial competitive selection
4 occurring after the effective date of this Act shall be
5 received by the Board within 540 days after the first license
6 is issued under this Act to qualify. The Board shall announce
7 the winning bidders for the initial competitive selection
8 within 630 days after the first license is issued under this
9 Act, and this time frame may be extended at the discretion of
10 the Board.

11 (c) The Board shall provide public notice of its intent to
12 solicit applications for master sports wagering licenses under
13 this Section by posting the notice, application instructions,
14 and materials on its website for at least 30 calendar days
15 before the applications are due. Failure by an applicant to
16 submit all required information may result in the application
17 being disqualified. The Board may notify an applicant that its
18 application is incomplete and provide an opportunity to cure by
19 rule. Application instructions shall include a brief overview
20 of the selection process and how applications are scored.

21 (d) To be eligible for a master sports wagering license
22 under this Section, an applicant must: (1) be at least 21 years
23 of age; (2) not have been convicted of a felony offense or a
24 violation of Article 28 of the Criminal Code of 1961 or the
25 Criminal Code of 2012 or a similar statute of any other
26 jurisdiction; (3) not have been convicted of a crime involving

1 dishonesty or moral turpitude; (4) have demonstrated a level of
2 skill or knowledge that the Board determines to be necessary in
3 order to operate sports wagering; and (5) have met standards
4 for the holding of a license as adopted by rules of the Board.

5 The Board may adopt rules to establish additional
6 qualifications and requirements to preserve the integrity and
7 security of sports wagering in this State and to promote and
8 maintain a competitive sports wagering market. After the close
9 of the application period, the Board shall determine whether
10 the applications meet the mandatory minimum qualification
11 criteria and conduct a comprehensive, fair, and impartial
12 evaluation of all qualified applications.

13 (e) The Board shall open all qualified applications in a
14 public forum and disclose the applicants' names. The Board
15 shall summarize the terms of the proposals and make the
16 summaries available to the public on its website.

17 (f) Not more than 90 days after the publication of the
18 qualified applications, the Board shall identify the winning
19 bidders. In granting the licenses, the Board may give favorable
20 consideration to qualified applicants presenting plans that
21 provide for economic development and community engagement. To
22 the extent permitted by federal and State law, the Board may
23 give favorable consideration to qualified applicants
24 demonstrating commitment to diversity in the workplace.

25 (g) Upon selection of the winning bidders, the Board shall
26 have a reasonable period of time to ensure compliance with all

1 applicable statutory and regulatory criteria before issuing
2 the licenses. If the Board determines a winning bidder does not
3 satisfy all applicable statutory and regulatory criteria, the
4 Board shall select another bidder from the remaining qualified
5 applicants.

6 (h) Nothing in this Section is intended to confer a
7 property or other right, duty, privilege, or interest entitling
8 an applicant to an administrative hearing upon denial of an
9 application.

10 (i) Upon issuance of a master sports wagering license to a
11 winning bidder, the information and plans provided in the
12 application become a condition of the license. A master sports
13 wagering licensee under this Section has a duty to disclose any
14 material changes to the application. Failure to comply with the
15 conditions or requirements in the application may subject the
16 master sports wagering licensee under this Section to
17 discipline, including, but not limited to, fines, suspension,
18 and revocation of its license, pursuant to rules adopted by the
19 Board.

20 (j) The Board shall disseminate information about the
21 licensing process through media demonstrated to reach large
22 numbers of business owners and entrepreneurs who are
23 minorities, women, veterans, and persons with disabilities.

24 (k) The Department of Commerce and Economic Opportunity, in
25 conjunction with the Board, shall conduct ongoing, thorough,
26 and comprehensive outreach to businesses owned by minorities,

1 women, veterans, and persons with disabilities about
2 contracting and entrepreneurial opportunities in sports
3 wagering. This outreach shall include, but not be limited to:

4 (1) cooperating and collaborating with other State
5 boards, commissions, and agencies; public and private
6 universities and community colleges; and local governments
7 to target outreach efforts; and

8 (2) working with organizations serving minorities,
9 women, and persons with disabilities to establish and
10 conduct training for employment in sports wagering.

11 (1) The Board shall partner with the Department of Labor,
12 the Department of Financial and Professional Regulation, and
13 the Department of Commerce and Economic Opportunity to identify
14 employment opportunities within the sports wagering industry
15 for job seekers and dislocated workers.

16 (m) By March 1, 2020, the Board shall prepare a request for
17 proposals to conduct a study of the online sports wagering
18 industry and market to determine whether there is a compelling
19 interest in implementing remedial measures, including the
20 application of the Business Enterprise Program under the
21 Business Enterprise for Minorities, Women, and Persons with
22 Disabilities Act or a similar program to assist minorities,
23 women, and persons with disabilities in the sports wagering
24 industry.

25 As a part of the study, the Board shall evaluate race and
26 gender-neutral programs or other methods that may be used to

1 address the needs of minority and women applicants and
2 minority-owned and women-owned businesses seeking to
3 participate in the sports wagering industry. The Board shall
4 submit to the General Assembly and publish on its website the
5 results of this study by August 1, 2020.

6 If, as a result of the study conducted under this
7 subsection (m), the Board finds that there is a compelling
8 interest in implementing remedial measures, the Board may adopt
9 rules, including emergency rules, to implement remedial
10 measures, if necessary and to the extent permitted by State and
11 federal law, based on the findings of the study conducted under
12 this subsection (m).

13 Section 25-50. Supplier license.

14 (a) The Board may issue a supplier license to a person to
15 sell or lease sports wagering equipment, systems, or other
16 gaming items to conduct sports wagering and offer services
17 related to the equipment or other gaming items and data to a
18 master sports wagering licensee while the license is active.

19 (b) The Board may adopt rules establishing additional
20 requirements for a supplier and any system or other equipment
21 utilized for sports wagering. The Board may accept licensing by
22 another jurisdiction that it specifically determines to have
23 similar licensing requirements as evidence the applicant meets
24 supplier licensing requirements.

25 (c) An applicant for a supplier license shall demonstrate

1 that the equipment, system, or services that the applicant
2 plans to offer to the master sports wagering licensee conforms
3 to standards established by the Board and applicable State law.
4 The Board may accept approval by another jurisdiction that it
5 specifically determines have similar equipment standards as
6 evidence the applicant meets the standards established by the
7 Board and applicable State law.

8 (d) Applicants shall pay to the Board a nonrefundable
9 license and application fee in the amount of \$150,000. After
10 the initial 4-year term, the Board shall renew supplier
11 licenses annually thereafter. Renewal of a supplier license
12 shall be granted to a renewal applicant who has continued to
13 comply with all applicable statutory and regulatory
14 requirements, upon submission of the Board-issued renewal form
15 and payment of a \$150,000 renewal fee.

16 (e) A supplier shall submit to the Board a list of all
17 sports wagering equipment and services sold, delivered, or
18 offered to a master sports wagering licensee in this State, as
19 required by the Board, all of which must be tested and approved
20 by an independent testing laboratory approved by the Board. A
21 master sports wagering licensee may continue to use supplies
22 acquired from a licensed supplier, even if a supplier's license
23 expires or is otherwise canceled, unless the Board finds a
24 defect in the supplies.

25 Section 25-55. Management services provider license.

1 (a) A master sports wagering licensee may contract with an
2 entity to conduct that operation in accordance with the rules
3 of the Board and the provisions of this Act. That entity shall
4 obtain a license as a management services provider before the
5 execution of any such contract, and the management services
6 provider license shall be issued pursuant to the provisions of
7 this Act and any rules adopted by the Board.

8 (b) Each applicant for a management services provider
9 license shall meet all requirements for licensure and pay a
10 nonrefundable license and application fee of \$1,000,000. The
11 Board may adopt rules establishing additional requirements for
12 an authorized management services provider. The Board may
13 accept licensing by another jurisdiction that it specifically
14 determines to have similar licensing requirements as evidence
15 the applicant meets authorized management services provider
16 licensing requirements.

17 (c) Management services provider licenses shall be renewed
18 every 4 years to licensees who continue to be in compliance
19 with all requirements and who pay the renewal fee of \$500,000.

20 (d) A person who shares in revenue shall be licensed under
21 this Section.

22 Section 25-60. Tier 2 official league data provider
23 license.

24 (a) A sports governing body or a sports league,
25 organization, or association or a vendor authorized by such

1 sports governing body or sports league, organization, or
2 association to distribute tier 2 official league data may apply
3 to the Board for a tier 2 official league data provider
4 license.

5 (b) A tier 2 official league data provider licensee may
6 provide a master sports wagering licensee with official league
7 data for tier 2 sports wagers. No sports governing body or
8 sports league, organization, or association or a vendor
9 authorized by such sports governing body or sports league,
10 organization, or association may provide tier 2 official league
11 data to a master sports wagering licensee without a tier 2
12 official league data provider license.

13 Notwithstanding the provisions of this Section, the
14 licensing and fee requirements of this Section shall not apply
15 if, under subsection (g) of Section 25-25, master sports
16 wagering licensees are not required to use official league data
17 to determine the results of tier 2 sports wagers.

18 (c) The initial license fee for a tier 2 official league
19 data provider license is payable to the Board at the end of the
20 first year of licensure based on the amount of data sold to
21 master sports wagering licensees as official league data as
22 follows:

23 (1) for data sales up to and including \$500,000, the
24 fee is \$30,000;

25 (2) for data sales in excess of \$500,000 and up to and
26 including \$750,000, the fee is \$60,000;

1 (3) for data sales in excess of \$750,000 and up to and
2 including \$1,000,000, the fee is \$125,000;

3 (4) for data sales in excess of \$1,000,000 and up to
4 and including \$1,500,000, the fee is \$250,000;

5 (5) for data sales in excess of \$1,500,000 and up to
6 and including \$2,000,000, the fee is \$375,000; and

7 (6) for data sales in excess of \$2,000,000, the fee is
8 \$500,000.

9 The license is valid for 3 years.

10 (d) The tier 2 official league data provider licensee may
11 renew the license for 3 years by paying a renewal fee to the
12 Board based on the amount of data sold to master sports
13 wagering licensees as official league data in the immediately
14 preceding year as provided in paragraphs (1) through (6) of
15 subsection (c).

16 Section 25-65. Sports wagering at a sports facility. Sports
17 wagering may be offered in person at or within a 5-block radius
18 of a sports facility if sports wagering is offered by a
19 designee, as defined in Section 25-40, and that designee has
20 received written authorization from the relevant sports team
21 that plays its home contests at the sports facility. If more
22 than one professional sports team plays its home contests at
23 the same sports facility, written authorization is required
24 from all sports teams that play home contests at the sports
25 facility.

1 Section 25-70. Lottery sports wagering pilot program.

2 (a) As used in this Section:

3 "Central system" means the hardware, software,
4 peripherals, and network components provided by the
5 Department's central system provider that link and support all
6 required sports lottery terminals and the central site and that
7 are unique and separate from the lottery central system for
8 draw and instant games.

9 "Central system provider" means an individual,
10 partnership, corporation, or limited liability company that
11 has been licensed for the purpose of providing and maintaining
12 a central system and the related management facilities
13 specifically for the management of sports lottery terminals.

14 "Electronic card" means a card purchased from a lottery
15 retailer.

16 "Lottery retailer" means a location licensed by the
17 Department to sell lottery tickets or shares.

18 "Sports lottery systems" means systems provided by the
19 central system provider consisting of sports wagering
20 products, risk management, operations, and support services.

21 "Sports lottery terminal" means a terminal linked to the
22 central system in which bills or coins are deposited or an
23 electronic card is inserted in order to place wagers on a
24 sports event and lottery offerings.

25 (b) The Department shall issue one central system provider

1 license pursuant to an open and competitive bidding process
2 that uses the following procedures:

3 (1) The Department shall make applications for the
4 central system provider license available to the public and
5 allow a reasonable time for applicants to submit
6 applications to the Department.

7 (2) During the filing period for central system
8 provider license applications, the Department may retain
9 professional services to assist the Department in
10 conducting the open and competitive bidding process.

11 (3) After receiving all of the bid proposals, the
12 Department shall open all of the proposals in a public
13 forum and disclose the prospective central system provider
14 names and venture partners, if any.

15 (4) The Department shall summarize the terms of the bid
16 proposals and may make this summary available to the
17 public.

18 (5) The Department shall evaluate the bid proposals
19 within a reasonable time and select no more than 3 final
20 applicants to make presentations of their bid proposals to
21 the Department.

22 (6) The final applicants shall make their
23 presentations to the Department on the same day during an
24 open session of the Department.

25 (7) As soon as practicable after the public
26 presentations by the final applicants, the Department, in

1 its discretion, may conduct further negotiations among the
2 3 final applicants. At the conclusion of such negotiations,
3 the Department shall select the winning bid.

4 (8) Upon selection of the winning bid, the Department
5 shall evaluate the winning bid within a reasonable period
6 of time for licensee suitability in accordance with all
7 applicable statutory and regulatory criteria.

8 (9) If the winning bidder is unable or otherwise fails
9 to consummate the transaction, (including if the
10 Department determines that the winning bidder does not
11 satisfy the suitability requirements), the Department may,
12 on the same criteria, select from the remaining bidders.

13 (10) The winning bidder shall pay \$20,000,000 to the
14 Department upon being issued the central system provider
15 license.

16 (c) Every sports lottery terminal offered in this State for
17 play shall first be tested and approved pursuant to the rules
18 of the Department, and each sports lottery terminal offered in
19 this State for play shall conform to an approved model. For the
20 examination of sports lottery terminals and associated
21 equipment as required by this Section, the central system
22 provider may utilize the services of one or more independent
23 outside testing laboratories that have been accredited by a
24 national accreditation body and that, in the judgment of the
25 Department, are qualified to perform such examinations. Every
26 sports lottery terminal offered in this State for play must

1 meet minimum standards set by an independent outside testing
2 laboratory approved by the Department.

3 (d) During the first 360 days after the effective date of
4 this Act, sport lottery terminals may be placed in no more than
5 2,500 Lottery retail locations in the State. Sports lottery
6 terminals may be placed in an additional 2,500 Lottery retail
7 locations during the second year after the effective date of
8 this Act.

9 (e) A sports lottery terminal may not directly dispense
10 coins, cash, tokens, or any other article of exchange or value
11 except for receipt tickets. Tickets shall be dispensed by
12 pressing the ticket dispensing button on the sports lottery
13 terminal at the end of the placement of one's wager or wagers.
14 The ticket shall indicate the total amount wagered, odds for
15 each wager placed, and the cash award for each bet placed, the
16 time of day in a 24-hour format showing hours and minutes, the
17 date, the terminal serial number, the sequential number of the
18 ticket, and an encrypted validation number from which the
19 validity of the prize may be determined. The player shall turn
20 in this ticket to the appropriate person at a lottery retailer
21 to receive the cash award.

22 (f) No lottery retailer may cause or permit any person
23 under the age of 21 years to use a sports lottery terminal or
24 sports wagering application. A lottery retailer who knowingly
25 causes or permits a person under the age of 21 years to use a
26 sports lottery terminal or sports wagering application is

1 guilty of a business offense and shall be fined an amount not
2 to exceed \$5,000.

3 (g) A sports lottery terminal shall only accept parlay
4 wagers and fixed odds parlay wagers. The Department shall, by
5 rule, establish the total amount, as a percentage, of all
6 wagers placed that a lottery retailer may retain.

7 (h) The Department shall have jurisdiction over and shall
8 supervise all lottery sports wagering operations governed by
9 this Section. The Department shall have all powers necessary
10 and proper to fully and effectively execute the provisions of
11 this Section, including, but not limited to, the following:

12 (1) To investigate applicants and determine the
13 eligibility of applicants for licenses and to select among
14 competing applicants the applicants which best serve the
15 interests of the citizens of Illinois.

16 (2) To have jurisdiction and supervision over all
17 lottery sports wagering operations in this State.

18 (3) To adopt rules for the purpose of administering the
19 provisions of this Section and to adopt rules and
20 conditions under which all lottery sports wagering in the
21 State shall be conducted. Such rules are to provide for the
22 prevention of practices detrimental to the public interest
23 and for the best interests of lottery sports wagering,
24 including rules (i) regarding the inspection of such
25 licensees necessary to operate a lottery retailer under any
26 laws or rules applicable to licensees, (ii) to impose

1 penalties for violations of the Act and its rules, and
2 (iii) establishing standards for advertising lottery
3 sports wagering.

4 (i) The Department shall adopt emergency rules to
5 administer this Section in accordance with Section 5-45 of the
6 Illinois Administrative Procedure Act. For the purposes of the
7 Illinois Administrative Procedure Act, the General Assembly
8 finds that the adoption of rules to implement this Section is
9 deemed an emergency and necessary to the public interest,
10 safety, and welfare.

11 (j) For the privilege of operating lottery sports wagering
12 under this Section, all proceeds minus net of proceeds returned
13 to players shall be electronically transferred daily or weekly,
14 at the discretion of the Director of the Lottery, into the
15 State Lottery Fund. After amounts owed to the central system
16 provider and licensed agents, as determined by the Department,
17 are paid from the moneys deposited into the State Lottery Fund
18 under this subsection, the remainder shall be transferred on
19 the 15th of each month to the Capital Projects Fund.

20 (k) This Section is repealed on January 1, 2024.

21 Section 25-75. Reporting prohibited conduct;
22 investigations of prohibited conduct.

23 (a) The Board shall establish a hotline or other method of
24 communication that allows any person to confidentially report
25 information about prohibited conduct to the Board.

1 (b) The Board shall investigate all reasonable allegations
2 of prohibited conduct and refer any allegations it deems
3 credible to the appropriate law enforcement entity.

4 (c) The identity of any reporting person shall remain
5 confidential unless that person authorizes disclosure of his or
6 her identity or until such time as the allegation of prohibited
7 conduct is referred to law enforcement.

8 (d) If the Board receives a complaint of prohibited conduct
9 by an athlete, the Board shall notify the appropriate sports
10 governing body of the athlete to review the complaint as
11 provided by rule.

12 (e) The Board shall adopt emergency rules to administer
13 this Section in accordance with Section 5-45 of the Illinois
14 Administrative Procedure Act.

15 (f) The Board shall adopt rules governing investigations of
16 prohibited conduct and referrals to law enforcement entities.

17 Section 25-80. Personal biometric data. A master sports
18 wagering licensee shall not purchase or use any personal
19 biometric data of an athlete unless the master sports wagering
20 licensee has received written permission from the athlete's
21 exclusive bargaining representative.

22 Section 25-85. Supplier diversity goals for sports
23 wagering.

24 (a) As used in this Section only, "licensee" means a

1 licensee under this Act other than an occupational licensee.

2 (b) The public policy of this State is to collaboratively
3 work with companies that serve Illinois residents to improve
4 their supplier diversity in a non-antagonistic manner.

5 (c) The Board and the Department shall require all
6 licensees under this Act to submit an annual report by April
7 15, 2020 and every April 15 thereafter, in a searchable Adobe
8 PDF format, on all procurement goals and actual spending for
9 businesses owned by women, minorities, veterans, and persons
10 with disabilities and small business enterprises in the
11 previous calendar year. These goals shall be expressed as a
12 percentage of the total work performed by the entity submitting
13 the report, and the actual spending for all businesses owned by
14 women, minorities, veterans, and persons with disabilities and
15 small business enterprises shall also be expressed as a
16 percentage of the total work performed by the entity submitting
17 the report.

18 (d) Each licensee in its annual report shall include the
19 following information:

20 (1) an explanation of the plan for the next year to
21 increase participation;

22 (2) an explanation of the plan to increase the goals;

23 (3) the areas of procurement each licensee shall be
24 actively seeking more participation in the next year;

25 (4) an outline of the plan to alert and encourage
26 potential vendors in that area to seek business from the

1 licensee;

2 (5) an explanation of the challenges faced in finding
3 quality vendors and offer any suggestions for what the
4 Board could do to be helpful to identify those vendors;

5 (6) a list of the certifications the licensee
6 recognizes;

7 (7) the point of contact for any potential vendor who
8 wishes to do business with the licensee and explain the
9 process for a vendor to enroll with the licensee as a
10 businesses owned by women, minorities, veterans, or
11 persons with disabilities; and

12 (8) any particular success stories to encourage other
13 licensee to emulate best practices.

14 (e) Each annual report shall include as much State-specific
15 data as possible. If the submitting entity does not submit
16 State-specific data, then the licensee shall include any
17 national data it does have and explain why it could not submit
18 State-specific data and how it intends to do so in future
19 reports, if possible.

20 (f) Each annual report shall include the rules,
21 regulations, and definitions used for the procurement goals in
22 the licensee's annual report.

23 (g) The Board, Department, and all licensees shall hold an
24 annual workshop and job fair open to the public in 2020 and
25 every year thereafter on the state of supplier diversity to
26 collaboratively seek solutions to structural impediments to

1 achieving stated goals, including testimony from each licensee
2 as well as subject matter experts and advocates. The Board and
3 Department shall publish a database on their websites of the
4 point of contact for licensees they regulate under this Act for
5 supplier diversity, along with a list of certifications each
6 licensee recognizes from the information submitted in each
7 annual report. The Board and Department shall publish each
8 annual report on their websites and shall maintain each annual
9 report for at least 5 years.

10 Section 25-90. Tax; Sports Wagering Fund.

11 (a) For the privilege of holding a license to operate
12 sports wagering under this Act, this State shall impose and
13 collect 15% of a master sports wagering licensee's adjusted
14 gross sports wagering receipts from sports wagering. The
15 accrual method of accounting shall be used for purposes of
16 calculating the amount of the tax owed by the licensee.

17 The taxes levied and collected pursuant to this subsection
18 (a) are due and payable to the Board no later than the last day
19 of the month following the calendar month in which the adjusted
20 gross sports wagering receipts were received and the tax
21 obligation was accrued.

22 (a-5) In addition to the tax imposed under subsection (a)
23 of this Section, for the privilege of holding a license to
24 operate sports wagering under this Act, the State shall impose
25 and collect 2% of the adjusted gross receipts from sports

1 wagers that are placed within a home rule county with a
2 population of over 3,000,000 inhabitants, which shall be paid,
3 subject to appropriation from the General Assembly, from the
4 Sports Wagering Fund to that home rule county for the purpose
5 of enhancing the county's criminal justice system.

6 (b) The Sports Wagering Fund is hereby created as special
7 fund in the State treasury. Except as otherwise provided in
8 this Act, all moneys collected under this Act by the Board
9 shall be deposited into the Sports Wagering Fund. On the 25th
10 of each month, any moneys remaining in the Sports Wagering Fund
11 shall be transferred to the Capital Projects Fund.

12 Section 25-95. Compulsive gambling. Each master sports
13 wagering licensee shall include a statement regarding
14 obtaining assistance with gambling problems, the text of which
15 shall be determined by rule by the Department of Human
16 Services, on the master sports wagering licensee's portal,
17 Internet website, or computer or mobile application.

18 Section 25-100. Voluntary self-exclusion program for
19 sports wagering. Any resident, or non-resident if allowed to
20 participate in sports wagering, may voluntarily prohibit
21 himself or herself from establishing a sports wagering account
22 with a licensee under this Act. The Board and Department shall
23 incorporate the voluntary self-exclusion program for sports
24 wagering into any existing self-exclusion program that it

1 operates on the effective date of this Act.

2 Section 25-105. Report to General Assembly. On or before
3 January 15, 2021 and every January 15 thereafter, the Board
4 shall provide a report to the General Assembly on sports
5 wagering conducted under this Act.

6 Section 25-110. Preemption. Nothing in this Act shall be
7 deemed to diminish the rights, privileges, or remedies of a
8 person under any other federal or State law, rule, or
9 regulation.

10 Section 25-900. The Illinois Administrative Procedure Act
11 is amended by changing Section 5-45 as follows:

12 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

13 Sec. 5-45. Emergency rulemaking.

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

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

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

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

1 necessary to protect the public's health, (iv) emergency rules
2 adopted pursuant to subsection (n) of this Section, (v)
3 emergency rules adopted pursuant to subsection (o) of this
4 Section, or (vi) emergency rules adopted pursuant to subsection
5 (c-5) of this Section. Two or more emergency rules having
6 substantially the same purpose and effect shall be deemed to be
7 a single rule for purposes of this Section.

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

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

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

3 (e) In order to provide for the expeditious and timely
4 implementation of the State's fiscal year 2000 budget,
5 emergency rules to implement any provision of Public Act 91-24
6 or any other budget initiative for fiscal year 2000 may be
7 adopted in accordance with this Section by the agency charged
8 with administering that provision or initiative, except that
9 the 24-month limitation on the adoption of emergency rules and
10 the provisions of Sections 5-115 and 5-125 do not apply to
11 rules adopted under this subsection (e). The adoption of
12 emergency rules authorized by this subsection (e) shall be
13 deemed to be necessary for the public interest, safety, and
14 welfare.

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

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

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

25 (i) In order to provide for the expeditious and timely
26 implementation of the State's fiscal year 2004 budget,

1 emergency rules to implement any provision of Public Act 93-20
2 or any other budget initiative for fiscal year 2004 may be
3 adopted in accordance with this Section by the agency charged
4 with administering that provision or initiative, except that
5 the 24-month limitation on the adoption of emergency rules and
6 the provisions of Sections 5-115 and 5-125 do not apply to
7 rules adopted under this subsection (i). The adoption of
8 emergency rules authorized by this subsection (i) shall be
9 deemed to be necessary for the public interest, safety, and
10 welfare.

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

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

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

1 the State plans and Illinois waivers approved by the federal
2 Centers for Medicare and Medicaid Services necessitated by the
3 requirements of Title XIX and Title XXI of the federal Social
4 Security Act. The adoption of emergency rules authorized by
5 this subsection (l) shall be deemed to be necessary for the
6 public interest, safety, and welfare.

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

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

1 emergency rules authorized by this subsection (n) shall be
2 deemed to be necessary for the public interest, safety, and
3 welfare. The rulemaking authority granted in this subsection
4 (n) shall apply only to rules promulgated during Fiscal Year
5 2010.

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

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

1 emergency rules does not apply to rules adopted under this
2 subsection (p). The adoption of emergency rules authorized by
3 this subsection (p) is deemed to be necessary for the public
4 interest, safety, and welfare.

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

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

25 (s) In order to provide for the expeditious and timely
26 implementation of the provisions of Sections 5-5b.1 and 5A-2 of

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

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

24 (u) In order to provide for the expeditious and timely
25 implementation of the provisions of the Burn Victims Relief
26 Act, emergency rules to implement any provision of the Act may

1 be adopted in accordance with this subsection (u) by the
2 Department of Insurance. The rulemaking authority granted in
3 this subsection (u) shall apply only to those rules adopted
4 prior to December 31, 2015. The adoption of emergency rules
5 authorized by this subsection (u) is deemed to be necessary for
6 the public interest, safety, and welfare.

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

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

23 (x) In order to provide for the expeditious and timely
24 implementation of the provisions of Public Act 99-906,
25 emergency rules to implement subsection (i) of Section 16-115D,
26 subsection (g) of Section 16-128A, and subsection (a) of

1 Section 16-128B of the Public Utilities Act may be adopted in
2 accordance with this subsection (x) by the Illinois Commerce
3 Commission. The rulemaking authority granted in this
4 subsection (x) shall apply only to those rules adopted within
5 180 days after June 1, 2017 (the effective date of Public Act
6 99-906). The adoption of emergency rules authorized by this
7 subsection (x) is deemed to be necessary for the public
8 interest, safety, and welfare.

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

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

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

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

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

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

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

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

23 (ee) In order to provide for the expeditious and timely
24 implementation of the provisions of Public Act 100-1172 ~~this~~
25 ~~amendatory Act of the 100th General Assembly~~, emergency rules
26 implementing the Illinois Underground Natural Gas Storage

1 Safety Act may be adopted in accordance with this subsection by
2 the Department of Natural Resources. The adoption of emergency
3 rules authorized by this subsection is deemed to be necessary
4 for the public interest, safety, and welfare.

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

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

1 (ii) In order to provide for the expeditious and timely
2 implementation of the provisions of Section 25-70 of the Sports
3 Wagering Act, emergency rules to implement Section 25-70 of the
4 Sports Wagering Act may be adopted in accordance with this
5 subsection (ii) by the Department of the Lottery as provided in
6 the Sports Wagering Act. The adoption of emergency rules
7 authorized by this subsection (ii) is deemed to be necessary
8 for the public interest, safety, and welfare.

9 (jj) In order to provide for the expeditious and timely
10 implementation of the Sports Wagering Act, emergency rules to
11 implement the Sports Wagering Act may be adopted in accordance
12 with this subsection (jj) by the Illinois Gaming Board. The
13 adoption of emergency rules authorized by this subsection (jj)
14 is deemed to be necessary for the public interest, safety, and
15 welfare.

16 (Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17;
17 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff.
18 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18;
19 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff.
20 3-8-19; 101-1, eff. 2-19-19; revised 4-2-19.)

21 Section 25-905. The State Finance Act is amended by adding
22 Section 5.896 as follows:

23 (30 ILCS 105/5.896 new)

24 Sec. 5.896. The Sports Wagering Fund.

1 Section 25-910. The Riverboat Gambling Act is amended by
2 changing Section 13 as follows:

3 (230 ILCS 10/13) (from Ch. 120, par. 2413)

4 Sec. 13. Wagering tax; rate; distribution.

5 (a) Until January 1, 1998, a tax is imposed on the adjusted
6 gross receipts received from gambling games authorized under
7 this Act at the rate of 20%.

8 (a-1) From January 1, 1998 until July 1, 2002, a privilege
9 tax is imposed on persons engaged in the business of conducting
10 riverboat gambling operations, based on the adjusted gross
11 receipts received by a licensed owner from gambling games
12 authorized under this Act at the following rates:

13 15% of annual adjusted gross receipts up to and
14 including \$25,000,000;

15 20% of annual adjusted gross receipts in excess of
16 \$25,000,000 but not exceeding \$50,000,000;

17 25% of annual adjusted gross receipts in excess of
18 \$50,000,000 but not exceeding \$75,000,000;

19 30% of annual adjusted gross receipts in excess of
20 \$75,000,000 but not exceeding \$100,000,000;

21 35% of annual adjusted gross receipts in excess of
22 \$100,000,000.

23 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax
24 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, a privilege tax is
7 imposed on persons engaged in the business of conducting
8 riverboat gambling operations, other than licensed managers
9 conducting riverboat gambling operations on behalf of the
10 State, based on the adjusted gross receipts received by a
11 licensed owner from gambling games authorized under this Act at
12 the following rates:

13 15% of annual adjusted gross receipts up to and
14 including \$25,000,000;

15 22.5% of annual adjusted gross receipts in excess of
16 \$25,000,000 but not exceeding \$50,000,000;

17 27.5% of annual adjusted gross receipts in excess of
18 \$50,000,000 but not exceeding \$75,000,000;

19 32.5% of annual adjusted gross receipts in excess of
20 \$75,000,000 but not exceeding \$100,000,000;

21 37.5% of annual adjusted gross receipts in excess of
22 \$100,000,000 but not exceeding \$150,000,000;

23 45% of annual adjusted gross receipts in excess of
24 \$150,000,000 but not exceeding \$200,000,000;

25 50% of annual adjusted gross receipts in excess of
26 \$200,000,000.

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-10) The taxes imposed by this Section shall be paid by
5 the licensed owner to the Board not later than 5:00 o'clock
6 p.m. of the day after the day when the wagers were made.

7 (a-15) If the privilege tax imposed under subsection (a-3)
8 is no longer imposed pursuant to item (i) of the last paragraph
9 of subsection (a-3), then by June 15 of each year, each owners
10 licensee, other than an owners licensee that admitted 1,000,000
11 persons or fewer in calendar year 2004, must, in addition to
12 the payment of all amounts otherwise due under this Section,
13 pay to the Board a reconciliation payment in the amount, if
14 any, by which the licensed owner's base amount exceeds the
15 amount of net privilege tax paid by the licensed owner to the
16 Board in the then current State fiscal year. A licensed owner's
17 net privilege tax obligation due for the balance of the State
18 fiscal year shall be reduced up to the total of the amount paid
19 by the licensed owner in its June 15 reconciliation payment.
20 The obligation imposed by this subsection (a-15) is binding on
21 any person, firm, corporation, or other entity that acquires an
22 ownership interest in any such owners license. The obligation
23 imposed under this subsection (a-15) terminates on the earliest
24 of: (i) July 1, 2007, (ii) the first day after the effective
25 date of this amendatory Act of the 94th General Assembly that
26 riverboat gambling operations are conducted pursuant to a

1 dormant license, (iii) the first day that riverboat gambling
2 operations are conducted under the authority of an owners
3 license that is in addition to the 10 owners licenses initially
4 authorized under this Act, or (iv) the first day that a
5 licensee under the Illinois Horse Racing Act of 1975 conducts
6 gaming operations with slot machines or other electronic gaming
7 devices. The Board must reduce the obligation imposed under
8 this subsection (a-15) by an amount the Board deems reasonable
9 for any of the following reasons: (A) an act or acts of God,
10 (B) an act of bioterrorism or terrorism or a bioterrorism or
11 terrorism threat that was investigated by a law enforcement
12 agency, or (C) a condition beyond the control of the owners
13 licensee that does not result from any act or omission by the
14 owners licensee or any of its agents and that poses a hazardous
15 threat to the health and safety of patrons. If an owners
16 licensee pays an amount in excess of its liability under this
17 Section, the Board shall apply the overpayment to future
18 payments required under this Section.

19 For purposes of this subsection (a-15):

20 "Act of God" means an incident caused by the operation of
21 an extraordinary force that cannot be foreseen, that cannot be
22 avoided by the exercise of due care, and for which no person
23 can be held liable.

24 "Base amount" means the following:

25 For a riverboat in Alton, \$31,000,000.

26 For a riverboat in East Peoria, \$43,000,000.

- 1 For the Empress riverboat in Joliet, \$86,000,000.
2 For a riverboat in Metropolis, \$45,000,000.
3 For the Harrah's riverboat in Joliet, \$114,000,000.
4 For a riverboat in Aurora, \$86,000,000.
5 For a riverboat in East St. Louis, \$48,500,000.
6 For a riverboat in Elgin, \$198,000,000.

7 "Dormant license" has the meaning ascribed to it in
8 subsection (a-3).

9 "Net privilege tax" means all privilege taxes paid by a
10 licensed owner to the Board under this Section, less all
11 payments made from the State Gaming Fund pursuant to subsection
12 (b) of this Section.

13 The changes made to this subsection (a-15) by Public Act
14 94-839 are intended to restate and clarify the intent of Public
15 Act 94-673 with respect to the amount of the payments required
16 to be made under this subsection by an owners licensee to the
17 Board.

18 (b) Until January 1, 1998, 25% of the tax revenue deposited
19 in the State Gaming Fund under this Section shall be paid,
20 subject to appropriation by the General Assembly, to the unit
21 of local government which is designated as the home dock of the
22 riverboat. Beginning January 1, 1998, from the tax revenue
23 deposited in the State Gaming Fund under this Section, an
24 amount equal to 5% of adjusted gross receipts generated by a
25 riverboat shall be paid monthly, subject to appropriation by
26 the General Assembly, to the unit of local government that is

1 designated as the home dock of the riverboat. From the tax
2 revenue deposited in the State Gaming Fund pursuant to
3 riverboat gambling operations conducted by a licensed manager
4 on behalf of the State, an amount equal to 5% of adjusted gross
5 receipts generated pursuant to those riverboat gambling
6 operations shall be paid monthly, subject to appropriation by
7 the General Assembly, to the unit of local government that is
8 designated as the home dock of the riverboat upon which those
9 riverboat gambling operations are conducted.

10 (c) Appropriations, as approved by the General Assembly,
11 may be made from the State Gaming Fund to the Board (i) for the
12 administration and enforcement of this Act and the Video Gaming
13 Act, (ii) for distribution to the Department of State Police
14 and to the Department of Revenue for the enforcement of this
15 Act, and (iii) to the Department of Human Services for the
16 administration of programs to treat problem gambling,
17 including problem gambling from sports wagering.

18 (c-5) Before May 26, 2006 (the effective date of Public Act
19 94-804) and beginning on the effective date of this amendatory
20 Act of the 95th General Assembly, unless any organization
21 licensee under the Illinois Horse Racing Act of 1975 begins to
22 operate a slot machine or video game of chance under the
23 Illinois Horse Racing Act of 1975 or this Act, after the
24 payments required under subsections (b) and (c) have been made,
25 an amount equal to 15% of the adjusted gross receipts of (1) an
26 owners licensee that relocates pursuant to Section 11.2, (2) an

1 owners licensee conducting riverboat gambling operations
2 pursuant to an owners license that is initially issued after
3 June 25, 1999, or (3) the first riverboat gambling operations
4 conducted by a licensed manager on behalf of the State under
5 Section 7.3, whichever comes first, shall be paid from the
6 State Gaming Fund into the Horse Racing Equity Fund.

7 (c-10) Each year the General Assembly shall appropriate
8 from the General Revenue Fund to the Education Assistance Fund
9 an amount equal to the amount paid into the Horse Racing Equity
10 Fund pursuant to subsection (c-5) in the prior calendar year.

11 (c-15) After the payments required under subsections (b),
12 (c), and (c-5) have been made, an amount equal to 2% of the
13 adjusted gross receipts of (1) an owners licensee that
14 relocates pursuant to Section 11.2, (2) an owners licensee
15 conducting riverboat gambling operations pursuant to an owners
16 license that is initially issued after June 25, 1999, or (3)
17 the first riverboat gambling operations conducted by a licensed
18 manager on behalf of the State under Section 7.3, whichever
19 comes first, shall be paid, subject to appropriation from the
20 General Assembly, from the State Gaming Fund to each home rule
21 county with a population of over 3,000,000 inhabitants for the
22 purpose of enhancing the county's criminal justice system.

23 (c-20) Each year the General Assembly shall appropriate
24 from the General Revenue Fund to the Education Assistance Fund
25 an amount equal to the amount paid to each home rule county
26 with a population of over 3,000,000 inhabitants pursuant to

1 subsection (c-15) in the prior calendar year.

2 (c-25) On July 1, 2013 and each July 1 thereafter,
3 \$1,600,000 shall be transferred from the State Gaming Fund to
4 the Chicago State University Education Improvement Fund.

5 (c-30) On July 1, 2013 or as soon as possible thereafter,
6 \$92,000,000 shall be transferred from the State Gaming Fund to
7 the School Infrastructure Fund and \$23,000,000 shall be
8 transferred from the State Gaming Fund to the Horse Racing
9 Equity Fund.

10 (c-35) Beginning on July 1, 2013, in addition to any amount
11 transferred under subsection (c-30) of this Section,
12 \$5,530,000 shall be transferred monthly from the State Gaming
13 Fund to the School Infrastructure Fund.

14 (d) From time to time, the Board shall transfer the
15 remainder of the funds generated by this Act into the Education
16 Assistance Fund, created by Public Act 86-0018, of the State of
17 Illinois.

18 (e) Nothing in this Act shall prohibit the unit of local
19 government designated as the home dock of the riverboat from
20 entering into agreements with other units of local government
21 in this State or in other states to share its portion of the
22 tax revenue.

23 (f) To the extent practicable, the Board shall administer
24 and collect the wagering taxes imposed by this Section in a
25 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
26 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the

1 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
2 Penalty and Interest Act.

3 (Source: P.A. 98-18, eff. 6-7-13.)

4 Section 25-915. The Criminal Code of 2012 is amended by
5 changing Sections 28-1, 28-3, and 28-5 as follows:

6 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

7 Sec. 28-1. Gambling.

8 (a) A person commits gambling when he or she:

9 (1) knowingly plays a game of chance or skill for money
10 or other thing of value, unless excepted in subsection (b)
11 of this Section;

12 (2) knowingly makes a wager upon the result of any
13 game, contest, or any political nomination, appointment or
14 election;

15 (3) knowingly operates, keeps, owns, uses, purchases,
16 exhibits, rents, sells, bargains for the sale or lease of,
17 manufactures or distributes any gambling device;

18 (4) contracts to have or give himself or herself or
19 another the option to buy or sell, or contracts to buy or
20 sell, at a future time, any grain or other commodity
21 whatsoever, or any stock or security of any company, where
22 it is at the time of making such contract intended by both
23 parties thereto that the contract to buy or sell, or the
24 option, whenever exercised, or the contract resulting

1 therefrom, shall be settled, not by the receipt or delivery
2 of such property, but by the payment only of differences in
3 prices thereof; however, the issuance, purchase, sale,
4 exercise, endorsement or guarantee, by or through a person
5 registered with the Secretary of State pursuant to Section
6 8 of the Illinois Securities Law of 1953, or by or through
7 a person exempt from such registration under said Section
8 8, of a put, call, or other option to buy or sell
9 securities which have been registered with the Secretary of
10 State or which are exempt from such registration under
11 Section 3 of the Illinois Securities Law of 1953 is not
12 gambling within the meaning of this paragraph (4);

13 (5) knowingly owns or possesses any book, instrument or
14 apparatus by means of which bets or wagers have been, or
15 are, recorded or registered, or knowingly possesses any
16 money which he has received in the course of a bet or
17 wager;

18 (6) knowingly sells pools upon the result of any game
19 or contest of skill or chance, political nomination,
20 appointment or election;

21 (7) knowingly sets up or promotes any lottery or sells,
22 offers to sell or transfers any ticket or share for any
23 lottery;

24 (8) knowingly sets up or promotes any policy game or
25 sells, offers to sell or knowingly possesses or transfers
26 any policy ticket, slip, record, document or other similar

1 device;

2 (9) knowingly drafts, prints or publishes any lottery
3 ticket or share, or any policy ticket, slip, record,
4 document or similar device, except for such activity
5 related to lotteries, bingo games and raffles authorized by
6 and conducted in accordance with the laws of Illinois or
7 any other state or foreign government;

8 (10) knowingly advertises any lottery or policy game,
9 except for such activity related to lotteries, bingo games
10 and raffles authorized by and conducted in accordance with
11 the laws of Illinois or any other state;

12 (11) knowingly transmits information as to wagers,
13 betting odds, or changes in betting odds by telephone,
14 telegraph, radio, semaphore or similar means; or knowingly
15 installs or maintains equipment for the transmission or
16 receipt of such information; except that nothing in this
17 subdivision (11) prohibits transmission or receipt of such
18 information for use in news reporting of sporting events or
19 contests; or

20 (12) knowingly establishes, maintains, or operates an
21 Internet site that permits a person to play a game of
22 chance or skill for money or other thing of value by means
23 of the Internet or to make a wager upon the result of any
24 game, contest, political nomination, appointment, or
25 election by means of the Internet. This item (12) does not
26 apply to activities referenced in items (6), ~~and~~ (6.1), and

1 (15) of subsection (b) of this Section.

2 (b) Participants in any of the following activities shall
3 not be convicted of gambling:

4 (1) Agreements to compensate for loss caused by the
5 happening of chance including without limitation contracts
6 of indemnity or guaranty and life or health or accident
7 insurance.

8 (2) Offers of prizes, award or compensation to the
9 actual contestants in any bona fide contest for the
10 determination of skill, speed, strength or endurance or to
11 the owners of animals or vehicles entered in such contest.

12 (3) Pari-mutuel betting as authorized by the law of
13 this State.

14 (4) Manufacture of gambling devices, including the
15 acquisition of essential parts therefor and the assembly
16 thereof, for transportation in interstate or foreign
17 commerce to any place outside this State when such
18 transportation is not prohibited by any applicable Federal
19 law; or the manufacture, distribution, or possession of
20 video gaming terminals, as defined in the Video Gaming Act,
21 by manufacturers, distributors, and terminal operators
22 licensed to do so under the Video Gaming Act.

23 (5) The game commonly known as "bingo", when conducted
24 in accordance with the Bingo License and Tax Act.

25 (6) Lotteries when conducted by the State of Illinois
26 in accordance with the Illinois Lottery Law. This exemption

1 includes any activity conducted by the Department of
2 Revenue to sell lottery tickets pursuant to the provisions
3 of the Illinois Lottery Law and its rules.

4 (6.1) The purchase of lottery tickets through the
5 Internet for a lottery conducted by the State of Illinois
6 under the program established in Section 7.12 of the
7 Illinois Lottery Law.

8 (7) Possession of an antique slot machine that is
9 neither used nor intended to be used in the operation or
10 promotion of any unlawful gambling activity or enterprise.
11 For the purpose of this subparagraph (b)(7), an antique
12 slot machine is one manufactured 25 years ago or earlier.

13 (8) Raffles and poker runs when conducted in accordance
14 with the Raffles and Poker Runs Act.

15 (9) Charitable games when conducted in accordance with
16 the Charitable Games Act.

17 (10) Pull tabs and jar games when conducted under the
18 Illinois Pull Tabs and Jar Games Act.

19 (11) Gambling games conducted on riverboats when
20 authorized by the Riverboat Gambling Act.

21 (12) Video gaming terminal games at a licensed
22 establishment, licensed truck stop establishment, licensed
23 fraternal establishment, or licensed veterans
24 establishment when conducted in accordance with the Video
25 Gaming Act.

26 (13) Games of skill or chance where money or other

1 things of value can be won but no payment or purchase is
2 required to participate.

3 (14) Savings promotion raffles authorized under
4 Section 5g of the Illinois Banking Act, Section 7008 of the
5 Savings Bank Act, Section 42.7 of the Illinois Credit Union
6 Act, Section 5136B of the National Bank Act (12 U.S.C.
7 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.
8 1463).

9 (15) Sports wagering when conducted in accordance with
10 the Sports Wagering Act.

11 (c) Sentence.

12 Gambling is a Class A misdemeanor. A second or subsequent
13 conviction under subsections (a) (3) through (a) (12), is a Class
14 4 felony.

15 (d) Circumstantial evidence.

16 In prosecutions under this Section circumstantial evidence
17 shall have the same validity and weight as in any criminal
18 prosecution.

19 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

20 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

21 Sec. 28-3. Keeping a Gambling Place. A "gambling place" is
22 any real estate, vehicle, boat or any other property whatsoever
23 used for the purposes of gambling other than gambling conducted
24 in the manner authorized by the Riverboat Gambling Act, the
25 Sports Wagering Act, or the Video Gaming Act. Any person who

1 knowingly permits any premises or property owned or occupied by
2 him or under his control to be used as a gambling place commits
3 a Class A misdemeanor. Each subsequent offense is a Class 4
4 felony. When any premises is determined by the circuit court to
5 be a gambling place:

6 (a) Such premises is a public nuisance and may be proceeded
7 against as such, and

8 (b) All licenses, permits or certificates issued by the
9 State of Illinois or any subdivision or public agency thereof
10 authorizing the serving of food or liquor on such premises
11 shall be void; and no license, permit or certificate so
12 cancelled shall be reissued for such premises for a period of
13 60 days thereafter; nor shall any person convicted of keeping a
14 gambling place be reissued such license for one year from his
15 conviction and, after a second conviction of keeping a gambling
16 place, any such person shall not be reissued such license, and

17 (c) Such premises of any person who knowingly permits
18 thereon a violation of any Section of this Article shall be
19 held liable for, and may be sold to pay any unsatisfied
20 judgment that may be recovered and any unsatisfied fine that
21 may be levied under any Section of this Article.

22 (Source: P.A. 96-34, eff. 7-13-09.)

23 (720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

24 Sec. 28-5. Seizure of gambling devices and gambling funds.

25 (a) Every device designed for gambling which is incapable

1 of lawful use or every device used unlawfully for gambling
2 shall be considered a "gambling device", and shall be subject
3 to seizure, confiscation and destruction by the Department of
4 State Police or by any municipal, or other local authority,
5 within whose jurisdiction the same may be found. As used in
6 this Section, a "gambling device" includes any slot machine,
7 and includes any machine or device constructed for the
8 reception of money or other thing of value and so constructed
9 as to return, or to cause someone to return, on chance to the
10 player thereof money, property or a right to receive money or
11 property. With the exception of any device designed for
12 gambling which is incapable of lawful use, no gambling device
13 shall be forfeited or destroyed unless an individual with a
14 property interest in said device knows of the unlawful use of
15 the device.

16 (b) Every gambling device shall be seized and forfeited to
17 the county wherein such seizure occurs. Any money or other
18 thing of value integrally related to acts of gambling shall be
19 seized and forfeited to the county wherein such seizure occurs.

20 (c) If, within 60 days after any seizure pursuant to
21 subparagraph (b) of this Section, a person having any property
22 interest in the seized property is charged with an offense, the
23 court which renders judgment upon such charge shall, within 30
24 days after such judgment, conduct a forfeiture hearing to
25 determine whether such property was a gambling device at the
26 time of seizure. Such hearing shall be commenced by a written

1 petition by the State, including material allegations of fact,
2 the name and address of every person determined by the State to
3 have any property interest in the seized property, a
4 representation that written notice of the date, time and place
5 of such hearing has been mailed to every such person by
6 certified mail at least 10 days before such date, and a request
7 for forfeiture. Every such person may appear as a party and
8 present evidence at such hearing. The quantum of proof required
9 shall be a preponderance of the evidence, and the burden of
10 proof shall be on the State. If the court determines that the
11 seized property was a gambling device at the time of seizure,
12 an order of forfeiture and disposition of the seized property
13 shall be entered: a gambling device shall be received by the
14 State's Attorney, who shall effect its destruction, except that
15 valuable parts thereof may be liquidated and the resultant
16 money shall be deposited in the general fund of the county
17 wherein such seizure occurred; money and other things of value
18 shall be received by the State's Attorney and, upon
19 liquidation, shall be deposited in the general fund of the
20 county wherein such seizure occurred. However, in the event
21 that a defendant raises the defense that the seized slot
22 machine is an antique slot machine described in subparagraph
23 (b) (7) of Section 28-1 of this Code and therefore he is exempt
24 from the charge of a gambling activity participant, the seized
25 antique slot machine shall not be destroyed or otherwise
26 altered until a final determination is made by the Court as to

1 whether it is such an antique slot machine. Upon a final
2 determination by the Court of this question in favor of the
3 defendant, such slot machine shall be immediately returned to
4 the defendant. Such order of forfeiture and disposition shall,
5 for the purposes of appeal, be a final order and judgment in a
6 civil proceeding.

7 (d) If a seizure pursuant to subparagraph (b) of this
8 Section is not followed by a charge pursuant to subparagraph
9 (c) of this Section, or if the prosecution of such charge is
10 permanently terminated or indefinitely discontinued without
11 any judgment of conviction or acquittal (1) the State's
12 Attorney shall commence an in rem proceeding for the forfeiture
13 and destruction of a gambling device, or for the forfeiture and
14 deposit in the general fund of the county of any seized money
15 or other things of value, or both, in the circuit court and (2)
16 any person having any property interest in such seized gambling
17 device, money or other thing of value may commence separate
18 civil proceedings in the manner provided by law.

19 (e) Any gambling device displayed for sale to a riverboat
20 gambling operation or used to train occupational licensees of a
21 riverboat gambling operation as authorized under the Riverboat
22 Gambling Act is exempt from seizure under this Section.

23 (f) Any gambling equipment, devices and supplies provided
24 by a licensed supplier in accordance with the Riverboat
25 Gambling Act which are removed from the riverboat for repair
26 are exempt from seizure under this Section.

1 (g) The following video gaming terminals are exempt from
2 seizure under this Section:

3 (1) Video gaming terminals for sale to a licensed
4 distributor or operator under the Video Gaming Act.

5 (2) Video gaming terminals used to train licensed
6 technicians or licensed terminal handlers.

7 (3) Video gaming terminals that are removed from a
8 licensed establishment, licensed truck stop establishment,
9 licensed fraternal establishment, or licensed veterans
10 establishment for repair.

11 (h) Property seized or forfeited under this Section is
12 subject to reporting under the Seizure and Forfeiture Reporting
13 Act.

14 (i) Any sports lottery terminals provided by a central
15 system provider that are removed from a lottery retailer for
16 repair under the Sports Wagering Act are exempt from seizure
17 under this Section.

18 (Source: P.A. 100-512, eff. 7-1-18.)

19 Article 30. State Fair Gaming Act

20 Section 30-1. Short title. This Article may be cited as the
21 State Fair Gaming Act. References in this Article to "this Act"
22 mean this Article.

23 Section 30-5. Definitions. As used in this Act:

1 "Board" means the Illinois Gaming Board.

2 "State Fair" has the meaning given to that term in the
3 State Fair Act.

4 Section 30-10. Gambling at the State Fair.

5 (a) The Board shall issue a licensed establishment license
6 as provided under Section 25 of the Video Gaming Act to a
7 concessioner who will operate at the Illinois State Fairgrounds
8 and at the DuQuoin State Fairgrounds. The concessioner shall be
9 chosen under the Illinois Procurement Code for an operational
10 period not to exceed 3 years. At the conclusion of each 3-year
11 cycle, the Illinois Procurement Code shall be used to determine
12 the new concessioner.

13 (b) Moneys bid by the concessioner shall be deposited into
14 the State Fairgrounds Capital Improvements and Harness Racing
15 Fund.

16 Section 30-15. Video gaming at the State Fair.

17 (a) The concessioner issued a licensed establishment
18 license under Section 30-10 may operate: (1) up to 50 video
19 gaming terminals as provided in the Video Gaming Act during the
20 scheduled dates of the Illinois State Fair; and (2) up to 30
21 video gaming terminals as provided in the Video Gaming Act
22 during the scheduled dates of the DuQuoin State Fair.

23 (b) No more than 10 video gaming terminals may be placed in
24 any temporary pavilion where alcoholic beverages are served at

1 either State Fair.

2 Section 30-20. Revenue.

3 (a) Notwithstanding any other law to the contrary, a tax is
4 imposed at the rate of 35% of net terminal income received from
5 video gaming under this Act, which shall be remitted to the
6 Board and deposited into the State Fairgrounds Capital
7 Improvements and Harness Racing Fund.

8 (b) There is created within the State treasury the State
9 Fairgrounds Capital Improvements and Harness Racing Fund. The
10 Department of Agriculture shall use moneys in the State
11 Fairgrounds Capital Improvements and Harness Racing Fund as
12 follows and in the order of priority:

13 (1) to provide support for a harness race meeting
14 produced by an organization licensee under the Illinois
15 Horse Racing Act of 1975 and which shall consist of up to
16 30 days of live racing per year at the Illinois State
17 Fairgrounds in Springfield;

18 (2) to repair and rehabilitate fairgrounds'
19 backstretch facilities to such a level as determined by the
20 Department of Agriculture to be required to carry out a
21 program of live harness racing; and

22 (3) for the overall repair and rehabilitation of the
23 capital infrastructure of: (i) the Illinois State
24 Fairgrounds in Springfield, and (ii) the DuQuoin State
25 Fairgrounds in DuQuoin, and for no other purpose.

1 Notwithstanding any other law to the contrary, the entire
2 State share of tax revenues from the race meetings under
3 paragraph (1) of this subsection (c) shall be reinvested into
4 the State Fairgrounds Capital Improvements and Harness Racing
5 Fund.

6 Section 30-25. Rules. The Board and the Department of
7 Agriculture may adopt rules for the implementation of this Act.

8 Section 30-900. The State Finance Act is amended by adding
9 Section 5.897 as follows:

10 (30 ILCS 105/5.897 new)

11 Sec. 5.897. The State Fairgrounds Capital Improvements and
12 Harness Racing Fund.

13 Article 35. Amendatory Provisions

14 Section 35-3. The Illinois Administrative Procedure Act is
15 amended by changing Section 5-45 as follows:

16 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

17 Sec. 5-45. Emergency rulemaking.

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

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

18 (c) An emergency rule may be effective for a period of not
19 longer than 150 days, but the agency's authority to adopt an
20 identical rule under Section 5-40 is not precluded. No
21 emergency rule may be adopted more than once in any 24-month
22 period, except that this limitation on the number of emergency
23 rules that may be adopted in a 24-month period does not apply
24 to (i) emergency rules that make additions to and deletions
25 from the Drug Manual under Section 5-5.16 of the Illinois
26 Public Aid Code or the generic drug formulary under Section

1 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)
2 emergency rules adopted by the Pollution Control Board before
3 July 1, 1997 to implement portions of the Livestock Management
4 Facilities Act, (iii) emergency rules adopted by the Illinois
5 Department of Public Health under subsections (a) through (i)
6 of Section 2 of the Department of Public Health Act when
7 necessary to protect the public's health, (iv) emergency rules
8 adopted pursuant to subsection (n) of this Section, (v)
9 emergency rules adopted pursuant to subsection (o) of this
10 Section, or (vi) emergency rules adopted pursuant to subsection
11 (c-5) of this Section. Two or more emergency rules having
12 substantially the same purpose and effect shall be deemed to be
13 a single rule for purposes of this Section.

14 (c-5) To facilitate the maintenance of the program of group
15 health benefits provided to annuitants, survivors, and retired
16 employees under the State Employees Group Insurance Act of
17 1971, rules to alter the contributions to be paid by the State,
18 annuitants, survivors, retired employees, or any combination
19 of those entities, for that program of group health benefits,
20 shall be adopted as emergency rules. The adoption of those
21 rules shall be considered an emergency and necessary for the
22 public interest, safety, and welfare.

23 (d) In order to provide for the expeditious and timely
24 implementation of the State's fiscal year 1999 budget,
25 emergency rules to implement any provision of Public Act 90-587
26 or 90-588 or any other budget initiative for fiscal year 1999

1 may be adopted in accordance with this Section by the agency
2 charged with administering that provision or initiative,
3 except that the 24-month limitation on the adoption of
4 emergency rules and the provisions of Sections 5-115 and 5-125
5 do not apply to rules adopted under this subsection (d). The
6 adoption of emergency rules authorized by this subsection (d)
7 shall be deemed to be necessary for the public interest,
8 safety, and welfare.

9 (e) In order to provide for the expeditious and timely
10 implementation of the State's fiscal year 2000 budget,
11 emergency rules to implement any provision of Public Act 91-24
12 or any other budget initiative for fiscal year 2000 may be
13 adopted in accordance with this Section by the agency charged
14 with administering that provision or initiative, except that
15 the 24-month limitation on the adoption of emergency rules and
16 the provisions of Sections 5-115 and 5-125 do not apply to
17 rules adopted under this subsection (e). The adoption of
18 emergency rules authorized by this subsection (e) shall be
19 deemed to be necessary for the public interest, safety, and
20 welfare.

21 (f) In order to provide for the expeditious and timely
22 implementation of the State's fiscal year 2001 budget,
23 emergency rules to implement any provision of Public Act 91-712
24 or any other budget initiative for fiscal year 2001 may be
25 adopted in accordance with this Section by the agency charged
26 with administering that provision or initiative, except that

1 the 24-month limitation on the adoption of emergency rules and
2 the provisions of Sections 5-115 and 5-125 do not apply to
3 rules adopted under this subsection (f). The adoption of
4 emergency rules authorized by this subsection (f) shall be
5 deemed to be necessary for the public interest, safety, and
6 welfare.

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

19 (h) In order to provide for the expeditious and timely
20 implementation of the State's fiscal year 2003 budget,
21 emergency rules to implement any provision of Public Act 92-597
22 or any other budget initiative for fiscal year 2003 may be
23 adopted in accordance with this Section by the agency charged
24 with administering that provision or initiative, except that
25 the 24-month limitation on the adoption of emergency rules and
26 the provisions of Sections 5-115 and 5-125 do not apply to

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

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

17 (j) In order to provide for the expeditious and timely
18 implementation of the provisions of the State's fiscal year
19 2005 budget as provided under the Fiscal Year 2005 Budget
20 Implementation (Human Services) Act, emergency rules to
21 implement any provision of the Fiscal Year 2005 Budget
22 Implementation (Human Services) Act may be adopted in
23 accordance with this Section by the agency charged with
24 administering that provision, except that the 24-month
25 limitation on the adoption of emergency rules and the
26 provisions of Sections 5-115 and 5-125 do not apply to rules

1 adopted under this subsection (j). The Department of Public Aid
2 may also adopt rules under this subsection (j) necessary to
3 administer the Illinois Public Aid Code and the Children's
4 Health Insurance Program Act. The adoption of emergency rules
5 authorized by this subsection (j) shall be deemed to be
6 necessary for the public interest, safety, and welfare.

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

26 (l) In order to provide for the expeditious and timely

1 implementation of the provisions of the State's fiscal year
2 2007 budget, the Department of Healthcare and Family Services
3 may adopt emergency rules during fiscal year 2007, including
4 rules effective July 1, 2007, in accordance with this
5 subsection to the extent necessary to administer the
6 Department's responsibilities with respect to amendments to
7 the State plans and Illinois waivers approved by the federal
8 Centers for Medicare and Medicaid Services necessitated by the
9 requirements of Title XIX and Title XXI of the federal Social
10 Security Act. The adoption of emergency rules authorized by
11 this subsection (l) shall be deemed to be necessary for the
12 public interest, safety, and welfare.

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

26 (n) In order to provide for the expeditious and timely

1 implementation of the provisions of the State's fiscal year
2 2010 budget, emergency rules to implement any provision of
3 Public Act 96-45 or any other budget initiative authorized by
4 the 96th General Assembly for fiscal year 2010 may be adopted
5 in accordance with this Section by the agency charged with
6 administering that provision or initiative. The adoption of
7 emergency rules authorized by this subsection (n) shall be
8 deemed to be necessary for the public interest, safety, and
9 welfare. The rulemaking authority granted in this subsection
10 (n) shall apply only to rules promulgated during Fiscal Year
11 2010.

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

24 (p) In order to provide for the expeditious and timely
25 implementation of the provisions of Public Act 97-689,
26 emergency rules to implement any provision of Public Act 97-689

1 may be adopted in accordance with this subsection (p) by the
2 agency charged with administering that provision or
3 initiative. The 150-day limitation of the effective period of
4 emergency rules does not apply to rules adopted under this
5 subsection (p), and the effective period may continue through
6 June 30, 2013. The 24-month limitation on the adoption of
7 emergency rules does not apply to rules adopted under this
8 subsection (p). The adoption of emergency rules authorized by
9 this subsection (p) is deemed to be necessary for the public
10 interest, safety, and welfare.

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

22 (r) In order to provide for the expeditious and timely
23 implementation of the provisions of Public Act 98-651,
24 emergency rules to implement Public Act 98-651 may be adopted
25 in accordance with this subsection (r) by the Department of
26 Healthcare and Family Services. The 24-month limitation on the

1 adoption of emergency rules does not apply to rules adopted
2 under this subsection (r). The adoption of emergency rules
3 authorized by this subsection (r) is deemed to be necessary for
4 the public interest, safety, and welfare.

5 (s) In order to provide for the expeditious and timely
6 implementation of the provisions of Sections 5-5b.1 and 5A-2 of
7 the Illinois Public Aid Code, emergency rules to implement any
8 provision of Section 5-5b.1 or Section 5A-2 of the Illinois
9 Public Aid Code may be adopted in accordance with this
10 subsection (s) by the Department of Healthcare and Family
11 Services. The rulemaking authority granted in this subsection
12 (s) shall apply only to those rules adopted prior to July 1,
13 2015. Notwithstanding any other provision of this Section, any
14 emergency rule adopted under this subsection (s) shall only
15 apply to payments made for State fiscal year 2015. The adoption
16 of emergency rules authorized by this subsection (s) is deemed
17 to be necessary for the public interest, safety, and welfare.

18 (t) In order to provide for the expeditious and timely
19 implementation of the provisions of Article II of Public Act
20 99-6, emergency rules to implement the changes made by Article
21 II of Public Act 99-6 to the Emergency Telephone System Act may
22 be adopted in accordance with this subsection (t) by the
23 Department of State Police. The rulemaking authority granted in
24 this subsection (t) shall apply only to those rules adopted
25 prior to July 1, 2016. The 24-month limitation on the adoption
26 of emergency rules does not apply to rules adopted under this

1 subsection (t). The adoption of emergency rules authorized by
2 this subsection (t) is deemed to be necessary for the public
3 interest, safety, and welfare.

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

13 (v) In order to provide for the expeditious and timely
14 implementation of the provisions of Public Act 99-516,
15 emergency rules to implement Public Act 99-516 may be adopted
16 in accordance with this subsection (v) by the Department of
17 Healthcare and Family Services. The 24-month limitation on the
18 adoption of emergency rules does not apply to rules adopted
19 under this subsection (v). The adoption of emergency rules
20 authorized by this subsection (v) is deemed to be necessary for
21 the public interest, safety, and welfare.

22 (w) In order to provide for the expeditious and timely
23 implementation of the provisions of Public Act 99-796,
24 emergency rules to implement the changes made by Public Act
25 99-796 may be adopted in accordance with this subsection (w) by
26 the Adjutant General. The adoption of emergency rules

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

3 (x) In order to provide for the expeditious and timely
4 implementation of the provisions of Public Act 99-906,
5 emergency rules to implement subsection (i) of Section 16-115D,
6 subsection (g) of Section 16-128A, and subsection (a) of
7 Section 16-128B of the Public Utilities Act may be adopted in
8 accordance with this subsection (x) by the Illinois Commerce
9 Commission. The rulemaking authority granted in this
10 subsection (x) shall apply only to those rules adopted within
11 180 days after June 1, 2017 (the effective date of Public Act
12 99-906). The adoption of emergency rules authorized by this
13 subsection (x) is deemed to be necessary for the public
14 interest, safety, and welfare.

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

1 (z) In order to provide for the expeditious and timely
2 implementation of the provisions of Public Act 100-554,
3 emergency rules to implement the changes made by Public Act
4 100-554 to Section 4.7 of the Lobbyist Registration Act may be
5 adopted in accordance with this subsection (z) by the Secretary
6 of State. The adoption of emergency rules authorized by this
7 subsection (z) is deemed to be necessary for the public
8 interest, safety, and welfare.

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

21 (bb) In order to provide for the expeditious and timely
22 implementation of the provisions of Public Act 100-587,
23 emergency rules to implement the changes made by Public Act
24 100-587 to Section 4.02 of the Illinois Act on the Aging,
25 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,
26 subsection (b) of Section 55-30 of the Alcoholism and Other

1 Drug Abuse and Dependency Act, Section 5-104 of the Specialized
2 Mental Health Rehabilitation Act of 2013, and Section 75 and
3 subsection (b) of Section 74 of the Mental Health and
4 Developmental Disabilities Administrative Act may be adopted
5 in accordance with this subsection (bb) by the respective
6 Department. The adoption of emergency rules authorized by this
7 subsection (bb) is deemed to be necessary for the public
8 interest, safety, and welfare.

9 (cc) In order to provide for the expeditious and timely
10 implementation of the provisions of Public Act 100-587,
11 emergency rules may be adopted in accordance with this
12 subsection (cc) to implement the changes made by Public Act
13 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois
14 Pension Code by the Board created under Article 14 of the Code;
15 Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by
16 the Board created under Article 15 of the Code; and Sections
17 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board
18 created under Article 16 of the Code. The adoption of emergency
19 rules authorized by this subsection (cc) is deemed to be
20 necessary for the public interest, safety, and welfare.

21 (dd) In order to provide for the expeditious and timely
22 implementation of the provisions of Public Act 100-864,
23 emergency rules to implement the changes made by Public Act
24 100-864 to Section 3.35 of the Newborn Metabolic Screening Act
25 may be adopted in accordance with this subsection (dd) by the
26 Secretary of State. The adoption of emergency rules authorized

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

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

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

24 (gg) ~~(ff)~~ In order to provide for the expeditious and
25 timely implementation of the provisions of Public Act 101-1
26 ~~this amendatory Act of the 101st General Assembly~~, emergency

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

7 (kk) In order to provide for the expeditious and timely
8 implementation of the provisions of subsection (c) of Section
9 20 of the Video Gaming Act, emergency rules to implement the
10 provisions of subsection (c) of Section 20 of the Video Gaming
11 Act may be adopted in accordance with this subsection (kk) by
12 the Illinois Gaming Board. The adoption of emergency rules
13 authorized by this subsection (kk) is deemed to be necessary
14 for the public interest, safety, and welfare.

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

20 Section 35-5. The Open Meetings Act is amended by changing
21 Section 2 as follows:

22 (5 ILCS 120/2) (from Ch. 102, par. 42)

23 Sec. 2. Open meetings.

24 (a) Openness required. All meetings of public bodies shall

1 be open to the public unless excepted in subsection (c) and
2 closed in accordance with Section 2a.

3 (b) Construction of exceptions. The exceptions contained
4 in subsection (c) are in derogation of the requirement that
5 public bodies meet in the open, and therefore, the exceptions
6 are to be strictly construed, extending only to subjects
7 clearly within their scope. The exceptions authorize but do not
8 require the holding of a closed meeting to discuss a subject
9 included within an enumerated exception.

10 (c) Exceptions. A public body may hold closed meetings to
11 consider the following subjects:

12 (1) The appointment, employment, compensation,
13 discipline, performance, or dismissal of specific
14 employees of the public body or legal counsel for the
15 public body, including hearing testimony on a complaint
16 lodged against an employee of the public body or against
17 legal counsel for the public body to determine its
18 validity. However, a meeting to consider an increase in
19 compensation to a specific employee of a public body that
20 is subject to the Local Government Wage Increase
21 Transparency Act may not be closed and shall be open to the
22 public and posted and held in accordance with this Act.

23 (2) Collective negotiating matters between the public
24 body and its employees or their representatives, or
25 deliberations concerning salary schedules for one or more
26 classes of employees.

1 (3) The selection of a person to fill a public office,
2 as defined in this Act, including a vacancy in a public
3 office, when the public body is given power to appoint
4 under law or ordinance, or the discipline, performance or
5 removal of the occupant of a public office, when the public
6 body is given power to remove the occupant under law or
7 ordinance.

8 (4) Evidence or testimony presented in open hearing, or
9 in closed hearing where specifically authorized by law, to
10 a quasi-adjudicative body, as defined in this Act, provided
11 that the body prepares and makes available for public
12 inspection a written decision setting forth its
13 determinative reasoning.

14 (5) The purchase or lease of real property for the use
15 of the public body, including meetings held for the purpose
16 of discussing whether a particular parcel should be
17 acquired.

18 (6) The setting of a price for sale or lease of
19 property owned by the public body.

20 (7) The sale or purchase of securities, investments, or
21 investment contracts. This exception shall not apply to the
22 investment of assets or income of funds deposited into the
23 Illinois Prepaid Tuition Trust Fund.

24 (8) Security procedures, school building safety and
25 security, and the use of personnel and equipment to respond
26 to an actual, a threatened, or a reasonably potential

1 danger to the safety of employees, students, staff, the
2 public, or public property.

3 (9) Student disciplinary cases.

4 (10) The placement of individual students in special
5 education programs and other matters relating to
6 individual students.

7 (11) Litigation, when an action against, affecting or
8 on behalf of the particular public body has been filed and
9 is pending before a court or administrative tribunal, or
10 when the public body finds that an action is probable or
11 imminent, in which case the basis for the finding shall be
12 recorded and entered into the minutes of the closed
13 meeting.

14 (12) The establishment of reserves or settlement of
15 claims as provided in the Local Governmental and
16 Governmental Employees Tort Immunity Act, if otherwise the
17 disposition of a claim or potential claim might be
18 prejudiced, or the review or discussion of claims, loss or
19 risk management information, records, data, advice or
20 communications from or with respect to any insurer of the
21 public body or any intergovernmental risk management
22 association or self insurance pool of which the public body
23 is a member.

24 (13) Conciliation of complaints of discrimination in
25 the sale or rental of housing, when closed meetings are
26 authorized by the law or ordinance prescribing fair housing

1 practices and creating a commission or administrative
2 agency for their enforcement.

3 (14) Informant sources, the hiring or assignment of
4 undercover personnel or equipment, or ongoing, prior or
5 future criminal investigations, when discussed by a public
6 body with criminal investigatory responsibilities.

7 (15) Professional ethics or performance when
8 considered by an advisory body appointed to advise a
9 licensing or regulatory agency on matters germane to the
10 advisory body's field of competence.

11 (16) Self evaluation, practices and procedures or
12 professional ethics, when meeting with a representative of
13 a statewide association of which the public body is a
14 member.

15 (17) The recruitment, credentialing, discipline or
16 formal peer review of physicians or other health care
17 professionals, or for the discussion of matters protected
18 under the federal Patient Safety and Quality Improvement
19 Act of 2005, and the regulations promulgated thereunder,
20 including 42 C.F.R. Part 3 (73 FR 70732), or the federal
21 Health Insurance Portability and Accountability Act of
22 1996, and the regulations promulgated thereunder,
23 including 45 C.F.R. Parts 160, 162, and 164, by a hospital,
24 or other institution providing medical care, that is
25 operated by the public body.

26 (18) Deliberations for decisions of the Prisoner

1 Review Board.

2 (19) Review or discussion of applications received
3 under the Experimental Organ Transplantation Procedures
4 Act.

5 (20) The classification and discussion of matters
6 classified as confidential or continued confidential by
7 the State Government Suggestion Award Board.

8 (21) Discussion of minutes of meetings lawfully closed
9 under this Act, whether for purposes of approval by the
10 body of the minutes or semi-annual review of the minutes as
11 mandated by Section 2.06.

12 (22) Deliberations for decisions of the State
13 Emergency Medical Services Disciplinary Review Board.

14 (23) The operation by a municipality of a municipal
15 utility or the operation of a municipal power agency or
16 municipal natural gas agency when the discussion involves
17 (i) contracts relating to the purchase, sale, or delivery
18 of electricity or natural gas or (ii) the results or
19 conclusions of load forecast studies.

20 (24) Meetings of a residential health care facility
21 resident sexual assault and death review team or the
22 Executive Council under the Abuse Prevention Review Team
23 Act.

24 (25) Meetings of an independent team of experts under
25 Brian's Law.

26 (26) Meetings of a mortality review team appointed

1 under the Department of Juvenile Justice Mortality Review
2 Team Act.

3 (27) (Blank).

4 (28) Correspondence and records (i) that may not be
5 disclosed under Section 11-9 of the Illinois Public Aid
6 Code or (ii) that pertain to appeals under Section 11-8 of
7 the Illinois Public Aid Code.

8 (29) Meetings between internal or external auditors
9 and governmental audit committees, finance committees, and
10 their equivalents, when the discussion involves internal
11 control weaknesses, identification of potential fraud risk
12 areas, known or suspected frauds, and fraud interviews
13 conducted in accordance with generally accepted auditing
14 standards of the United States of America.

15 (30) Those meetings or portions of meetings of a
16 fatality review team or the Illinois Fatality Review Team
17 Advisory Council during which a review of the death of an
18 eligible adult in which abuse or neglect is suspected,
19 alleged, or substantiated is conducted pursuant to Section
20 15 of the Adult Protective Services Act.

21 (31) Meetings and deliberations for decisions of the
22 Concealed Carry Licensing Review Board under the Firearm
23 Concealed Carry Act.

24 (32) Meetings between the Regional Transportation
25 Authority Board and its Service Boards when the discussion
26 involves review by the Regional Transportation Authority

1 Board of employment contracts under Section 28d of the
2 Metropolitan Transit Authority Act and Sections 3A.18 and
3 3B.26 of the Regional Transportation Authority Act.

4 (33) Those meetings or portions of meetings of the
5 advisory committee and peer review subcommittee created
6 under Section 320 of the Illinois Controlled Substances Act
7 during which specific controlled substance prescriber,
8 dispenser, or patient information is discussed.

9 (34) Meetings of the Tax Increment Financing Reform
10 Task Force under Section 2505-800 of the Department of
11 Revenue Law of the Civil Administrative Code of Illinois.

12 (35) Meetings of the group established to discuss
13 Medicaid capitation rates under Section 5-30.8 of the
14 Illinois Public Aid Code.

15 (36) Those deliberations or portions of deliberations
16 for decisions of the Illinois Gaming Board in which there
17 is discussed any of the following: (i) personal,
18 commercial, financial, or other information obtained from
19 any source that is privileged, proprietary, confidential,
20 or a trade secret; or (ii) information specifically
21 exempted from the disclosure by federal or State law.

22 (d) Definitions. For purposes of this Section:

23 "Employee" means a person employed by a public body whose
24 relationship with the public body constitutes an
25 employer-employee relationship under the usual common law
26 rules, and who is not an independent contractor.

1 "Public office" means a position created by or under the
2 Constitution or laws of this State, the occupant of which is
3 charged with the exercise of some portion of the sovereign
4 power of this State. The term "public office" shall include
5 members of the public body, but it shall not include
6 organizational positions filled by members thereof, whether
7 established by law or by a public body itself, that exist to
8 assist the body in the conduct of its business.

9 "Quasi-adjudicative body" means an administrative body
10 charged by law or ordinance with the responsibility to conduct
11 hearings, receive evidence or testimony and make
12 determinations based thereon, but does not include local
13 electoral boards when such bodies are considering petition
14 challenges.

15 (e) Final action. No final action may be taken at a closed
16 meeting. Final action shall be preceded by a public recital of
17 the nature of the matter being considered and other information
18 that will inform the public of the business being conducted.

19 (Source: P.A. 99-78, eff. 7-20-15; 99-235, eff. 1-1-16; 99-480,
20 eff. 9-9-15; 99-642, eff. 7-28-16; 99-646, eff. 7-28-16;
21 99-687, eff. 1-1-17; 100-201, eff. 8-18-17; 100-465, eff.
22 8-31-17; 100-646, eff. 7-27-18.)

23 Section 35-10. The State Officials and Employees Ethics Act
24 is amended by changing Section 5-45 as follows:

1 (5 ILCS 430/5-45)

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

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

14 (a-5) No officer, member, or spouse or immediate family
15 member living with such person shall, during the officer or
16 member's term in office or within a period of 2 years
17 immediately leaving office, hold an ownership interest, other
18 than a passive interest in a publicly traded company, in any
19 gaming license under the Illinois Gambling Act, the Video
20 Gaming Act, the Illinois Horse Racing Act of 1975, or the
21 Sports Wagering Act. Any member of the General Assembly or
22 spouse or immediate family member living with such person who
23 has an ownership interest, other than a passive interest in a
24 publicly traded company, in any gaming license under the
25 Illinois Gambling Act, the Illinois Horse Racing Act of 1975,
26 the Video Gaming Act, or the Sports Wagering Act at the time of

1 the effective date of this amendatory Act of the 101st General
2 Assembly shall divest himself or herself of such ownership
3 within one year after the effective date of this amendatory Act
4 of the 101st General Assembly. No State employee who works for
5 the Illinois Gaming Board or Illinois Racing Board or spouse or
6 immediate family member living with such person shall, during
7 State employment or within a period of 2 years immediately
8 after termination of State employment, hold an ownership
9 interest, other than a passive interest in a publicly traded
10 company, in any gaming license under the Illinois Gambling Act,
11 the Video Gaming Act, the Illinois Horse Racing Act of 1975, or
12 the Sports Wagering Act.

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

24 (c) Within 6 months after the effective date of this
25 amendatory Act of the 96th General Assembly, each executive
26 branch constitutional officer and legislative leader, the

1 Auditor General, and the Joint Committee on Legislative Support
2 Services shall adopt a policy delineating which State positions
3 under his or her jurisdiction and control, by the nature of
4 their duties, may have the authority to participate personally
5 and substantially in the award of State contracts or in
6 regulatory or licensing decisions. The Governor shall adopt
7 such a policy for all State employees of the executive branch
8 not under the jurisdiction and control of any other executive
9 branch constitutional officer.

10 The policies required under subsection (c) of this Section
11 shall be filed with the appropriate ethics commission
12 established under this Act or, for the Auditor General, with
13 the Office of the Auditor General.

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

21 (e) The Joint Committee on Legislative Support Services,
22 the Auditor General, and each of the executive branch
23 constitutional officers and legislative leaders subject to
24 subsection (c) of this Section shall provide written
25 notification to all employees in positions subject to the
26 policies required by subsection (c) or a determination made

1 under subsection (d): (1) upon hiring, promotion, or transfer
2 into the relevant position; and (2) at the time the employee's
3 duties are changed in such a way as to qualify that employee.
4 An employee receiving notification must certify in writing that
5 the person was advised of the prohibition and the requirement
6 to notify the appropriate Inspector General in subsection (f).

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

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

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

18 On appeal, the Ethics Commission or Auditor General shall
19 seek, accept, and consider written public comments regarding a
20 determination. In deciding whether to uphold an Inspector
21 General's determination, the appropriate Ethics Commission or
22 Auditor General shall assess, in addition to any other relevant
23 information, the effect of the prospective employment or
24 relationship upon the decisions referred to in subsections (a)
25 and (b), based on the totality of the participation by the
26 former officer, member, or State employee in those decisions.

1 The Ethics Commission shall decide whether to uphold an
2 Inspector General's determination within 10 calendar days or
3 the person is deemed eligible for the employment opportunity.

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

18 (1) members or officers;

19 (2) members of a commission or board created by the
20 Illinois Constitution;

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

23 (4) the head of a department, commission, board,
24 division, bureau, authority, or other administrative unit
25 within the government of this State;

26 (5) chief procurement officers, State purchasing

1 officers, and their designees whose duties are directly
2 related to State procurement; ~~and~~

3 (6) chiefs of staff, deputy chiefs of staff, associate
4 chiefs of staff, assistant chiefs of staff, and deputy
5 governors;

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

7 (8) employees of the Illinois Gaming Board.

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

11 (i) the United States government, (ii) the State, (iii)
12 municipalities, as defined under Article VII, Section 1 of the
13 Illinois Constitution, (iv) units of local government, as
14 defined under Article VII, Section 1 of the Illinois
15 Constitution, or (v) school districts.

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

17 Section 35-15. The Alcoholism and Other Drug Abuse and
18 Dependency Act is amended by changing Section 5-20 as follows:

19 (20 ILCS 301/5-20)

20 Sec. 5-20. Gambling disorders.

21 (a) Subject to appropriation, the Department shall
22 establish a program for public education, research, and
23 training regarding gambling disorders and the treatment and
24 prevention of gambling disorders. Subject to specific

1 appropriation for these stated purposes, the program must
2 include all of the following:

3 (1) Establishment and maintenance of a toll-free "800"
4 telephone number to provide crisis counseling and referral
5 services to families experiencing difficulty as a result of
6 gambling disorders.

7 (2) Promotion of public awareness regarding the
8 recognition and prevention of gambling disorders.

9 (3) Facilitation, through in-service training and
10 other means, of the availability of effective assistance
11 programs for gambling disorders.

12 (4) Conducting studies to identify adults and
13 juveniles in this State who have, or who are at risk of
14 developing, gambling disorders.

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

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

1 ~~Riverboat~~ Gambling Act.

2 (Source: P.A. 100-759, eff. 1-1-19.)

3 Section 35-20. The Illinois Lottery Law is amended by
4 changing Section 9.1 as follows:

5 (20 ILCS 1605/9.1)

6 Sec. 9.1. Private manager and management agreement.

7 (a) As used in this Section:

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

10 "Request for qualifications" means all materials and
11 documents prepared by the Department to solicit the following
12 from offerors:

13 (1) Statements of qualifications.

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

19 "Final offer" means the last proposal submitted by an
20 offeror in response to the request for qualifications,
21 including the identity of any prospective vendor or vendors
22 that the offeror intends to initially engage to assist the
23 offeror in performing its obligations under the management
24 agreement.

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

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

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

21 (1) where such contracts contain a provision
22 authorizing termination upon notice, the Department shall
23 provide notice of termination to occur upon the mutually
24 agreed timetable for transfer of functions;

25 (2) upon the expiration of any initial term or renewal
26 term of the current Lottery contracts, the Department shall

1 not renew such contract for a term extending beyond the
2 mutually agreed timetable for transfer of functions; or

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

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

15 (c-5) The Department shall include provisions in the
16 management agreement whereby the private manager shall, for a
17 fee, and pursuant to a contract negotiated with the Department
18 (the "Employee Use Contract"), utilize the services of current
19 Department employees to assist in the administration and
20 operation of the Lottery. The Department shall be the employer
21 of all such bargaining unit employees assigned to perform such
22 work for the private manager, and such employees shall be State
23 employees, as defined by the Personnel Code. Department
24 employees shall operate under the same employment policies,
25 rules, regulations, and procedures, as other employees of the
26 Department. In addition, neither historical representation

1 rights under the Illinois Public Labor Relations Act, nor
2 existing collective bargaining agreements, shall be disturbed
3 by the management agreement with the private manager for the
4 management of the Lottery.

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

7 (1) A term not to exceed 10 years, including any
8 renewals.

9 (2) A provision specifying that the Department:

10 (A) shall exercise actual control over all
11 significant business decisions;

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

14 (B) has ready access at any time to information
15 regarding Lottery operations;

16 (C) has the right to demand and receive information
17 from the private manager concerning any aspect of the
18 Lottery operations at any time; and

19 (D) retains ownership of all trade names,
20 trademarks, and intellectual property associated with
21 the Lottery.

22 (3) A provision imposing an affirmative duty on the
23 private manager to provide the Department with material
24 information and with any information the private manager
25 reasonably believes the Department would want to know to
26 enable the Department to conduct the Lottery.

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

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

16 (6) (Blank).

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

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

22 (8-5) A provision encouraging that at least 20% of the
23 cost of contracts entered into for goods and services by
24 the private manager in connection with its management of
25 the Lottery, other than contracts with sales agents or
26 technical advisors, be awarded to businesses that are a

1 minority-owned business, a women-owned business, or a
2 business owned by a person with disability, as those terms
3 are defined in the Business Enterprise for Minorities,
4 Women, and Persons with Disabilities Act.

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

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

12 (B) The rights and obligations under contracts
13 with retailers and vendors.

14 (C) The implementation of a comprehensive security
15 program by the private manager.

16 (D) The implementation of a comprehensive system
17 of internal audits.

18 (E) The implementation of a program by the private
19 manager to curb compulsive gambling by persons playing
20 the Lottery.

21 (F) A system for determining (i) the type of
22 Lottery games, (ii) the method of selecting winning
23 tickets, (iii) the manner of payment of prizes to
24 holders of winning tickets, (iv) the frequency of
25 drawings of winning tickets, (v) the method to be used
26 in selling tickets, (vi) a system for verifying the

1 validity of tickets claimed to be winning tickets,
2 (vii) the basis upon which retailer commissions are
3 established by the manager, and (viii) minimum
4 payouts.

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

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

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

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

22 (14) A provision requiring the private manager to
23 periodically file, at least on an annual basis, appropriate
24 financial statements in a form and manner acceptable to the
25 Department.

26 (15) Cash reserves requirements.

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

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

7 (18) Procedures for amendment of the agreement.

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

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

23 (21) Right of use of copyrights, trademarks, and
24 service marks held by the Department in the name of the
25 State. The agreement must provide that any use of them by
26 the manager shall only be for the purpose of fulfilling its

1 obligations under the management agreement during the term
2 of the agreement.

3 (22) The disclosure of any information requested by the
4 Department to enable it to comply with the reporting
5 requirements and information requests provided for under
6 subsection (p) of this Section.

7 (e) Notwithstanding any other law to the contrary, the
8 Department shall select a private manager through a competitive
9 request for qualifications process consistent with Section
10 20-35 of the Illinois Procurement Code, which shall take into
11 account:

12 (1) the offeror's ability to market the Lottery to
13 those residents who are new, infrequent, or lapsed players
14 of the Lottery, especially those who are most likely to
15 make regular purchases on the Internet;

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

19 (3) the offeror's ability to provide the most
20 successful management of the Lottery for the benefit of the
21 people of the State based on current and past business
22 practices or plans of the offeror; and

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

1 a lottery.

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

1 directly or indirectly to any potential offeror, or any
2 contractor or subcontractor presently providing goods,
3 services, or equipment to the Department to support the
4 Lottery, including terms contained in previous responses to
5 requests for proposals or qualifications submitted to
6 Illinois, another State or foreign government when those terms
7 are uniquely associated with a particular potential offeror,
8 contractor, or subcontractor. The request for proposals
9 offered by the Department on December 22, 2008 as
10 "LOT08GAMESYS" and reference number "22016176" is declared
11 void.

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

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

20 (2) The subject matter of the hearing.

21 (3) A brief description of the management agreement to
22 be awarded.

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

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

26 (h) At the public hearing, the Department shall (i) provide

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

20 (i) Any action to contest the private manager selected by
21 the Governor under this Section must be brought within 7
22 calendar days after the publication of the notice of the
23 designation of the private manager as provided in subsection
24 (h) of this Section.

25 (j) The Lottery shall remain, for so long as a private
26 manager manages the Lottery in accordance with provisions of

1 this Act, a Lottery conducted by the State, and the State shall
2 not be authorized to sell or transfer the Lottery to a third
3 party.

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

10 (l) The Department may exercise any of its powers under
11 this Section or any other law as necessary or desirable for the
12 execution of the Department's powers under this Section.

13 (m) Neither this Section nor any management agreement
14 entered into under this Section prohibits the General Assembly
15 from authorizing forms of gambling that are not in direct
16 competition with the Lottery. The forms of gambling authorized
17 by this amendatory Act of the 101st General Assembly constitute
18 authorized forms of gambling that are not in direct competition
19 with the Lottery.

20 (n) The private manager shall be subject to a complete
21 investigation in the third, seventh, and tenth years of the
22 agreement (if the agreement is for a 10-year term) by the
23 Department in cooperation with the Auditor General to determine
24 whether the private manager has complied with this Section and
25 the management agreement. The private manager shall bear the
26 cost of an investigation or reinvestigation of the private

1 manager under this subsection.

2 (o) The powers conferred by this Section are in addition
3 and supplemental to the powers conferred by any other law. If
4 any other law or rule is inconsistent with this Section,
5 including, but not limited to, provisions of the Illinois
6 Procurement Code, then this Section controls as to any
7 management agreement entered into under this Section. This
8 Section and any rules adopted under this Section contain full
9 and complete authority for a management agreement between the
10 Department and a private manager. No law, procedure,
11 proceeding, publication, notice, consent, approval, order, or
12 act by the Department or any other officer, Department, agency,
13 or instrumentality of the State or any political subdivision is
14 required for the Department to enter into a management
15 agreement under this Section. This Section contains full and
16 complete authority for the Department to approve any contracts
17 entered into by a private manager with a vendor providing
18 goods, services, or both goods and services to the private
19 manager under the terms of the management agreement, including
20 subcontractors of such vendors.

21 Upon receipt of a written request from the Chief
22 Procurement Officer, the Department shall provide to the Chief
23 Procurement Officer a complete and un-redacted copy of the
24 management agreement or any contract that is subject to the
25 Department's approval authority under this subsection (o). The
26 Department shall provide a copy of the agreement or contract to

1 the Chief Procurement Officer in the time specified by the
2 Chief Procurement Officer in his or her written request, but no
3 later than 5 business days after the request is received by the
4 Department. The Chief Procurement Officer must retain any
5 portions of the management agreement or of any contract
6 designated by the Department as confidential, proprietary, or
7 trade secret information in complete confidence pursuant to
8 subsection (g) of Section 7 of the Freedom of Information Act.
9 The Department shall also provide the Chief Procurement Officer
10 with reasonable advance written notice of any contract that is
11 pending Department approval.

12 Notwithstanding any other provision of this Section to the
13 contrary, the Chief Procurement Officer shall adopt
14 administrative rules, including emergency rules, to establish
15 a procurement process to select a successor private manager if
16 a private management agreement has been terminated. The
17 selection process shall at a minimum take into account the
18 criteria set forth in items (1) through (4) of subsection (e)
19 of this Section and may include provisions consistent with
20 subsections (f), (g), (h), and (i) of this Section. The Chief
21 Procurement Officer shall also implement and administer the
22 adopted selection process upon the termination of a private
23 management agreement. The Department, after the Chief
24 Procurement Officer certifies that the procurement process has
25 been followed in accordance with the rules adopted under this
26 subsection (o), shall select a final offeror as the private

1 manager and sign the management agreement with the private
2 manager.

3 Except as provided in Sections 21.5, 21.6, 21.7, 21.8,
4 21.9, ~~and~~ 21.10, and 21.11, ~~21.10~~ the Department shall
5 distribute all proceeds of lottery tickets and shares sold in
6 the following priority and manner:

7 (1) The payment of prizes and retailer bonuses.

8 (2) The payment of costs incurred in the operation and
9 administration of the Lottery, including the payment of
10 sums due to the private manager under the management
11 agreement with the Department.

12 (3) On the last day of each month or as soon thereafter
13 as possible, the State Comptroller shall direct and the
14 State Treasurer shall transfer from the State Lottery Fund
15 to the Common School Fund an amount that is equal to the
16 proceeds transferred in the corresponding month of fiscal
17 year 2009, as adjusted for inflation, to the Common School
18 Fund.

19 (4) On or before September 30 of each fiscal year,
20 deposit any estimated remaining proceeds from the prior
21 fiscal year, subject to payments under items (1), (2), and
22 (3), into the Capital Projects Fund. Beginning in fiscal
23 year 2019, the amount deposited shall be increased or
24 decreased each year by the amount the estimated payment
25 differs from the amount determined from each year-end
26 financial audit. Only remaining net deficits from prior

1 fiscal years may reduce the requirement to deposit these
2 funds, as determined by the annual financial audit.

3 (p) The Department shall be subject to the following
4 reporting and information request requirements:

5 (1) the Department shall submit written quarterly
6 reports to the Governor and the General Assembly on the
7 activities and actions of the private manager selected
8 under this Section;

9 (2) upon request of the Chief Procurement Officer, the
10 Department shall promptly produce information related to
11 the procurement activities of the Department and the
12 private manager requested by the Chief Procurement
13 Officer; the Chief Procurement Officer must retain
14 confidential, proprietary, or trade secret information
15 designated by the Department in complete confidence
16 pursuant to subsection (g) of Section 7 of the Freedom of
17 Information Act; and

18 (3) at least 30 days prior to the beginning of the
19 Department's fiscal year, the Department shall prepare an
20 annual written report on the activities of the private
21 manager selected under this Section and deliver that report
22 to the Governor and General Assembly.

23 (Source: P.A. 99-933, eff. 1-27-17; 100-391, eff. 8-25-17;
24 100-587, eff. 6-4-18; 100-647, eff. 7-30-18; 100-1068, eff.
25 8-24-18; revised 9-20-18.)

1 Section 35-25. The Department of Revenue Law of the Civil
2 Administrative Code of Illinois is amended by changing Section
3 2505-305 as follows:

4 (20 ILCS 2505/2505-305) (was 20 ILCS 2505/39b15.1)

5 Sec. 2505-305. Investigators.

6 (a) The Department has the power to appoint investigators
7 to conduct all investigations, searches, seizures, arrests,
8 and other duties imposed under the provisions of any law
9 administered by the Department. Except as provided in
10 subsection (c), these investigators have and may exercise all
11 the powers of peace officers solely for the purpose of
12 enforcing taxing measures administered by the Department.

13 (b) The Director must authorize to each investigator
14 employed under this Section and to any other employee of the
15 Department exercising the powers of a peace officer a distinct
16 badge that, on its face, (i) clearly states that the badge is
17 authorized by the Department and (ii) contains a unique
18 identifying number. No other badge shall be authorized by the
19 Department.

20 (c) The Department may enter into agreements with the
21 Illinois Gaming Board providing that investigators appointed
22 under this Section shall exercise the peace officer powers set
23 forth in paragraph (20.6) of subsection (c) of Section 5 of the
24 Illinois Riverboat Gambling Act.

25 (Source: P.A. 96-37, eff. 7-13-09.)

1 Section 35-30. The State Finance Act is amended by changing
2 Section 6z-45 as follows:

3 (30 ILCS 105/6z-45)

4 Sec. 6z-45. The School Infrastructure Fund.

5 (a) The School Infrastructure Fund is created as a special
6 fund in the State Treasury.

7 In addition to any other deposits authorized by law,
8 beginning January 1, 2000, on the first day of each month, or
9 as soon thereafter as may be practical, the State Treasurer and
10 State Comptroller shall transfer the sum of \$5,000,000 from the
11 General Revenue Fund to the School Infrastructure Fund, except
12 that, notwithstanding any other provision of law, and in
13 addition to any other transfers that may be provided for by
14 law, before June 30, 2012, the Comptroller and the Treasurer
15 shall transfer \$45,000,000 from the General Revenue Fund into
16 the School Infrastructure Fund, and, for fiscal year 2013 only,
17 the Treasurer and the Comptroller shall transfer \$1,250,000
18 from the General Revenue Fund to the School Infrastructure Fund
19 on the first day of each month; provided, however, that no such
20 transfers shall be made from July 1, 2001 through June 30,
21 2003.

22 (a-5) Money in the School Infrastructure Fund may be used
23 to pay the expenses of the State Board of Education, the
24 Governor's Office of Management and Budget, and the Capital

1 Development Board in administering programs under the School
2 Construction Law, the total expenses not to exceed \$1,315,000
3 in any fiscal year.

4 (b) Subject to the transfer provisions set forth below,
5 money in the School Infrastructure Fund shall, if and when the
6 State of Illinois incurs any bonded indebtedness for the
7 construction of school improvements under subsection (e) of
8 Section 5 of the General Obligation Bond Act, be set aside and
9 used for the purpose of paying and discharging annually the
10 principal and interest on that bonded indebtedness then due and
11 payable, and for no other purpose.

12 In addition to other transfers to the General Obligation
13 Bond Retirement and Interest Fund made pursuant to Section 15
14 of the General Obligation Bond Act, upon each delivery of bonds
15 issued for construction of school improvements under the School
16 Construction Law, the State Comptroller shall compute and
17 certify to the State Treasurer the total amount of principal
18 of, interest on, and premium, if any, on such bonds during the
19 then current and each succeeding fiscal year. With respect to
20 the interest payable on variable rate bonds, such
21 certifications shall be calculated at the maximum rate of
22 interest that may be payable during the fiscal year, after
23 taking into account any credits permitted in the related
24 indenture or other instrument against the amount of such
25 interest required to be appropriated for that period.

26 On or before the last day of each month, the State

1 Treasurer and State Comptroller shall transfer from the School
2 Infrastructure Fund to the General Obligation Bond Retirement
3 and Interest Fund an amount sufficient to pay the aggregate of
4 the principal of, interest on, and premium, if any, on the
5 bonds payable on their next payment date, divided by the number
6 of monthly transfers occurring between the last previous
7 payment date (or the delivery date if no payment date has yet
8 occurred) and the next succeeding payment date. Interest
9 payable on variable rate bonds shall be calculated at the
10 maximum rate of interest that may be payable for the relevant
11 period, after taking into account any credits permitted in the
12 related indenture or other instrument against the amount of
13 such interest required to be appropriated for that period.
14 Interest for which moneys have already been deposited into the
15 capitalized interest account within the General Obligation
16 Bond Retirement and Interest Fund shall not be included in the
17 calculation of the amounts to be transferred under this
18 subsection.

19 (b-5) The money deposited into the School Infrastructure
20 Fund from transfers pursuant to subsections (c-30) and (c-35)
21 of Section 13 of the Illinois Riverboat ~~Riverboat~~ Gambling Act shall be
22 applied, without further direction, as provided in subsection
23 (b-3) of Section 5-35 of the School Construction Law.

24 (c) The surplus, if any, in the School Infrastructure Fund
25 after payments made pursuant to subsections (a-5), (b), and
26 (b-5) of this Section shall, subject to appropriation, be used

1 as follows:

2 First - to make 3 payments to the School Technology
3 Revolving Loan Fund as follows:

4 Transfer of \$30,000,000 in fiscal year 1999;

5 Transfer of \$20,000,000 in fiscal year 2000; and

6 Transfer of \$10,000,000 in fiscal year 2001.

7 Second - to pay any amounts due for grants for school
8 construction projects and debt service under the School
9 Construction Law.

10 Third - to pay any amounts due for grants for school
11 maintenance projects under the School Construction Law.

12 (Source: P.A. 100-23, eff. 7-6-17.)

13 Section 35-35. The Illinois Income Tax Act is amended by
14 changing Sections 201, 303, 304, and 710 as follows:

15 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

16 Sec. 201. Tax imposed.

17 (a) In general. A tax measured by net income is hereby
18 imposed on every individual, corporation, trust and estate for
19 each taxable year ending after July 31, 1969 on the privilege
20 of earning or receiving income in or as a resident of this
21 State. Such tax shall be in addition to all other occupation or
22 privilege taxes imposed by this State or by any municipal
23 corporation or political subdivision thereof.

24 (b) Rates. The tax imposed by subsection (a) of this

1 Section shall be determined as follows, except as adjusted by
2 subsection (d-1):

3 (1) In the case of an individual, trust or estate, for
4 taxable years ending prior to July 1, 1989, an amount equal
5 to 2 1/2% of the taxpayer's net income for the taxable
6 year.

7 (2) In the case of an individual, trust or estate, for
8 taxable years beginning prior to July 1, 1989 and ending
9 after June 30, 1989, an amount equal to the sum of (i) 2
10 1/2% of the taxpayer's net income for the period prior to
11 July 1, 1989, as calculated under Section 202.3, and (ii)
12 3% of the taxpayer's net income for the period after June
13 30, 1989, as calculated under Section 202.3.

14 (3) In the case of an individual, trust or estate, for
15 taxable years beginning after June 30, 1989, and ending
16 prior to January 1, 2011, an amount equal to 3% of the
17 taxpayer's net income for the taxable year.

18 (4) In the case of an individual, trust, or estate, for
19 taxable years beginning prior to January 1, 2011, and
20 ending after December 31, 2010, an amount equal to the sum
21 of (i) 3% of the taxpayer's net income for the period prior
22 to January 1, 2011, as calculated under Section 202.5, and
23 (ii) 5% of the taxpayer's net income for the period after
24 December 31, 2010, as calculated under Section 202.5.

25 (5) In the case of an individual, trust, or estate, for
26 taxable years beginning on or after January 1, 2011, and

1 ending prior to January 1, 2015, an amount equal to 5% of
2 the taxpayer's net income for the taxable year.

3 (5.1) In the case of an individual, trust, or estate,
4 for taxable years beginning prior to January 1, 2015, and
5 ending after December 31, 2014, an amount equal to the sum
6 of (i) 5% of the taxpayer's net income for the period prior
7 to January 1, 2015, as calculated under Section 202.5, and
8 (ii) 3.75% of the taxpayer's net income for the period
9 after December 31, 2014, as calculated under Section 202.5.

10 (5.2) In the case of an individual, trust, or estate,
11 for taxable years beginning on or after January 1, 2015,
12 and ending prior to July 1, 2017, an amount equal to 3.75%
13 of the taxpayer's net income for the taxable year.

14 (5.3) In the case of an individual, trust, or estate,
15 for taxable years beginning prior to July 1, 2017, and
16 ending after June 30, 2017, an amount equal to the sum of
17 (i) 3.75% of the taxpayer's net income for the period prior
18 to July 1, 2017, as calculated under Section 202.5, and
19 (ii) 4.95% of the taxpayer's net income for the period
20 after June 30, 2017, as calculated under Section 202.5.

21 (5.4) In the case of an individual, trust, or estate,
22 for taxable years beginning on or after July 1, 2017, an
23 amount equal to 4.95% of the taxpayer's net income for the
24 taxable year.

25 (6) In the case of a corporation, for taxable years
26 ending prior to July 1, 1989, an amount equal to 4% of the

1 taxpayer's net income for the taxable year.

2 (7) In the case of a corporation, for taxable years
3 beginning prior to July 1, 1989 and ending after June 30,
4 1989, an amount equal to the sum of (i) 4% of the
5 taxpayer's net income for the period prior to July 1, 1989,
6 as calculated under Section 202.3, and (ii) 4.8% of the
7 taxpayer's net income for the period after June 30, 1989,
8 as calculated under Section 202.3.

9 (8) In the case of a corporation, for taxable years
10 beginning after June 30, 1989, and ending prior to January
11 1, 2011, an amount equal to 4.8% of the taxpayer's net
12 income for the taxable year.

13 (9) In the case of a corporation, for taxable years
14 beginning prior to January 1, 2011, and ending after
15 December 31, 2010, an amount equal to the sum of (i) 4.8%
16 of the taxpayer's net income for the period prior to
17 January 1, 2011, as calculated under Section 202.5, and
18 (ii) 7% of the taxpayer's net income for the period after
19 December 31, 2010, as calculated under Section 202.5.

20 (10) In the case of a corporation, for taxable years
21 beginning on or after January 1, 2011, and ending prior to
22 January 1, 2015, an amount equal to 7% of the taxpayer's
23 net income for the taxable year.

24 (11) In the case of a corporation, for taxable years
25 beginning prior to January 1, 2015, and ending after
26 December 31, 2014, an amount equal to the sum of (i) 7% of

1 the taxpayer's net income for the period prior to January
2 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
3 of the taxpayer's net income for the period after December
4 31, 2014, as calculated under Section 202.5.

5 (12) In the case of a corporation, for taxable years
6 beginning on or after January 1, 2015, and ending prior to
7 July 1, 2017, an amount equal to 5.25% of the taxpayer's
8 net income for the taxable year.

9 (13) In the case of a corporation, for taxable years
10 beginning prior to July 1, 2017, and ending after June 30,
11 2017, an amount equal to the sum of (i) 5.25% of the
12 taxpayer's net income for the period prior to July 1, 2017,
13 as calculated under Section 202.5, and (ii) 7% of the
14 taxpayer's net income for the period after June 30, 2017,
15 as calculated under Section 202.5.

16 (14) In the case of a corporation, for taxable years
17 beginning on or after July 1, 2017, an amount equal to 7%
18 of the taxpayer's net income for the taxable year.

19 The rates under this subsection (b) are subject to the
20 provisions of Section 201.5.

21 (b-5) Surcharge; sale or exchange of assets, properties,
22 and intangibles of organization gaming licensees. For each of
23 taxable years 2019 through 2027, a surcharge is imposed on all
24 taxpayers on income arising from the sale or exchange of
25 capital assets, depreciable business property, real property
26 used in the trade or business, and Section 197 intangibles (i)

1 of an organization licensee under the Illinois Horse Racing Act
2 of 1975 and (ii) of an organization gaming licensee under the
3 Illinois Gambling Act. The amount of the surcharge is equal to
4 the amount of federal income tax liability for the taxable year
5 attributable to those sales and exchanges. The surcharge
6 imposed shall not apply if:

7 (1) the organization gaming license, organization
8 license, or racetrack property is transferred as a result
9 of any of the following:

10 (A) bankruptcy, a receivership, or a debt
11 adjustment initiated by or against the initial
12 licensee or the substantial owners of the initial
13 licensee;

14 (B) cancellation, revocation, or termination of
15 any such license by the Illinois Gaming Board or the
16 Illinois Racing Board;

17 (C) a determination by the Illinois Gaming Board
18 that transfer of the license is in the best interests
19 of Illinois gaming;

20 (D) the death of an owner of the equity interest in
21 a licensee;

22 (E) the acquisition of a controlling interest in
23 the stock or substantially all of the assets of a
24 publicly traded company;

25 (F) a transfer by a parent company to a wholly
26 owned subsidiary; or

1 (G) the transfer or sale to or by one person to
2 another person where both persons were initial owners
3 of the license when the license was issued; or

4 (2) the controlling interest in the organization
5 gaming license, organization license, or racetrack
6 property is transferred in a transaction to lineal
7 descendants in which no gain or loss is recognized or as a
8 result of a transaction in accordance with Section 351 of
9 the Internal Revenue Code in which no gain or loss is
10 recognized; or

11 (3) live horse racing was not conducted in 2010 at a
12 racetrack located within 3 miles of the Mississippi River
13 under a license issued pursuant to the Illinois Horse
14 Racing Act of 1975.

15 The transfer of an organization gaming license,
16 organization license, or racetrack property by a person other
17 than the initial licensee to receive the organization gaming
18 license is not subject to a surcharge. The Department shall
19 adopt rules necessary to implement and administer this
20 subsection.

21 (c) Personal Property Tax Replacement Income Tax.
22 Beginning on July 1, 1979 and thereafter, in addition to such
23 income tax, there is also hereby imposed the Personal Property
24 Tax Replacement Income Tax measured by net income on every
25 corporation (including Subchapter S corporations), partnership
26 and trust, for each taxable year ending after June 30, 1979.

1 Such taxes are imposed on the privilege of earning or receiving
2 income in or as a resident of this State. The Personal Property
3 Tax Replacement Income Tax shall be in addition to the income
4 tax imposed by subsections (a) and (b) of this Section and in
5 addition to all other occupation or privilege taxes imposed by
6 this State or by any municipal corporation or political
7 subdivision thereof.

8 (d) Additional Personal Property Tax Replacement Income
9 Tax Rates. The personal property tax replacement income tax
10 imposed by this subsection and subsection (c) of this Section
11 in the case of a corporation, other than a Subchapter S
12 corporation and except as adjusted by subsection (d-1), shall
13 be an additional amount equal to 2.85% of such taxpayer's net
14 income for the taxable year, except that beginning on January
15 1, 1981, and thereafter, the rate of 2.85% specified in this
16 subsection shall be reduced to 2.5%, and in the case of a
17 partnership, trust or a Subchapter S corporation shall be an
18 additional amount equal to 1.5% of such taxpayer's net income
19 for the taxable year.

20 (d-1) Rate reduction for certain foreign insurers. In the
21 case of a foreign insurer, as defined by Section 35A-5 of the
22 Illinois Insurance Code, whose state or country of domicile
23 imposes on insurers domiciled in Illinois a retaliatory tax
24 (excluding any insurer whose premiums from reinsurance assumed
25 are 50% or more of its total insurance premiums as determined
26 under paragraph (2) of subsection (b) of Section 304, except

1 that for purposes of this determination premiums from
2 reinsurance do not include premiums from inter-affiliate
3 reinsurance arrangements), beginning with taxable years ending
4 on or after December 31, 1999, the sum of the rates of tax
5 imposed by subsections (b) and (d) shall be reduced (but not
6 increased) to the rate at which the total amount of tax imposed
7 under this Act, net of all credits allowed under this Act,
8 shall equal (i) the total amount of tax that would be imposed
9 on the foreign insurer's net income allocable to Illinois for
10 the taxable year by such foreign insurer's state or country of
11 domicile if that net income were subject to all income taxes
12 and taxes measured by net income imposed by such foreign
13 insurer's state or country of domicile, net of all credits
14 allowed or (ii) a rate of zero if no such tax is imposed on such
15 income by the foreign insurer's state of domicile. For the
16 purposes of this subsection (d-1), an inter-affiliate includes
17 a mutual insurer under common management.

18 (1) For the purposes of subsection (d-1), in no event
19 shall the sum of the rates of tax imposed by subsections
20 (b) and (d) be reduced below the rate at which the sum of:

21 (A) the total amount of tax imposed on such foreign
22 insurer under this Act for a taxable year, net of all
23 credits allowed under this Act, plus

24 (B) the privilege tax imposed by Section 409 of the
25 Illinois Insurance Code, the fire insurance company
26 tax imposed by Section 12 of the Fire Investigation

1 Act, and the fire department taxes imposed under
2 Section 11-10-1 of the Illinois Municipal Code,
3 equals 1.25% for taxable years ending prior to December 31,
4 2003, or 1.75% for taxable years ending on or after
5 December 31, 2003, of the net taxable premiums written for
6 the taxable year, as described by subsection (1) of Section
7 409 of the Illinois Insurance Code. This paragraph will in
8 no event increase the rates imposed under subsections (b)
9 and (d).

10 (2) Any reduction in the rates of tax imposed by this
11 subsection shall be applied first against the rates imposed
12 by subsection (b) and only after the tax imposed by
13 subsection (a) net of all credits allowed under this
14 Section other than the credit allowed under subsection (i)
15 has been reduced to zero, against the rates imposed by
16 subsection (d).

17 This subsection (d-1) is exempt from the provisions of
18 Section 250.

19 (e) Investment credit. A taxpayer shall be allowed a credit
20 against the Personal Property Tax Replacement Income Tax for
21 investment in qualified property.

22 (1) A taxpayer shall be allowed a credit equal to .5%
23 of the basis of qualified property placed in service during
24 the taxable year, provided such property is placed in
25 service on or after July 1, 1984. There shall be allowed an
26 additional credit equal to .5% of the basis of qualified

1 property placed in service during the taxable year,
2 provided such property is placed in service on or after
3 July 1, 1986, and the taxpayer's base employment within
4 Illinois has increased by 1% or more over the preceding
5 year as determined by the taxpayer's employment records
6 filed with the Illinois Department of Employment Security.
7 Taxpayers who are new to Illinois shall be deemed to have
8 met the 1% growth in base employment for the first year in
9 which they file employment records with the Illinois
10 Department of Employment Security. The provisions added to
11 this Section by Public Act 85-1200 (and restored by Public
12 Act 87-895) shall be construed as declaratory of existing
13 law and not as a new enactment. If, in any year, the
14 increase in base employment within Illinois over the
15 preceding year is less than 1%, the additional credit shall
16 be limited to that percentage times a fraction, the
17 numerator of which is .5% and the denominator of which is
18 1%, but shall not exceed .5%. The investment credit shall
19 not be allowed to the extent that it would reduce a
20 taxpayer's liability in any tax year below zero, nor may
21 any credit for qualified property be allowed for any year
22 other than the year in which the property was placed in
23 service in Illinois. For tax years ending on or after
24 December 31, 1987, and on or before December 31, 1988, the
25 credit shall be allowed for the tax year in which the
26 property is placed in service, or, if the amount of the

1 credit exceeds the tax liability for that year, whether it
2 exceeds the original liability or the liability as later
3 amended, such excess may be carried forward and applied to
4 the tax liability of the 5 taxable years following the
5 excess credit years if the taxpayer (i) makes investments
6 which cause the creation of a minimum of 2,000 full-time
7 equivalent jobs in Illinois, (ii) is located in an
8 enterprise zone established pursuant to the Illinois
9 Enterprise Zone Act and (iii) is certified by the
10 Department of Commerce and Community Affairs (now
11 Department of Commerce and Economic Opportunity) as
12 complying with the requirements specified in clause (i) and
13 (ii) by July 1, 1986. The Department of Commerce and
14 Community Affairs (now Department of Commerce and Economic
15 Opportunity) shall notify the Department of Revenue of all
16 such certifications immediately. For tax years ending
17 after December 31, 1988, the credit shall be allowed for
18 the tax year in which the property is placed in service,
19 or, if the amount of the credit exceeds the tax liability
20 for that year, whether it exceeds the original liability or
21 the liability as later amended, such excess may be carried
22 forward and applied to the tax liability of the 5 taxable
23 years following the excess credit years. The credit shall
24 be applied to the earliest year for which there is a
25 liability. If there is credit from more than one tax year
26 that is available to offset a liability, earlier credit

1 shall be applied first.

2 (2) The term "qualified property" means property
3 which:

4 (A) is tangible, whether new or used, including
5 buildings and structural components of buildings and
6 signs that are real property, but not including land or
7 improvements to real property that are not a structural
8 component of a building such as landscaping, sewer
9 lines, local access roads, fencing, parking lots, and
10 other appurtenances;

11 (B) is depreciable pursuant to Section 167 of the
12 Internal Revenue Code, except that "3-year property"
13 as defined in Section 168(c)(2)(A) of that Code is not
14 eligible for the credit provided by this subsection
15 (e);

16 (C) is acquired by purchase as defined in Section
17 179(d) of the Internal Revenue Code;

18 (D) is used in Illinois by a taxpayer who is
19 primarily engaged in manufacturing, or in mining coal
20 or fluorite, or in retailing, or was placed in service
21 on or after July 1, 2006 in a River Edge Redevelopment
22 Zone established pursuant to the River Edge
23 Redevelopment Zone Act; and

24 (E) has not previously been used in Illinois in
25 such a manner and by such a person as would qualify for
26 the credit provided by this subsection (e) or

1 subsection (f).

2 (3) For purposes of this subsection (e),
3 "manufacturing" means the material staging and production
4 of tangible personal property by procedures commonly
5 regarded as manufacturing, processing, fabrication, or
6 assembling which changes some existing material into new
7 shapes, new qualities, or new combinations. For purposes of
8 this subsection (e) the term "mining" shall have the same
9 meaning as the term "mining" in Section 613(c) of the
10 Internal Revenue Code. For purposes of this subsection (e),
11 the term "retailing" means the sale of tangible personal
12 property for use or consumption and not for resale, or
13 services rendered in conjunction with the sale of tangible
14 personal property for use or consumption and not for
15 resale. For purposes of this subsection (e), "tangible
16 personal property" has the same meaning as when that term
17 is used in the Retailers' Occupation Tax Act, and, for
18 taxable years ending after December 31, 2008, does not
19 include the generation, transmission, or distribution of
20 electricity.

21 (4) The basis of qualified property shall be the basis
22 used to compute the depreciation deduction for federal
23 income tax purposes.

24 (5) If the basis of the property for federal income tax
25 depreciation purposes is increased after it has been placed
26 in service in Illinois by the taxpayer, the amount of such

1 increase shall be deemed property placed in service on the
2 date of such increase in basis.

3 (6) The term "placed in service" shall have the same
4 meaning as under Section 46 of the Internal Revenue Code.

5 (7) If during any taxable year, any property ceases to
6 be qualified property in the hands of the taxpayer within
7 48 months after being placed in service, or the situs of
8 any qualified property is moved outside Illinois within 48
9 months after being placed in service, the Personal Property
10 Tax Replacement Income Tax for such taxable year shall be
11 increased. Such increase shall be determined by (i)
12 recomputing the investment credit which would have been
13 allowed for the year in which credit for such property was
14 originally allowed by eliminating such property from such
15 computation and, (ii) subtracting such recomputed credit
16 from the amount of credit previously allowed. For the
17 purposes of this paragraph (7), a reduction of the basis of
18 qualified property resulting from a redetermination of the
19 purchase price shall be deemed a disposition of qualified
20 property to the extent of such reduction.

21 (8) Unless the investment credit is extended by law,
22 the basis of qualified property shall not include costs
23 incurred after December 31, 2018, except for costs incurred
24 pursuant to a binding contract entered into on or before
25 December 31, 2018.

26 (9) Each taxable year ending before December 31, 2000,

1 a partnership may elect to pass through to its partners the
2 credits to which the partnership is entitled under this
3 subsection (e) for the taxable year. A partner may use the
4 credit allocated to him or her under this paragraph only
5 against the tax imposed in subsections (c) and (d) of this
6 Section. If the partnership makes that election, those
7 credits shall be allocated among the partners in the
8 partnership in accordance with the rules set forth in
9 Section 704(b) of the Internal Revenue Code, and the rules
10 promulgated under that Section, and the allocated amount of
11 the credits shall be allowed to the partners for that
12 taxable year. The partnership shall make this election on
13 its Personal Property Tax Replacement Income Tax return for
14 that taxable year. The election to pass through the credits
15 shall be irrevocable.

16 For taxable years ending on or after December 31, 2000,
17 a partner that qualifies its partnership for a subtraction
18 under subparagraph (I) of paragraph (2) of subsection (d)
19 of Section 203 or a shareholder that qualifies a Subchapter
20 S corporation for a subtraction under subparagraph (S) of
21 paragraph (2) of subsection (b) of Section 203 shall be
22 allowed a credit under this subsection (e) equal to its
23 share of the credit earned under this subsection (e) during
24 the taxable year by the partnership or Subchapter S
25 corporation, determined in accordance with the
26 determination of income and distributive share of income

1 under Sections 702 and 704 and Subchapter S of the Internal
2 Revenue Code. This paragraph is exempt from the provisions
3 of Section 250.

4 (f) Investment credit; Enterprise Zone; River Edge
5 Redevelopment Zone.

6 (1) A taxpayer shall be allowed a credit against the
7 tax imposed by subsections (a) and (b) of this Section for
8 investment in qualified property which is placed in service
9 in an Enterprise Zone created pursuant to the Illinois
10 Enterprise Zone Act or, for property placed in service on
11 or after July 1, 2006, a River Edge Redevelopment Zone
12 established pursuant to the River Edge Redevelopment Zone
13 Act. For partners, shareholders of Subchapter S
14 corporations, and owners of limited liability companies,
15 if the liability company is treated as a partnership for
16 purposes of federal and State income taxation, there shall
17 be allowed a credit under this subsection (f) to be
18 determined in accordance with the determination of income
19 and distributive share of income under Sections 702 and 704
20 and Subchapter S of the Internal Revenue Code. The credit
21 shall be .5% of the basis for such property. The credit
22 shall be available only in the taxable year in which the
23 property is placed in service in the Enterprise Zone or
24 River Edge Redevelopment Zone and shall not be allowed to
25 the extent that it would reduce a taxpayer's liability for
26 the tax imposed by subsections (a) and (b) of this Section

1 to below zero. For tax years ending on or after December
2 31, 1985, the credit shall be allowed for the tax year in
3 which the property is placed in service, or, if the amount
4 of the credit exceeds the tax liability for that year,
5 whether it exceeds the original liability or the liability
6 as later amended, such excess may be carried forward and
7 applied to the tax liability of the 5 taxable years
8 following the excess credit year. The credit shall be
9 applied to the earliest year for which there is a
10 liability. If there is credit from more than one tax year
11 that is available to offset a liability, the credit
12 accruing first in time shall be applied first.

13 (2) The term qualified property means property which:

14 (A) is tangible, whether new or used, including
15 buildings and structural components of buildings;

16 (B) is depreciable pursuant to Section 167 of the
17 Internal Revenue Code, except that "3-year property"
18 as defined in Section 168(c)(2)(A) of that Code is not
19 eligible for the credit provided by this subsection
20 (f);

21 (C) is acquired by purchase as defined in Section
22 179(d) of the Internal Revenue Code;

23 (D) is used in the Enterprise Zone or River Edge
24 Redevelopment Zone by the taxpayer; and

25 (E) has not been previously used in Illinois in
26 such a manner and by such a person as would qualify for

1 the credit provided by this subsection (f) or
2 subsection (e).

3 (3) The basis of qualified property shall be the basis
4 used to compute the depreciation deduction for federal
5 income tax purposes.

6 (4) If the basis of the property for federal income tax
7 depreciation purposes is increased after it has been placed
8 in service in the Enterprise Zone or River Edge
9 Redevelopment Zone by the taxpayer, the amount of such
10 increase shall be deemed property placed in service on the
11 date of such increase in basis.

12 (5) The term "placed in service" shall have the same
13 meaning as under Section 46 of the Internal Revenue Code.

14 (6) If during any taxable year, any property ceases to
15 be qualified property in the hands of the taxpayer within
16 48 months after being placed in service, or the situs of
17 any qualified property is moved outside the Enterprise Zone
18 or River Edge Redevelopment Zone within 48 months after
19 being placed in service, the tax imposed under subsections
20 (a) and (b) of this Section for such taxable year shall be
21 increased. Such increase shall be determined by (i)
22 recomputing the investment credit which would have been
23 allowed for the year in which credit for such property was
24 originally allowed by eliminating such property from such
25 computation, and (ii) subtracting such recomputed credit
26 from the amount of credit previously allowed. For the

1 purposes of this paragraph (6), a reduction of the basis of
2 qualified property resulting from a redetermination of the
3 purchase price shall be deemed a disposition of qualified
4 property to the extent of such reduction.

5 (7) There shall be allowed an additional credit equal
6 to 0.5% of the basis of qualified property placed in
7 service during the taxable year in a River Edge
8 Redevelopment Zone, provided such property is placed in
9 service on or after July 1, 2006, and the taxpayer's base
10 employment within Illinois has increased by 1% or more over
11 the preceding year as determined by the taxpayer's
12 employment records filed with the Illinois Department of
13 Employment Security. Taxpayers who are new to Illinois
14 shall be deemed to have met the 1% growth in base
15 employment for the first year in which they file employment
16 records with the Illinois Department of Employment
17 Security. If, in any year, the increase in base employment
18 within Illinois over the preceding year is less than 1%,
19 the additional credit shall be limited to that percentage
20 times a fraction, the numerator of which is 0.5% and the
21 denominator of which is 1%, but shall not exceed 0.5%.

22 (g) (Blank).

23 (h) Investment credit; High Impact Business.

24 (1) Subject to subsections (b) and (b-5) of Section 5.5
25 of the Illinois Enterprise Zone Act, a taxpayer shall be
26 allowed a credit against the tax imposed by subsections (a)

1 and (b) of this Section for investment in qualified
2 property which is placed in service by a Department of
3 Commerce and Economic Opportunity designated High Impact
4 Business. The credit shall be .5% of the basis for such
5 property. The credit shall not be available (i) until the
6 minimum investments in qualified property set forth in
7 subdivision (a)(3)(A) of Section 5.5 of the Illinois
8 Enterprise Zone Act have been satisfied or (ii) until the
9 time authorized in subsection (b-5) of the Illinois
10 Enterprise Zone Act for entities designated as High Impact
11 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
12 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
13 Act, and shall not be allowed to the extent that it would
14 reduce a taxpayer's liability for the tax imposed by
15 subsections (a) and (b) of this Section to below zero. The
16 credit applicable to such investments shall be taken in the
17 taxable year in which such investments have been completed.
18 The credit for additional investments beyond the minimum
19 investment by a designated high impact business authorized
20 under subdivision (a)(3)(A) of Section 5.5 of the Illinois
21 Enterprise Zone Act shall be available only in the taxable
22 year in which the property is placed in service and shall
23 not be allowed to the extent that it would reduce a
24 taxpayer's liability for the tax imposed by subsections (a)
25 and (b) of this Section to below zero. For tax years ending
26 on or after December 31, 1987, the credit shall be allowed

1 for the tax year in which the property is placed in
2 service, or, if the amount of the credit exceeds the tax
3 liability for that year, whether it exceeds the original
4 liability or the liability as later amended, such excess
5 may be carried forward and applied to the tax liability of
6 the 5 taxable years following the excess credit year. The
7 credit shall be applied to the earliest year for which
8 there is a liability. If there is credit from more than one
9 tax year that is available to offset a liability, the
10 credit accruing first in time shall be applied first.

11 Changes made in this subdivision (h) (1) by Public Act
12 88-670 restore changes made by Public Act 85-1182 and
13 reflect existing law.

14 (2) The term qualified property means property which:

15 (A) is tangible, whether new or used, including
16 buildings and structural components of buildings;

17 (B) is depreciable pursuant to Section 167 of the
18 Internal Revenue Code, except that "3-year property"
19 as defined in Section 168(c) (2) (A) of that Code is not
20 eligible for the credit provided by this subsection
21 (h);

22 (C) is acquired by purchase as defined in Section
23 179(d) of the Internal Revenue Code; and

24 (D) is not eligible for the Enterprise Zone
25 Investment Credit provided by subsection (f) of this
26 Section.

1 (3) The basis of qualified property shall be the basis
2 used to compute the depreciation deduction for federal
3 income tax purposes.

4 (4) If the basis of the property for federal income tax
5 depreciation purposes is increased after it has been placed
6 in service in a federally designated Foreign Trade Zone or
7 Sub-Zone located in Illinois by the taxpayer, the amount of
8 such increase shall be deemed property placed in service on
9 the date of such increase in basis.

10 (5) The term "placed in service" shall have the same
11 meaning as under Section 46 of the Internal Revenue Code.

12 (6) If during any taxable year ending on or before
13 December 31, 1996, any property ceases to be qualified
14 property in the hands of the taxpayer within 48 months
15 after being placed in service, or the situs of any
16 qualified property is moved outside Illinois within 48
17 months after being placed in service, the tax imposed under
18 subsections (a) and (b) of this Section for such taxable
19 year shall be increased. Such increase shall be determined
20 by (i) recomputing the investment credit which would have
21 been allowed for the year in which credit for such property
22 was originally allowed by eliminating such property from
23 such computation, and (ii) subtracting such recomputed
24 credit from the amount of credit previously allowed. For
25 the purposes of this paragraph (6), a reduction of the
26 basis of qualified property resulting from a

1 redetermination of the purchase price shall be deemed a
2 disposition of qualified property to the extent of such
3 reduction.

4 (7) Beginning with tax years ending after December 31,
5 1996, if a taxpayer qualifies for the credit under this
6 subsection (h) and thereby is granted a tax abatement and
7 the taxpayer relocates its entire facility in violation of
8 the explicit terms and length of the contract under Section
9 18-183 of the Property Tax Code, the tax imposed under
10 subsections (a) and (b) of this Section shall be increased
11 for the taxable year in which the taxpayer relocated its
12 facility by an amount equal to the amount of credit
13 received by the taxpayer under this subsection (h).

14 (i) Credit for Personal Property Tax Replacement Income
15 Tax. For tax years ending prior to December 31, 2003, a credit
16 shall be allowed against the tax imposed by subsections (a) and
17 (b) of this Section for the tax imposed by subsections (c) and
18 (d) of this Section. This credit shall be computed by
19 multiplying the tax imposed by subsections (c) and (d) of this
20 Section by a fraction, the numerator of which is base income
21 allocable to Illinois and the denominator of which is Illinois
22 base income, and further multiplying the product by the tax
23 rate imposed by subsections (a) and (b) of this Section.

24 Any credit earned on or after December 31, 1986 under this
25 subsection which is unused in the year the credit is computed
26 because it exceeds the tax liability imposed by subsections (a)

1 and (b) for that year (whether it exceeds the original
2 liability or the liability as later amended) may be carried
3 forward and applied to the tax liability imposed by subsections
4 (a) and (b) of the 5 taxable years following the excess credit
5 year, provided that no credit may be carried forward to any
6 year ending on or after December 31, 2003. This credit shall be
7 applied first to the earliest year for which there is a
8 liability. If there is a credit under this subsection from more
9 than one tax year that is available to offset a liability the
10 earliest credit arising under this subsection shall be applied
11 first.

12 If, during any taxable year ending on or after December 31,
13 1986, the tax imposed by subsections (c) and (d) of this
14 Section for which a taxpayer has claimed a credit under this
15 subsection (i) is reduced, the amount of credit for such tax
16 shall also be reduced. Such reduction shall be determined by
17 recomputing the credit to take into account the reduced tax
18 imposed by subsections (c) and (d). If any portion of the
19 reduced amount of credit has been carried to a different
20 taxable year, an amended return shall be filed for such taxable
21 year to reduce the amount of credit claimed.

22 (j) Training expense credit. Beginning with tax years
23 ending on or after December 31, 1986 and prior to December 31,
24 2003, a taxpayer shall be allowed a credit against the tax
25 imposed by subsections (a) and (b) under this Section for all
26 amounts paid or accrued, on behalf of all persons employed by

1 the taxpayer in Illinois or Illinois residents employed outside
2 of Illinois by a taxpayer, for educational or vocational
3 training in semi-technical or technical fields or semi-skilled
4 or skilled fields, which were deducted from gross income in the
5 computation of taxable income. The credit against the tax
6 imposed by subsections (a) and (b) shall be 1.6% of such
7 training expenses. For partners, shareholders of subchapter S
8 corporations, and owners of limited liability companies, if the
9 liability company is treated as a partnership for purposes of
10 federal and State income taxation, there shall be allowed a
11 credit under this subsection (j) to be determined in accordance
12 with the determination of income and distributive share of
13 income under Sections 702 and 704 and subchapter S of the
14 Internal Revenue Code.

15 Any credit allowed under this subsection which is unused in
16 the year the credit is earned may be carried forward to each of
17 the 5 taxable years following the year for which the credit is
18 first computed until it is used. This credit shall be applied
19 first to the earliest year for which there is a liability. If
20 there is a credit under this subsection from more than one tax
21 year that is available to offset a liability the earliest
22 credit arising under this subsection shall be applied first. No
23 carryforward credit may be claimed in any tax year ending on or
24 after December 31, 2003.

25 (k) Research and development credit. For tax years ending
26 after July 1, 1990 and prior to December 31, 2003, and

1 beginning again for tax years ending on or after December 31,
2 2004, and ending prior to January 1, 2022, a taxpayer shall be
3 allowed a credit against the tax imposed by subsections (a) and
4 (b) of this Section for increasing research activities in this
5 State. The credit allowed against the tax imposed by
6 subsections (a) and (b) shall be equal to 6 1/2% of the
7 qualifying expenditures for increasing research activities in
8 this State. For partners, shareholders of subchapter S
9 corporations, and owners of limited liability companies, if the
10 liability company is treated as a partnership for purposes of
11 federal and State income taxation, there shall be allowed a
12 credit under this subsection to be determined in accordance
13 with the determination of income and distributive share of
14 income under Sections 702 and 704 and subchapter S of the
15 Internal Revenue Code.

16 For purposes of this subsection, "qualifying expenditures"
17 means the qualifying expenditures as defined for the federal
18 credit for increasing research activities which would be
19 allowable under Section 41 of the Internal Revenue Code and
20 which are conducted in this State, "qualifying expenditures for
21 increasing research activities in this State" means the excess
22 of qualifying expenditures for the taxable year in which
23 incurred over qualifying expenditures for the base period,
24 "qualifying expenditures for the base period" means the average
25 of the qualifying expenditures for each year in the base
26 period, and "base period" means the 3 taxable years immediately

1 preceding the taxable year for which the determination is being
2 made.

3 Any credit in excess of the tax liability for the taxable
4 year may be carried forward. A taxpayer may elect to have the
5 unused credit shown on its final completed return carried over
6 as a credit against the tax liability for the following 5
7 taxable years or until it has been fully used, whichever occurs
8 first; provided that no credit earned in a tax year ending
9 prior to December 31, 2003 may be carried forward to any year
10 ending on or after December 31, 2003.

11 If an unused credit is carried forward to a given year from
12 2 or more earlier years, that credit arising in the earliest
13 year will be applied first against the tax liability for the
14 given year. If a tax liability for the given year still
15 remains, the credit from the next earliest year will then be
16 applied, and so on, until all credits have been used or no tax
17 liability for the given year remains. Any remaining unused
18 credit or credits then will be carried forward to the next
19 following year in which a tax liability is incurred, except
20 that no credit can be carried forward to a year which is more
21 than 5 years after the year in which the expense for which the
22 credit is given was incurred.

23 No inference shall be drawn from this amendatory Act of the
24 91st General Assembly in construing this Section for taxable
25 years beginning before January 1, 1999.

26 It is the intent of the General Assembly that the research

1 and development credit under this subsection (k) shall apply
2 continuously for all tax years ending on or after December 31,
3 2004 and ending prior to January 1, 2022, including, but not
4 limited to, the period beginning on January 1, 2016 and ending
5 on the effective date of this amendatory Act of the 100th
6 General Assembly. All actions taken in reliance on the
7 continuation of the credit under this subsection (k) by any
8 taxpayer are hereby validated.

9 (1) Environmental Remediation Tax Credit.

10 (i) For tax years ending after December 31, 1997 and on
11 or before December 31, 2001, a taxpayer shall be allowed a
12 credit against the tax imposed by subsections (a) and (b)
13 of this Section for certain amounts paid for unreimbursed
14 eligible remediation costs, as specified in this
15 subsection. For purposes of this Section, "unreimbursed
16 eligible remediation costs" means costs approved by the
17 Illinois Environmental Protection Agency ("Agency") under
18 Section 58.14 of the Environmental Protection Act that were
19 paid in performing environmental remediation at a site for
20 which a No Further Remediation Letter was issued by the
21 Agency and recorded under Section 58.10 of the
22 Environmental Protection Act. The credit must be claimed
23 for the taxable year in which Agency approval of the
24 eligible remediation costs is granted. The credit is not
25 available to any taxpayer if the taxpayer or any related
26 party caused or contributed to, in any material respect, a

1 release of regulated substances on, in, or under the site
2 that was identified and addressed by the remedial action
3 pursuant to the Site Remediation Program of the
4 Environmental Protection Act. After the Pollution Control
5 Board rules are adopted pursuant to the Illinois
6 Administrative Procedure Act for the administration and
7 enforcement of Section 58.9 of the Environmental
8 Protection Act, determinations as to credit availability
9 for purposes of this Section shall be made consistent with
10 those rules. For purposes of this Section, "taxpayer"
11 includes a person whose tax attributes the taxpayer has
12 succeeded to under Section 381 of the Internal Revenue Code
13 and "related party" includes the persons disallowed a
14 deduction for losses by paragraphs (b), (c), and (f) (1) of
15 Section 267 of the Internal Revenue Code by virtue of being
16 a related taxpayer, as well as any of its partners. The
17 credit allowed against the tax imposed by subsections (a)
18 and (b) shall be equal to 25% of the unreimbursed eligible
19 remediation costs in excess of \$100,000 per site, except
20 that the \$100,000 threshold shall not apply to any site
21 contained in an enterprise zone as determined by the
22 Department of Commerce and Community Affairs (now
23 Department of Commerce and Economic Opportunity). The
24 total credit allowed shall not exceed \$40,000 per year with
25 a maximum total of \$150,000 per site. For partners and
26 shareholders of subchapter S corporations, there shall be

1 allowed a credit under this subsection to be determined in
2 accordance with the determination of income and
3 distributive share of income under Sections 702 and 704 and
4 subchapter S of the Internal Revenue Code.

5 (ii) A credit allowed under this subsection that is
6 unused in the year the credit is earned may be carried
7 forward to each of the 5 taxable years following the year
8 for which the credit is first earned until it is used. The
9 term "unused credit" does not include any amounts of
10 unreimbursed eligible remediation costs in excess of the
11 maximum credit per site authorized under paragraph (i).
12 This credit shall be applied first to the earliest year for
13 which there is a liability. If there is a credit under this
14 subsection from more than one tax year that is available to
15 offset a liability, the earliest credit arising under this
16 subsection shall be applied first. A credit allowed under
17 this subsection may be sold to a buyer as part of a sale of
18 all or part of the remediation site for which the credit
19 was granted. The purchaser of a remediation site and the
20 tax credit shall succeed to the unused credit and remaining
21 carry-forward period of the seller. To perfect the
22 transfer, the assignor shall record the transfer in the
23 chain of title for the site and provide written notice to
24 the Director of the Illinois Department of Revenue of the
25 assignor's intent to sell the remediation site and the
26 amount of the tax credit to be transferred as a portion of

1 the sale. In no event may a credit be transferred to any
2 taxpayer if the taxpayer or a related party would not be
3 eligible under the provisions of subsection (i).

4 (iii) For purposes of this Section, the term "site"
5 shall have the same meaning as under Section 58.2 of the
6 Environmental Protection Act.

7 (m) Education expense credit. Beginning with tax years
8 ending after December 31, 1999, a taxpayer who is the custodian
9 of one or more qualifying pupils shall be allowed a credit
10 against the tax imposed by subsections (a) and (b) of this
11 Section for qualified education expenses incurred on behalf of
12 the qualifying pupils. The credit shall be equal to 25% of
13 qualified education expenses, but in no event may the total
14 credit under this subsection claimed by a family that is the
15 custodian of qualifying pupils exceed (i) \$500 for tax years
16 ending prior to December 31, 2017, and (ii) \$750 for tax years
17 ending on or after December 31, 2017. In no event shall a
18 credit under this subsection reduce the taxpayer's liability
19 under this Act to less than zero. Notwithstanding any other
20 provision of law, for taxable years beginning on or after
21 January 1, 2017, no taxpayer may claim a credit under this
22 subsection (m) if the taxpayer's adjusted gross income for the
23 taxable year exceeds (i) \$500,000, in the case of spouses
24 filing a joint federal tax return or (ii) \$250,000, in the case
25 of all other taxpayers. This subsection is exempt from the
26 provisions of Section 250 of this Act.

1 For purposes of this subsection:

2 "Qualifying pupils" means individuals who (i) are
3 residents of the State of Illinois, (ii) are under the age of
4 21 at the close of the school year for which a credit is
5 sought, and (iii) during the school year for which a credit is
6 sought were full-time pupils enrolled in a kindergarten through
7 twelfth grade education program at any school, as defined in
8 this subsection.

9 "Qualified education expense" means the amount incurred on
10 behalf of a qualifying pupil in excess of \$250 for tuition,
11 book fees, and lab fees at the school in which the pupil is
12 enrolled during the regular school year.

13 "School" means any public or nonpublic elementary or
14 secondary school in Illinois that is in compliance with Title
15 VI of the Civil Rights Act of 1964 and attendance at which
16 satisfies the requirements of Section 26-1 of the School Code,
17 except that nothing shall be construed to require a child to
18 attend any particular public or nonpublic school to qualify for
19 the credit under this Section.

20 "Custodian" means, with respect to qualifying pupils, an
21 Illinois resident who is a parent, the parents, a legal
22 guardian, or the legal guardians of the qualifying pupils.

23 (n) River Edge Redevelopment Zone site remediation tax
24 credit.

25 (i) For tax years ending on or after December 31, 2006,
26 a taxpayer shall be allowed a credit against the tax

1 imposed by subsections (a) and (b) of this Section for
2 certain amounts paid for unreimbursed eligible remediation
3 costs, as specified in this subsection. For purposes of
4 this Section, "unreimbursed eligible remediation costs"
5 means costs approved by the Illinois Environmental
6 Protection Agency ("Agency") under Section 58.14a of the
7 Environmental Protection Act that were paid in performing
8 environmental remediation at a site within a River Edge
9 Redevelopment Zone for which a No Further Remediation
10 Letter was issued by the Agency and recorded under Section
11 58.10 of the Environmental Protection Act. The credit must
12 be claimed for the taxable year in which Agency approval of
13 the eligible remediation costs is granted. The credit is
14 not available to any taxpayer if the taxpayer or any
15 related party caused or contributed to, in any material
16 respect, a release of regulated substances on, in, or under
17 the site that was identified and addressed by the remedial
18 action pursuant to the Site Remediation Program of the
19 Environmental Protection Act. Determinations as to credit
20 availability for purposes of this Section shall be made
21 consistent with rules adopted by the Pollution Control
22 Board pursuant to the Illinois Administrative Procedure
23 Act for the administration and enforcement of Section 58.9
24 of the Environmental Protection Act. For purposes of this
25 Section, "taxpayer" includes a person whose tax attributes
26 the taxpayer has succeeded to under Section 381 of the

1 Internal Revenue Code and "related party" includes the
2 persons disallowed a deduction for losses by paragraphs
3 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
4 Code by virtue of being a related taxpayer, as well as any
5 of its partners. The credit allowed against the tax imposed
6 by subsections (a) and (b) shall be equal to 25% of the
7 unreimbursed eligible remediation costs in excess of
8 \$100,000 per site.

9 (ii) A credit allowed under this subsection that is
10 unused in the year the credit is earned may be carried
11 forward to each of the 5 taxable years following the year
12 for which the credit is first earned until it is used. This
13 credit shall be applied first to the earliest year for
14 which there is a liability. If there is a credit under this
15 subsection from more than one tax year that is available to
16 offset a liability, the earliest credit arising under this
17 subsection shall be applied first. A credit allowed under
18 this subsection may be sold to a buyer as part of a sale of
19 all or part of the remediation site for which the credit
20 was granted. The purchaser of a remediation site and the
21 tax credit shall succeed to the unused credit and remaining
22 carry-forward period of the seller. To perfect the
23 transfer, the assignor shall record the transfer in the
24 chain of title for the site and provide written notice to
25 the Director of the Illinois Department of Revenue of the
26 assignor's intent to sell the remediation site and the

1 amount of the tax credit to be transferred as a portion of
2 the sale. In no event may a credit be transferred to any
3 taxpayer if the taxpayer or a related party would not be
4 eligible under the provisions of subsection (i).

5 (iii) For purposes of this Section, the term "site"
6 shall have the same meaning as under Section 58.2 of the
7 Environmental Protection Act.

8 (o) For each of taxable years during the Compassionate Use
9 of Medical Cannabis Pilot Program, a surcharge is imposed on
10 all taxpayers on income arising from the sale or exchange of
11 capital assets, depreciable business property, real property
12 used in the trade or business, and Section 197 intangibles of
13 an organization registrant under the Compassionate Use of
14 Medical Cannabis Pilot Program Act. The amount of the surcharge
15 is equal to the amount of federal income tax liability for the
16 taxable year attributable to those sales and exchanges. The
17 surcharge imposed does not apply if:

18 (1) the medical cannabis cultivation center
19 registration, medical cannabis dispensary registration, or
20 the property of a registration is transferred as a result
21 of any of the following:

22 (A) bankruptcy, a receivership, or a debt
23 adjustment initiated by or against the initial
24 registration or the substantial owners of the initial
25 registration;

26 (B) cancellation, revocation, or termination of

1 any registration by the Illinois Department of Public
2 Health;

3 (C) a determination by the Illinois Department of
4 Public Health that transfer of the registration is in
5 the best interests of Illinois qualifying patients as
6 defined by the Compassionate Use of Medical Cannabis
7 Pilot Program Act;

8 (D) the death of an owner of the equity interest in
9 a registrant;

10 (E) the acquisition of a controlling interest in
11 the stock or substantially all of the assets of a
12 publicly traded company;

13 (F) a transfer by a parent company to a wholly
14 owned subsidiary; or

15 (G) the transfer or sale to or by one person to
16 another person where both persons were initial owners
17 of the registration when the registration was issued;
18 or

19 (2) the cannabis cultivation center registration,
20 medical cannabis dispensary registration, or the
21 controlling interest in a registrant's property is
22 transferred in a transaction to lineal descendants in which
23 no gain or loss is recognized or as a result of a
24 transaction in accordance with Section 351 of the Internal
25 Revenue Code in which no gain or loss is recognized.

26 (Source: P.A. 100-22, eff. 7-6-17.)

1 (35 ILCS 5/303) (from Ch. 120, par. 3-303)

2 Sec. 303. (a) In general. Any item of capital gain or loss,
3 and any item of income from rents or royalties from real or
4 tangible personal property, interest, dividends, and patent or
5 copyright royalties, and prizes awarded under the Illinois
6 Lottery Law, and, for taxable years ending on or after December
7 31, 2019, wagering and gambling winnings from Illinois sources
8 as set forth in subsection (e-1) of this Section, to the extent
9 such item constitutes nonbusiness income, together with any
10 item of deduction directly allocable thereto, shall be
11 allocated by any person other than a resident as provided in
12 this Section.

13 (b) Capital gains and losses.

14 (1) Real property. Capital gains and losses from sales
15 or exchanges of real property are allocable to this State
16 if the property is located in this State.

17 (2) Tangible personal property. Capital gains and
18 losses from sales or exchanges of tangible personal
19 property are allocable to this State if, at the time of
20 such sale or exchange:

21 (A) The property had its situs in this State; or

22 (B) The taxpayer had its commercial domicile in
23 this State and was not taxable in the state in which
24 the property had its situs.

25 (3) Intangibles. Capital gains and losses from sales or

1 exchanges of intangible personal property are allocable to
2 this State if the taxpayer had its commercial domicile in
3 this State at the time of such sale or exchange.

4 (c) Rents and royalties.

5 (1) Real property. Rents and royalties from real
6 property are allocable to this State if the property is
7 located in this State.

8 (2) Tangible personal property. Rents and royalties
9 from tangible personal property are allocable to this
10 State:

11 (A) If and to the extent that the property is
12 utilized in this State; or

13 (B) In their entirety if, at the time such rents or
14 royalties were paid or accrued, the taxpayer had its
15 commercial domicile in this State and was not organized
16 under the laws of or taxable with respect to such rents
17 or royalties in the state in which the property was
18 utilized. The extent of utilization of tangible
19 personal property in a state is determined by
20 multiplying the rents or royalties derived from such
21 property by a fraction, the numerator of which is the
22 number of days of physical location of the property in
23 the state during the rental or royalty period in the
24 taxable year and the denominator of which is the number
25 of days of physical location of the property everywhere
26 during all rental or royalty periods in the taxable

1 year. If the physical location of the property during
2 the rental or royalty period is unknown or
3 unascertainable by the taxpayer, tangible personal
4 property is utilized in the state in which the property
5 was located at the time the rental or royalty payer
6 obtained possession.

7 (d) Patent and copyright royalties.

8 (1) Allocation. Patent and copyright royalties are
9 allocable to this State:

10 (A) If and to the extent that the patent or
11 copyright is utilized by the payer in this State; or

12 (B) If and to the extent that the patent or
13 copyright is utilized by the payer in a state in which
14 the taxpayer is not taxable with respect to such
15 royalties and, at the time such royalties were paid or
16 accrued, the taxpayer had its commercial domicile in
17 this State.

18 (2) Utilization.

19 (A) A patent is utilized in a state to the extent
20 that it is employed in production, fabrication,
21 manufacturing or other processing in the state or to
22 the extent that a patented product is produced in the
23 state. If the basis of receipts from patent royalties
24 does not permit allocation to states or if the
25 accounting procedures do not reflect states of
26 utilization, the patent is utilized in this State if

1 the taxpayer has its commercial domicile in this State.

2 (B) A copyright is utilized in a state to the
3 extent that printing or other publication originates
4 in the state. If the basis of receipts from copyright
5 royalties does not permit allocation to states or if
6 the accounting procedures do not reflect states of
7 utilization, the copyright is utilized in this State if
8 the taxpayer has its commercial domicile in this State.

9 (e) Illinois lottery prizes. Prizes awarded under the
10 Illinois Lottery Law are allocable to this State. Payments
11 received in taxable years ending on or after December 31, 2013,
12 from the assignment of a prize under Section 13.1 of the
13 Illinois Lottery Law are allocable to this State.

14 (e-1) Wagering and gambling winnings. Payments received in
15 taxable years ending on or after December 31, 2019 of winnings
16 from pari-mutuel wagering conducted at a wagering facility
17 licensed under the Illinois Horse Racing Act of 1975 and from
18 gambling games conducted on a riverboat or in a casino or
19 organization gaming facility licensed under the Illinois
20 Gambling Act are allocable to this State.

21 (e-5) Unemployment benefits. Unemployment benefits paid by
22 the Illinois Department of Employment Security are allocable to
23 this State.

24 (f) Taxability in other state. For purposes of allocation
25 of income pursuant to this Section, a taxpayer is taxable in
26 another state if:

1 (1) In that state he is subject to a net income tax, a
2 franchise tax measured by net income, a franchise tax for
3 the privilege of doing business, or a corporate stock tax;
4 or

5 (2) That state has jurisdiction to subject the taxpayer
6 to a net income tax regardless of whether, in fact, the
7 state does or does not.

8 (g) Cross references.

9 (1) For allocation of interest and dividends by persons
10 other than residents, see Section 301(c)(2).

11 (2) For allocation of nonbusiness income by residents,
12 see Section 301(a).

13 (Source: P.A. 97-709, eff. 7-1-12; 98-496, eff. 1-1-14.)

14 (35 ILCS 5/304) (from Ch. 120, par. 3-304)

15 Sec. 304. Business income of persons other than residents.

16 (a) In general. The business income of a person other than
17 a resident shall be allocated to this State if such person's
18 business income is derived solely from this State. If a person
19 other than a resident derives business income from this State
20 and one or more other states, then, for tax years ending on or
21 before December 30, 1998, and except as otherwise provided by
22 this Section, such person's business income shall be
23 apportioned to this State by multiplying the income by a
24 fraction, the numerator of which is the sum of the property
25 factor (if any), the payroll factor (if any) and 200% of the

1 sales factor (if any), and the denominator of which is 4
2 reduced by the number of factors other than the sales factor
3 which have a denominator of zero and by an additional 2 if the
4 sales factor has a denominator of zero. For tax years ending on
5 or after December 31, 1998, and except as otherwise provided by
6 this Section, persons other than residents who derive business
7 income from this State and one or more other states shall
8 compute their apportionment factor by weighting their
9 property, payroll, and sales factors as provided in subsection
10 (h) of this Section.

11 (1) Property factor.

12 (A) The property factor is a fraction, the numerator of
13 which is the average value of the person's real and
14 tangible personal property owned or rented and used in the
15 trade or business in this State during the taxable year and
16 the denominator of which is the average value of all the
17 person's real and tangible personal property owned or
18 rented and used in the trade or business during the taxable
19 year.

20 (B) Property owned by the person is valued at its
21 original cost. Property rented by the person is valued at 8
22 times the net annual rental rate. Net annual rental rate is
23 the annual rental rate paid by the person less any annual
24 rental rate received by the person from sub-rentals.

25 (C) The average value of property shall be determined
26 by averaging the values at the beginning and ending of the

1 taxable year but the Director may require the averaging of
2 monthly values during the taxable year if reasonably
3 required to reflect properly the average value of the
4 person's property.

5 (2) Payroll factor.

6 (A) The payroll factor is a fraction, the numerator of
7 which is the total amount paid in this State during the
8 taxable year by the person for compensation, and the
9 denominator of which is the total compensation paid
10 everywhere during the taxable year.

11 (B) Compensation is paid in this State if:

12 (i) The individual's service is performed entirely
13 within this State;

14 (ii) The individual's service is performed both
15 within and without this State, but the service
16 performed without this State is incidental to the
17 individual's service performed within this State; or

18 (iii) Some of the service is performed within this
19 State and either the base of operations, or if there is
20 no base of operations, the place from which the service
21 is directed or controlled is within this State, or the
22 base of operations or the place from which the service
23 is directed or controlled is not in any state in which
24 some part of the service is performed, but the
25 individual's residence is in this State.

26 (iv) Compensation paid to nonresident professional

1 athletes.

2 (a) General. The Illinois source income of a
3 nonresident individual who is a member of a
4 professional athletic team includes the portion of the
5 individual's total compensation for services performed
6 as a member of a professional athletic team during the
7 taxable year which the number of duty days spent within
8 this State performing services for the team in any
9 manner during the taxable year bears to the total
10 number of duty days spent both within and without this
11 State during the taxable year.

12 (b) Travel days. Travel days that do not involve
13 either a game, practice, team meeting, or other similar
14 team event are not considered duty days spent in this
15 State. However, such travel days are considered in the
16 total duty days spent both within and without this
17 State.

18 (c) Definitions. For purposes of this subpart
19 (iv):

20 (1) The term "professional athletic team"
21 includes, but is not limited to, any professional
22 baseball, basketball, football, soccer, or hockey
23 team.

24 (2) The term "member of a professional
25 athletic team" includes those employees who are
26 active players, players on the disabled list, and

1 any other persons required to travel and who travel
2 with and perform services on behalf of a
3 professional athletic team on a regular basis.
4 This includes, but is not limited to, coaches,
5 managers, and trainers.

6 (3) Except as provided in items (C) and (D) of
7 this subpart (3), the term "duty days" means all
8 days during the taxable year from the beginning of
9 the professional athletic team's official
10 pre-season training period through the last game
11 in which the team competes or is scheduled to
12 compete. Duty days shall be counted for the year in
13 which they occur, including where a team's
14 official pre-season training period through the
15 last game in which the team competes or is
16 scheduled to compete, occurs during more than one
17 tax year.

18 (A) Duty days shall also include days on
19 which a member of a professional athletic team
20 performs service for a team on a date that does
21 not fall within the foregoing period (e.g.,
22 participation in instructional leagues, the
23 "All Star Game", or promotional "caravans").
24 Performing a service for a professional
25 athletic team includes conducting training and
26 rehabilitation activities, when such

1 activities are conducted at team facilities.

2 (B) Also included in duty days are game
3 days, practice days, days spent at team
4 meetings, promotional caravans, preseason
5 training camps, and days served with the team
6 through all post-season games in which the team
7 competes or is scheduled to compete.

8 (C) Duty days for any person who joins a
9 team during the period from the beginning of
10 the professional athletic team's official
11 pre-season training period through the last
12 game in which the team competes, or is
13 scheduled to compete, shall begin on the day
14 that person joins the team. Conversely, duty
15 days for any person who leaves a team during
16 this period shall end on the day that person
17 leaves the team. Where a person switches teams
18 during a taxable year, a separate duty-day
19 calculation shall be made for the period the
20 person was with each team.

21 (D) Days for which a member of a
22 professional athletic team is not compensated
23 and is not performing services for the team in
24 any manner, including days when such member of
25 a professional athletic team has been
26 suspended without pay and prohibited from

1 performing any services for the team, shall not
2 be treated as duty days.

3 (E) Days for which a member of a
4 professional athletic team is on the disabled
5 list and does not conduct rehabilitation
6 activities at facilities of the team, and is
7 not otherwise performing services for the team
8 in Illinois, shall not be considered duty days
9 spent in this State. All days on the disabled
10 list, however, are considered to be included in
11 total duty days spent both within and without
12 this State.

13 (4) The term "total compensation for services
14 performed as a member of a professional athletic
15 team" means the total compensation received during
16 the taxable year for services performed:

17 (A) from the beginning of the official
18 pre-season training period through the last
19 game in which the team competes or is scheduled
20 to compete during that taxable year; and

21 (B) during the taxable year on a date which
22 does not fall within the foregoing period
23 (e.g., participation in instructional leagues,
24 the "All Star Game", or promotional caravans).

25 This compensation shall include, but is not
26 limited to, salaries, wages, bonuses as described

1 in this subpart, and any other type of compensation
2 paid during the taxable year to a member of a
3 professional athletic team for services performed
4 in that year. This compensation does not include
5 strike benefits, severance pay, termination pay,
6 contract or option year buy-out payments,
7 expansion or relocation payments, or any other
8 payments not related to services performed for the
9 team.

10 For purposes of this subparagraph, "bonuses"
11 included in "total compensation for services
12 performed as a member of a professional athletic
13 team" subject to the allocation described in
14 Section 302(c)(1) are: bonuses earned as a result
15 of play (i.e., performance bonuses) during the
16 season, including bonuses paid for championship,
17 playoff or "bowl" games played by a team, or for
18 selection to all-star league or other honorary
19 positions; and bonuses paid for signing a
20 contract, unless the payment of the signing bonus
21 is not conditional upon the signee playing any
22 games for the team or performing any subsequent
23 services for the team or even making the team, the
24 signing bonus is payable separately from the
25 salary and any other compensation, and the signing
26 bonus is nonrefundable.

1 (3) Sales factor.

2 (A) The sales factor is a fraction, the numerator of
3 which is the total sales of the person in this State during
4 the taxable year, and the denominator of which is the total
5 sales of the person everywhere during the taxable year.

6 (B) Sales of tangible personal property are in this
7 State if:

8 (i) The property is delivered or shipped to a
9 purchaser, other than the United States government,
10 within this State regardless of the f. o. b. point or
11 other conditions of the sale; or

12 (ii) The property is shipped from an office, store,
13 warehouse, factory or other place of storage in this
14 State and either the purchaser is the United States
15 government or the person is not taxable in the state of
16 the purchaser; provided, however, that premises owned
17 or leased by a person who has independently contracted
18 with the seller for the printing of newspapers,
19 periodicals or books shall not be deemed to be an
20 office, store, warehouse, factory or other place of
21 storage for purposes of this Section. Sales of tangible
22 personal property are not in this State if the seller
23 and purchaser would be members of the same unitary
24 business group but for the fact that either the seller
25 or purchaser is a person with 80% or more of total
26 business activity outside of the United States and the

1 property is purchased for resale.

2 (B-1) Patents, copyrights, trademarks, and similar
3 items of intangible personal property.

4 (i) Gross receipts from the licensing, sale, or
5 other disposition of a patent, copyright, trademark,
6 or similar item of intangible personal property, other
7 than gross receipts governed by paragraph (B-7) of this
8 item (3), are in this State to the extent the item is
9 utilized in this State during the year the gross
10 receipts are included in gross income.

11 (ii) Place of utilization.

12 (I) A patent is utilized in a state to the
13 extent that it is employed in production,
14 fabrication, manufacturing, or other processing in
15 the state or to the extent that a patented product
16 is produced in the state. If a patent is utilized
17 in more than one state, the extent to which it is
18 utilized in any one state shall be a fraction equal
19 to the gross receipts of the licensee or purchaser
20 from sales or leases of items produced,
21 fabricated, manufactured, or processed within that
22 state using the patent and of patented items
23 produced within that state, divided by the total of
24 such gross receipts for all states in which the
25 patent is utilized.

26 (II) A copyright is utilized in a state to the

1 extent that printing or other publication
2 originates in the state. If a copyright is utilized
3 in more than one state, the extent to which it is
4 utilized in any one state shall be a fraction equal
5 to the gross receipts from sales or licenses of
6 materials printed or published in that state
7 divided by the total of such gross receipts for all
8 states in which the copyright is utilized.

9 (III) Trademarks and other items of intangible
10 personal property governed by this paragraph (B-1)
11 are utilized in the state in which the commercial
12 domicile of the licensee or purchaser is located.

13 (iii) If the state of utilization of an item of
14 property governed by this paragraph (B-1) cannot be
15 determined from the taxpayer's books and records or
16 from the books and records of any person related to the
17 taxpayer within the meaning of Section 267(b) of the
18 Internal Revenue Code, 26 U.S.C. 267, the gross
19 receipts attributable to that item shall be excluded
20 from both the numerator and the denominator of the
21 sales factor.

22 (B-2) Gross receipts from the license, sale, or other
23 disposition of patents, copyrights, trademarks, and
24 similar items of intangible personal property, other than
25 gross receipts governed by paragraph (B-7) of this item
26 (3), may be included in the numerator or denominator of the

1 sales factor only if gross receipts from licenses, sales,
2 or other disposition of such items comprise more than 50%
3 of the taxpayer's total gross receipts included in gross
4 income during the tax year and during each of the 2
5 immediately preceding tax years; provided that, when a
6 taxpayer is a member of a unitary business group, such
7 determination shall be made on the basis of the gross
8 receipts of the entire unitary business group.

9 (B-5) For taxable years ending on or after December 31,
10 2008, except as provided in subsections (ii) through (vii),
11 receipts from the sale of telecommunications service or
12 mobile telecommunications service are in this State if the
13 customer's service address is in this State.

14 (i) For purposes of this subparagraph (B-5), the
15 following terms have the following meanings:

16 "Ancillary services" means services that are
17 associated with or incidental to the provision of
18 "telecommunications services", including but not
19 limited to "detailed telecommunications billing",
20 "directory assistance", "vertical service", and "voice
21 mail services".

22 "Air-to-Ground Radiotelephone service" means a
23 radio service, as that term is defined in 47 CFR 22.99,
24 in which common carriers are authorized to offer and
25 provide radio telecommunications service for hire to
26 subscribers in aircraft.

1 "Call-by-call Basis" means any method of charging
2 for telecommunications services where the price is
3 measured by individual calls.

4 "Communications Channel" means a physical or
5 virtual path of communications over which signals are
6 transmitted between or among customer channel
7 termination points.

8 "Conference bridging service" means an "ancillary
9 service" that links two or more participants of an
10 audio or video conference call and may include the
11 provision of a telephone number. "Conference bridging
12 service" does not include the "telecommunications
13 services" used to reach the conference bridge.

14 "Customer Channel Termination Point" means the
15 location where the customer either inputs or receives
16 the communications.

17 "Detailed telecommunications billing service"
18 means an "ancillary service" of separately stating
19 information pertaining to individual calls on a
20 customer's billing statement.

21 "Directory assistance" means an "ancillary
22 service" of providing telephone number information,
23 and/or address information.

24 "Home service provider" means the facilities based
25 carrier or reseller with which the customer contracts
26 for the provision of mobile telecommunications

1 services.

2 "Mobile telecommunications service" means
3 commercial mobile radio service, as defined in Section
4 20.3 of Title 47 of the Code of Federal Regulations as
5 in effect on June 1, 1999.

6 "Place of primary use" means the street address
7 representative of where the customer's use of the
8 telecommunications service primarily occurs, which
9 must be the residential street address or the primary
10 business street address of the customer. In the case of
11 mobile telecommunications services, "place of primary
12 use" must be within the licensed service area of the
13 home service provider.

14 "Post-paid telecommunication service" means the
15 telecommunications service obtained by making a
16 payment on a call-by-call basis either through the use
17 of a credit card or payment mechanism such as a bank
18 card, travel card, credit card, or debit card, or by
19 charge made to a telephone number which is not
20 associated with the origination or termination of the
21 telecommunications service. A post-paid calling
22 service includes telecommunications service, except a
23 prepaid wireless calling service, that would be a
24 prepaid calling service except it is not exclusively a
25 telecommunication service.

26 "Prepaid telecommunication service" means the

1 right to access exclusively telecommunications
2 services, which must be paid for in advance and which
3 enables the origination of calls using an access number
4 or authorization code, whether manually or
5 electronically dialed, and that is sold in
6 predetermined units or dollars of which the number
7 declines with use in a known amount.

8 "Prepaid Mobile telecommunication service" means a
9 telecommunications service that provides the right to
10 utilize mobile wireless service as well as other
11 non-telecommunication services, including but not
12 limited to ancillary services, which must be paid for
13 in advance that is sold in predetermined units or
14 dollars of which the number declines with use in a
15 known amount.

16 "Private communication service" means a
17 telecommunication service that entitles the customer
18 to exclusive or priority use of a communications
19 channel or group of channels between or among
20 termination points, regardless of the manner in which
21 such channel or channels are connected, and includes
22 switching capacity, extension lines, stations, and any
23 other associated services that are provided in
24 connection with the use of such channel or channels.

25 "Service address" means:

26 (a) The location of the telecommunications

1 equipment to which a customer's call is charged and
2 from which the call originates or terminates,
3 regardless of where the call is billed or paid;

4 (b) If the location in line (a) is not known,
5 service address means the origination point of the
6 signal of the telecommunications services first
7 identified by either the seller's
8 telecommunications system or in information
9 received by the seller from its service provider
10 where the system used to transport such signals is
11 not that of the seller; and

12 (c) If the locations in line (a) and line (b)
13 are not known, the service address means the
14 location of the customer's place of primary use.

15 "Telecommunications service" means the electronic
16 transmission, conveyance, or routing of voice, data,
17 audio, video, or any other information or signals to a
18 point, or between or among points. The term
19 "telecommunications service" includes such
20 transmission, conveyance, or routing in which computer
21 processing applications are used to act on the form,
22 code or protocol of the content for purposes of
23 transmission, conveyance or routing without regard to
24 whether such service is referred to as voice over
25 Internet protocol services or is classified by the
26 Federal Communications Commission as enhanced or value

1 added. "Telecommunications service" does not include:

2 (a) Data processing and information services
3 that allow data to be generated, acquired, stored,
4 processed, or retrieved and delivered by an
5 electronic transmission to a purchaser when such
6 purchaser's primary purpose for the underlying
7 transaction is the processed data or information;

8 (b) Installation or maintenance of wiring or
9 equipment on a customer's premises;

10 (c) Tangible personal property;

11 (d) Advertising, including but not limited to
12 directory advertising;

13 (e) Billing and collection services provided
14 to third parties;

15 (f) Internet access service;

16 (g) Radio and television audio and video
17 programming services, regardless of the medium,
18 including the furnishing of transmission,
19 conveyance and routing of such services by the
20 programming service provider. Radio and television
21 audio and video programming services shall include
22 but not be limited to cable service as defined in
23 47 USC 522(6) and audio and video programming
24 services delivered by commercial mobile radio
25 service providers, as defined in 47 CFR 20.3;

26 (h) "Ancillary services"; or

1 (i) Digital products "delivered
2 electronically", including but not limited to
3 software, music, video, reading materials or ring
4 tones.

5 "Vertical service" means an "ancillary service"
6 that is offered in connection with one or more
7 "telecommunications services", which offers advanced
8 calling features that allow customers to identify
9 callers and to manage multiple calls and call
10 connections, including "conference bridging services".

11 "Voice mail service" means an "ancillary service"
12 that enables the customer to store, send or receive
13 recorded messages. "Voice mail service" does not
14 include any "vertical services" that the customer may
15 be required to have in order to utilize the "voice mail
16 service".

17 (ii) Receipts from the sale of telecommunications
18 service sold on an individual call-by-call basis are in
19 this State if either of the following applies:

20 (a) The call both originates and terminates in
21 this State.

22 (b) The call either originates or terminates
23 in this State and the service address is located in
24 this State.

25 (iii) Receipts from the sale of postpaid
26 telecommunications service at retail are in this State

1 if the origination point of the telecommunication
2 signal, as first identified by the service provider's
3 telecommunication system or as identified by
4 information received by the seller from its service
5 provider if the system used to transport
6 telecommunication signals is not the seller's, is
7 located in this State.

8 (iv) Receipts from the sale of prepaid
9 telecommunications service or prepaid mobile
10 telecommunications service at retail are in this State
11 if the purchaser obtains the prepaid card or similar
12 means of conveyance at a location in this State.
13 Receipts from recharging a prepaid telecommunications
14 service or mobile telecommunications service is in
15 this State if the purchaser's billing information
16 indicates a location in this State.

17 (v) Receipts from the sale of private
18 communication services are in this State as follows:

19 (a) 100% of receipts from charges imposed at
20 each channel termination point in this State.

21 (b) 100% of receipts from charges for the total
22 channel mileage between each channel termination
23 point in this State.

24 (c) 50% of the total receipts from charges for
25 service segments when those segments are between 2
26 customer channel termination points, 1 of which is

1 located in this State and the other is located
2 outside of this State, which segments are
3 separately charged.

4 (d) The receipts from charges for service
5 segments with a channel termination point located
6 in this State and in two or more other states, and
7 which segments are not separately billed, are in
8 this State based on a percentage determined by
9 dividing the number of customer channel
10 termination points in this State by the total
11 number of customer channel termination points.

12 (vi) Receipts from charges for ancillary services
13 for telecommunications service sold to customers at
14 retail are in this State if the customer's primary
15 place of use of telecommunications services associated
16 with those ancillary services is in this State. If the
17 seller of those ancillary services cannot determine
18 where the associated telecommunications are located,
19 then the ancillary services shall be based on the
20 location of the purchaser.

21 (vii) Receipts to access a carrier's network or
22 from the sale of telecommunication services or
23 ancillary services for resale are in this State as
24 follows:

25 (a) 100% of the receipts from access fees
26 attributable to intrastate telecommunications

1 service that both originates and terminates in
2 this State.

3 (b) 50% of the receipts from access fees
4 attributable to interstate telecommunications
5 service if the interstate call either originates
6 or terminates in this State.

7 (c) 100% of the receipts from interstate end
8 user access line charges, if the customer's
9 service address is in this State. As used in this
10 subdivision, "interstate end user access line
11 charges" includes, but is not limited to, the
12 surcharge approved by the federal communications
13 commission and levied pursuant to 47 CFR 69.

14 (d) Gross receipts from sales of
15 telecommunication services or from ancillary
16 services for telecommunications services sold to
17 other telecommunication service providers for
18 resale shall be sourced to this State using the
19 apportionment concepts used for non-resale
20 receipts of telecommunications services if the
21 information is readily available to make that
22 determination. If the information is not readily
23 available, then the taxpayer may use any other
24 reasonable and consistent method.

25 (B-7) For taxable years ending on or after December 31,
26 2008, receipts from the sale of broadcasting services are

1 in this State if the broadcasting services are received in
2 this State. For purposes of this paragraph (B-7), the
3 following terms have the following meanings:

4 "Advertising revenue" means consideration received
5 by the taxpayer in exchange for broadcasting services
6 or allowing the broadcasting of commercials or
7 announcements in connection with the broadcasting of
8 film or radio programming, from sponsorships of the
9 programming, or from product placements in the
10 programming.

11 "Audience factor" means the ratio that the
12 audience or subscribers located in this State of a
13 station, a network, or a cable system bears to the
14 total audience or total subscribers for that station,
15 network, or cable system. The audience factor for film
16 or radio programming shall be determined by reference
17 to the books and records of the taxpayer or by
18 reference to published rating statistics provided the
19 method used by the taxpayer is consistently used from
20 year to year for this purpose and fairly represents the
21 taxpayer's activity in this State.

22 "Broadcast" or "broadcasting" or "broadcasting
23 services" means the transmission or provision of film
24 or radio programming, whether through the public
25 airwaves, by cable, by direct or indirect satellite
26 transmission, or by any other means of communication,

1 either through a station, a network, or a cable system.

2 "Film" or "film programming" means the broadcast
3 on television of any and all performances, events, or
4 productions, including but not limited to news,
5 sporting events, plays, stories, or other literary,
6 commercial, educational, or artistic works, either
7 live or through the use of video tape, disc, or any
8 other type of format or medium. Each episode of a
9 series of films produced for television shall
10 constitute separate "film" notwithstanding that the
11 series relates to the same principal subject and is
12 produced during one or more tax periods.

13 "Radio" or "radio programming" means the broadcast
14 on radio of any and all performances, events, or
15 productions, including but not limited to news,
16 sporting events, plays, stories, or other literary,
17 commercial, educational, or artistic works, either
18 live or through the use of an audio tape, disc, or any
19 other format or medium. Each episode in a series of
20 radio programming produced for radio broadcast shall
21 constitute a separate "radio programming"
22 notwithstanding that the series relates to the same
23 principal subject and is produced during one or more
24 tax periods.

25 (i) In the case of advertising revenue from
26 broadcasting, the customer is the advertiser and

1 the service is received in this State if the
2 commercial domicile of the advertiser is in this
3 State.

4 (ii) In the case where film or radio
5 programming is broadcast by a station, a network,
6 or a cable system for a fee or other remuneration
7 received from the recipient of the broadcast, the
8 portion of the service that is received in this
9 State is measured by the portion of the recipients
10 of the broadcast located in this State.
11 Accordingly, the fee or other remuneration for
12 such service that is included in the Illinois
13 numerator of the sales factor is the total of those
14 fees or other remuneration received from
15 recipients in Illinois. For purposes of this
16 paragraph, a taxpayer may determine the location
17 of the recipients of its broadcast using the
18 address of the recipient shown in its contracts
19 with the recipient or using the billing address of
20 the recipient in the taxpayer's records.

21 (iii) In the case where film or radio
22 programming is broadcast by a station, a network,
23 or a cable system for a fee or other remuneration
24 from the person providing the programming, the
25 portion of the broadcast service that is received
26 by such station, network, or cable system in this

1 State is measured by the portion of recipients of
2 the broadcast located in this State. Accordingly,
3 the amount of revenue related to such an
4 arrangement that is included in the Illinois
5 numerator of the sales factor is the total fee or
6 other total remuneration from the person providing
7 the programming related to that broadcast
8 multiplied by the Illinois audience factor for
9 that broadcast.

10 (iv) In the case where film or radio
11 programming is provided by a taxpayer that is a
12 network or station to a customer for broadcast in
13 exchange for a fee or other remuneration from that
14 customer the broadcasting service is received at
15 the location of the office of the customer from
16 which the services were ordered in the regular
17 course of the customer's trade or business.
18 Accordingly, in such a case the revenue derived by
19 the taxpayer that is included in the taxpayer's
20 Illinois numerator of the sales factor is the
21 revenue from such customers who receive the
22 broadcasting service in Illinois.

23 (v) In the case where film or radio programming
24 is provided by a taxpayer that is not a network or
25 station to another person for broadcasting in
26 exchange for a fee or other remuneration from that

1 person, the broadcasting service is received at
2 the location of the office of the customer from
3 which the services were ordered in the regular
4 course of the customer's trade or business.
5 Accordingly, in such a case the revenue derived by
6 the taxpayer that is included in the taxpayer's
7 Illinois numerator of the sales factor is the
8 revenue from such customers who receive the
9 broadcasting service in Illinois.

10 (B-8) Gross receipts from winnings under the Illinois
11 Lottery Law from the assignment of a prize under Section
12 13.1 of the Illinois Lottery Law are received in this
13 State. This paragraph (B-8) applies only to taxable years
14 ending on or after December 31, 2013.

15 (B-9) For taxable years ending on or after December 31,
16 2019, gross receipts from winnings from pari-mutuel
17 wagering conducted at a wagering facility licensed under
18 the Illinois Horse Racing Act of 1975 or from winnings from
19 gambling games conducted on a riverboat or in a casino or
20 organization gaming facility licensed under the Illinois
21 Gambling Act are in this State.

22 (C) For taxable years ending before December 31, 2008,
23 sales, other than sales governed by paragraphs (B), (B-1),
24 (B-2), and (B-8) are in this State if:

25 (i) The income-producing activity is performed in
26 this State; or

1 (ii) The income-producing activity is performed
2 both within and without this State and a greater
3 proportion of the income-producing activity is
4 performed within this State than without this State,
5 based on performance costs.

6 (C-5) For taxable years ending on or after December 31,
7 2008, sales, other than sales governed by paragraphs (B),
8 (B-1), (B-2), (B-5), and (B-7), are in this State if any of
9 the following criteria are met:

10 (i) Sales from the sale or lease of real property
11 are in this State if the property is located in this
12 State.

13 (ii) Sales from the lease or rental of tangible
14 personal property are in this State if the property is
15 located in this State during the rental period. Sales
16 from the lease or rental of tangible personal property
17 that is characteristically moving property, including,
18 but not limited to, motor vehicles, rolling stock,
19 aircraft, vessels, or mobile equipment are in this
20 State to the extent that the property is used in this
21 State.

22 (iii) In the case of interest, net gains (but not
23 less than zero) and other items of income from
24 intangible personal property, the sale is in this State
25 if:

26 (a) in the case of a taxpayer who is a dealer

1 in the item of intangible personal property within
2 the meaning of Section 475 of the Internal Revenue
3 Code, the income or gain is received from a
4 customer in this State. For purposes of this
5 subparagraph, a customer is in this State if the
6 customer is an individual, trust or estate who is a
7 resident of this State and, for all other
8 customers, if the customer's commercial domicile
9 is in this State. Unless the dealer has actual
10 knowledge of the residence or commercial domicile
11 of a customer during a taxable year, the customer
12 shall be deemed to be a customer in this State if
13 the billing address of the customer, as shown in
14 the records of the dealer, is in this State; or

15 (b) in all other cases, if the
16 income-producing activity of the taxpayer is
17 performed in this State or, if the
18 income-producing activity of the taxpayer is
19 performed both within and without this State, if a
20 greater proportion of the income-producing
21 activity of the taxpayer is performed within this
22 State than in any other state, based on performance
23 costs.

24 (iv) Sales of services are in this State if the
25 services are received in this State. For the purposes
26 of this section, gross receipts from the performance of

1 services provided to a corporation, partnership, or
2 trust may only be attributed to a state where that
3 corporation, partnership, or trust has a fixed place of
4 business. If the state where the services are received
5 is not readily determinable or is a state where the
6 corporation, partnership, or trust receiving the
7 service does not have a fixed place of business, the
8 services shall be deemed to be received at the location
9 of the office of the customer from which the services
10 were ordered in the regular course of the customer's
11 trade or business. If the ordering office cannot be
12 determined, the services shall be deemed to be received
13 at the office of the customer to which the services are
14 billed. If the taxpayer is not taxable in the state in
15 which the services are received, the sale must be
16 excluded from both the numerator and the denominator of
17 the sales factor. The Department shall adopt rules
18 prescribing where specific types of service are
19 received, including, but not limited to, publishing,
20 and utility service.

21 (D) For taxable years ending on or after December 31,
22 1995, the following items of income shall not be included
23 in the numerator or denominator of the sales factor:
24 dividends; amounts included under Section 78 of the
25 Internal Revenue Code; and Subpart F income as defined in
26 Section 952 of the Internal Revenue Code. No inference

1 shall be drawn from the enactment of this paragraph (D) in
2 construing this Section for taxable years ending before
3 December 31, 1995.

4 (E) Paragraphs (B-1) and (B-2) shall apply to tax years
5 ending on or after December 31, 1999, provided that a
6 taxpayer may elect to apply the provisions of these
7 paragraphs to prior tax years. Such election shall be made
8 in the form and manner prescribed by the Department, shall
9 be irrevocable, and shall apply to all tax years; provided
10 that, if a taxpayer's Illinois income tax liability for any
11 tax year, as assessed under Section 903 prior to January 1,
12 1999, was computed in a manner contrary to the provisions
13 of paragraphs (B-1) or (B-2), no refund shall be payable to
14 the taxpayer for that tax year to the extent such refund is
15 the result of applying the provisions of paragraph (B-1) or
16 (B-2) retroactively. In the case of a unitary business
17 group, such election shall apply to all members of such
18 group for every tax year such group is in existence, but
19 shall not apply to any taxpayer for any period during which
20 that taxpayer is not a member of such group.

21 (b) Insurance companies.

22 (1) In general. Except as otherwise provided by
23 paragraph (2), business income of an insurance company for
24 a taxable year shall be apportioned to this State by
25 multiplying such income by a fraction, the numerator of
26 which is the direct premiums written for insurance upon

1 property or risk in this State, and the denominator of
2 which is the direct premiums written for insurance upon
3 property or risk everywhere. For purposes of this
4 subsection, the term "direct premiums written" means the
5 total amount of direct premiums written, assessments and
6 annuity considerations as reported for the taxable year on
7 the annual statement filed by the company with the Illinois
8 Director of Insurance in the form approved by the National
9 Convention of Insurance Commissioners or such other form as
10 may be prescribed in lieu thereof.

11 (2) Reinsurance. If the principal source of premiums
12 written by an insurance company consists of premiums for
13 reinsurance accepted by it, the business income of such
14 company shall be apportioned to this State by multiplying
15 such income by a fraction, the numerator of which is the
16 sum of (i) direct premiums written for insurance upon
17 property or risk in this State, plus (ii) premiums written
18 for reinsurance accepted in respect of property or risk in
19 this State, and the denominator of which is the sum of
20 (iii) direct premiums written for insurance upon property
21 or risk everywhere, plus (iv) premiums written for
22 reinsurance accepted in respect of property or risk
23 everywhere. For purposes of this paragraph, premiums
24 written for reinsurance accepted in respect of property or
25 risk in this State, whether or not otherwise determinable,
26 may, at the election of the company, be determined on the

1 basis of the proportion which premiums written for
2 reinsurance accepted from companies commercially domiciled
3 in Illinois bears to premiums written for reinsurance
4 accepted from all sources, or, alternatively, in the
5 proportion which the sum of the direct premiums written for
6 insurance upon property or risk in this State by each
7 ceding company from which reinsurance is accepted bears to
8 the sum of the total direct premiums written by each such
9 ceding company for the taxable year. The election made by a
10 company under this paragraph for its first taxable year
11 ending on or after December 31, 2011, shall be binding for
12 that company for that taxable year and for all subsequent
13 taxable years, and may be altered only with the written
14 permission of the Department, which shall not be
15 unreasonably withheld.

16 (c) Financial organizations.

17 (1) In general. For taxable years ending before
18 December 31, 2008, business income of a financial
19 organization shall be apportioned to this State by
20 multiplying such income by a fraction, the numerator of
21 which is its business income from sources within this
22 State, and the denominator of which is its business income
23 from all sources. For the purposes of this subsection, the
24 business income of a financial organization from sources
25 within this State is the sum of the amounts referred to in
26 subparagraphs (A) through (E) following, but excluding the

1 adjusted income of an international banking facility as
2 determined in paragraph (2):

3 (A) Fees, commissions or other compensation for
4 financial services rendered within this State;

5 (B) Gross profits from trading in stocks, bonds or
6 other securities managed within this State;

7 (C) Dividends, and interest from Illinois
8 customers, which are received within this State;

9 (D) Interest charged to customers at places of
10 business maintained within this State for carrying
11 debit balances of margin accounts, without deduction
12 of any costs incurred in carrying such accounts; and

13 (E) Any other gross income resulting from the
14 operation as a financial organization within this
15 State. In computing the amounts referred to in
16 paragraphs (A) through (E) of this subsection, any
17 amount received by a member of an affiliated group
18 (determined under Section 1504(a) of the Internal
19 Revenue Code but without reference to whether any such
20 corporation is an "includible corporation" under
21 Section 1504(b) of the Internal Revenue Code) from
22 another member of such group shall be included only to
23 the extent such amount exceeds expenses of the
24 recipient directly related thereto.

25 (2) International Banking Facility. For taxable years
26 ending before December 31, 2008:

1 (A) Adjusted Income. The adjusted income of an
2 international banking facility is its income reduced
3 by the amount of the floor amount.

4 (B) Floor Amount. The floor amount shall be the
5 amount, if any, determined by multiplying the income of
6 the international banking facility by a fraction, not
7 greater than one, which is determined as follows:

8 (i) The numerator shall be:

9 The average aggregate, determined on a
10 quarterly basis, of the financial organization's
11 loans to banks in foreign countries, to foreign
12 domiciled borrowers (except where secured
13 primarily by real estate) and to foreign
14 governments and other foreign official
15 institutions, as reported for its branches,
16 agencies and offices within the state on its
17 "Consolidated Report of Condition", Schedule A,
18 Lines 2.c., 5.b., and 7.a., which was filed with
19 the Federal Deposit Insurance Corporation and
20 other regulatory authorities, for the year 1980,
21 minus

22 The average aggregate, determined on a
23 quarterly basis, of such loans (other than loans of
24 an international banking facility), as reported by
25 the financial institution for its branches,
26 agencies and offices within the state, on the

1 corresponding Schedule and lines of the
2 Consolidated Report of Condition for the current
3 taxable year, provided, however, that in no case
4 shall the amount determined in this clause (the
5 subtrahend) exceed the amount determined in the
6 preceding clause (the minuend); and

7 (ii) the denominator shall be the average
8 aggregate, determined on a quarterly basis, of the
9 international banking facility's loans to banks in
10 foreign countries, to foreign domiciled borrowers
11 (except where secured primarily by real estate)
12 and to foreign governments and other foreign
13 official institutions, which were recorded in its
14 financial accounts for the current taxable year.

15 (C) Change to Consolidated Report of Condition and
16 in Qualification. In the event the Consolidated Report
17 of Condition which is filed with the Federal Deposit
18 Insurance Corporation and other regulatory authorities
19 is altered so that the information required for
20 determining the floor amount is not found on Schedule
21 A, lines 2.c., 5.b. and 7.a., the financial institution
22 shall notify the Department and the Department may, by
23 regulations or otherwise, prescribe or authorize the
24 use of an alternative source for such information. The
25 financial institution shall also notify the Department
26 should its international banking facility fail to

1 qualify as such, in whole or in part, or should there
2 be any amendment or change to the Consolidated Report
3 of Condition, as originally filed, to the extent such
4 amendment or change alters the information used in
5 determining the floor amount.

6 (3) For taxable years ending on or after December 31,
7 2008, the business income of a financial organization shall
8 be apportioned to this State by multiplying such income by
9 a fraction, the numerator of which is its gross receipts
10 from sources in this State or otherwise attributable to
11 this State's marketplace and the denominator of which is
12 its gross receipts everywhere during the taxable year.
13 "Gross receipts" for purposes of this subparagraph (3)
14 means gross income, including net taxable gain on
15 disposition of assets, including securities and money
16 market instruments, when derived from transactions and
17 activities in the regular course of the financial
18 organization's trade or business. The following examples
19 are illustrative:

20 (i) Receipts from the lease or rental of real or
21 tangible personal property are in this State if the
22 property is located in this State during the rental
23 period. Receipts from the lease or rental of tangible
24 personal property that is characteristically moving
25 property, including, but not limited to, motor
26 vehicles, rolling stock, aircraft, vessels, or mobile

1 equipment are from sources in this State to the extent
2 that the property is used in this State.

3 (ii) Interest income, commissions, fees, gains on
4 disposition, and other receipts from assets in the
5 nature of loans that are secured primarily by real
6 estate or tangible personal property are from sources
7 in this State if the security is located in this State.

8 (iii) Interest income, commissions, fees, gains on
9 disposition, and other receipts from consumer loans
10 that are not secured by real or tangible personal
11 property are from sources in this State if the debtor
12 is a resident of this State.

13 (iv) Interest income, commissions, fees, gains on
14 disposition, and other receipts from commercial loans
15 and installment obligations that are not secured by
16 real or tangible personal property are from sources in
17 this State if the proceeds of the loan are to be
18 applied in this State. If it cannot be determined where
19 the funds are to be applied, the income and receipts
20 are from sources in this State if the office of the
21 borrower from which the loan was negotiated in the
22 regular course of business is located in this State. If
23 the location of this office cannot be determined, the
24 income and receipts shall be excluded from the
25 numerator and denominator of the sales factor.

26 (v) Interest income, fees, gains on disposition,

1 service charges, merchant discount income, and other
2 receipts from credit card receivables are from sources
3 in this State if the card charges are regularly billed
4 to a customer in this State.

5 (vi) Receipts from the performance of services,
6 including, but not limited to, fiduciary, advisory,
7 and brokerage services, are in this State if the
8 services are received in this State within the meaning
9 of subparagraph (a) (3) (C-5) (iv) of this Section.

10 (vii) Receipts from the issuance of travelers
11 checks and money orders are from sources in this State
12 if the checks and money orders are issued from a
13 location within this State.

14 (viii) Receipts from investment assets and
15 activities and trading assets and activities are
16 included in the receipts factor as follows:

17 (1) Interest, dividends, net gains (but not
18 less than zero) and other income from investment
19 assets and activities from trading assets and
20 activities shall be included in the receipts
21 factor. Investment assets and activities and
22 trading assets and activities include but are not
23 limited to: investment securities; trading account
24 assets; federal funds; securities purchased and
25 sold under agreements to resell or repurchase;
26 options; futures contracts; forward contracts;

1 notional principal contracts such as swaps;
2 equities; and foreign currency transactions. With
3 respect to the investment and trading assets and
4 activities described in subparagraphs (A) and (B)
5 of this paragraph, the receipts factor shall
6 include the amounts described in such
7 subparagraphs.

8 (A) The receipts factor shall include the
9 amount by which interest from federal funds
10 sold and securities purchased under resale
11 agreements exceeds interest expense on federal
12 funds purchased and securities sold under
13 repurchase agreements.

14 (B) The receipts factor shall include the
15 amount by which interest, dividends, gains and
16 other income from trading assets and
17 activities, including but not limited to
18 assets and activities in the matched book, in
19 the arbitrage book, and foreign currency
20 transactions, exceed amounts paid in lieu of
21 interest, amounts paid in lieu of dividends,
22 and losses from such assets and activities.

23 (2) The numerator of the receipts factor
24 includes interest, dividends, net gains (but not
25 less than zero), and other income from investment
26 assets and activities and from trading assets and

1 activities described in paragraph (1) of this
2 subsection that are attributable to this State.

3 (A) The amount of interest, dividends, net
4 gains (but not less than zero), and other
5 income from investment assets and activities
6 in the investment account to be attributed to
7 this State and included in the numerator is
8 determined by multiplying all such income from
9 such assets and activities by a fraction, the
10 numerator of which is the gross income from
11 such assets and activities which are properly
12 assigned to a fixed place of business of the
13 taxpayer within this State and the denominator
14 of which is the gross income from all such
15 assets and activities.

16 (B) The amount of interest from federal
17 funds sold and purchased and from securities
18 purchased under resale agreements and
19 securities sold under repurchase agreements
20 attributable to this State and included in the
21 numerator is determined by multiplying the
22 amount described in subparagraph (A) of
23 paragraph (1) of this subsection from such
24 funds and such securities by a fraction, the
25 numerator of which is the gross income from
26 such funds and such securities which are

1 properly assigned to a fixed place of business
2 of the taxpayer within this State and the
3 denominator of which is the gross income from
4 all such funds and such securities.

5 (C) The amount of interest, dividends,
6 gains, and other income from trading assets and
7 activities, including but not limited to
8 assets and activities in the matched book, in
9 the arbitrage book and foreign currency
10 transactions (but excluding amounts described
11 in subparagraphs (A) or (B) of this paragraph),
12 attributable to this State and included in the
13 numerator is determined by multiplying the
14 amount described in subparagraph (B) of
15 paragraph (1) of this subsection by a fraction,
16 the numerator of which is the gross income from
17 such trading assets and activities which are
18 properly assigned to a fixed place of business
19 of the taxpayer within this State and the
20 denominator of which is the gross income from
21 all such assets and activities.

22 (D) Properly assigned, for purposes of
23 this paragraph (2) of this subsection, means
24 the investment or trading asset or activity is
25 assigned to the fixed place of business with
26 which it has a preponderance of substantive

1 contacts. An investment or trading asset or
2 activity assigned by the taxpayer to a fixed
3 place of business without the State shall be
4 presumed to have been properly assigned if:

5 (i) the taxpayer has assigned, in the
6 regular course of its business, such asset
7 or activity on its records to a fixed place
8 of business consistent with federal or
9 state regulatory requirements;

10 (ii) such assignment on its records is
11 based upon substantive contacts of the
12 asset or activity to such fixed place of
13 business; and

14 (iii) the taxpayer uses such records
15 reflecting assignment of such assets or
16 activities for the filing of all state and
17 local tax returns for which an assignment
18 of such assets or activities to a fixed
19 place of business is required.

20 (E) The presumption of proper assignment
21 of an investment or trading asset or activity
22 provided in subparagraph (D) of paragraph (2)
23 of this subsection may be rebutted upon a
24 showing by the Department, supported by a
25 preponderance of the evidence, that the
26 preponderance of substantive contacts

1 regarding such asset or activity did not occur
2 at the fixed place of business to which it was
3 assigned on the taxpayer's records. If the
4 fixed place of business that has a
5 preponderance of substantive contacts cannot
6 be determined for an investment or trading
7 asset or activity to which the presumption in
8 subparagraph (D) of paragraph (2) of this
9 subsection does not apply or with respect to
10 which that presumption has been rebutted, that
11 asset or activity is properly assigned to the
12 state in which the taxpayer's commercial
13 domicile is located. For purposes of this
14 subparagraph (E), it shall be presumed,
15 subject to rebuttal, that taxpayer's
16 commercial domicile is in the state of the
17 United States or the District of Columbia to
18 which the greatest number of employees are
19 regularly connected with the management of the
20 investment or trading income or out of which
21 they are working, irrespective of where the
22 services of such employees are performed, as of
23 the last day of the taxable year.

24 (4) (Blank).

25 (5) (Blank).

26 (c-1) Federally regulated exchanges. For taxable years

1 ending on or after December 31, 2012, business income of a
2 federally regulated exchange shall, at the option of the
3 federally regulated exchange, be apportioned to this State by
4 multiplying such income by a fraction, the numerator of which
5 is its business income from sources within this State, and the
6 denominator of which is its business income from all sources.
7 For purposes of this subsection, the business income within
8 this State of a federally regulated exchange is the sum of the
9 following:

10 (1) Receipts attributable to transactions executed on
11 a physical trading floor if that physical trading floor is
12 located in this State.

13 (2) Receipts attributable to all other matching,
14 execution, or clearing transactions, including without
15 limitation receipts from the provision of matching,
16 execution, or clearing services to another entity,
17 multiplied by (i) for taxable years ending on or after
18 December 31, 2012 but before December 31, 2013, 63.77%; and
19 (ii) for taxable years ending on or after December 31,
20 2013, 27.54%.

21 (3) All other receipts not governed by subparagraphs
22 (1) or (2) of this subsection (c-1), to the extent the
23 receipts would be characterized as "sales in this State"
24 under item (3) of subsection (a) of this Section.

25 "Federally regulated exchange" means (i) a "registered
26 entity" within the meaning of 7 U.S.C. Section 1a(40) (A), (B),

1 or (C), (ii) an "exchange" or "clearing agency" within the
2 meaning of 15 U.S.C. Section 78c (a) (1) or (23), (iii) any such
3 entities regulated under any successor regulatory structure to
4 the foregoing, and (iv) all taxpayers who are members of the
5 same unitary business group as a federally regulated exchange,
6 determined without regard to the prohibition in Section
7 1501(a) (27) of this Act against including in a unitary business
8 group taxpayers who are ordinarily required to apportion
9 business income under different subsections of this Section;
10 provided that this subparagraph (iv) shall apply only if 50% or
11 more of the business receipts of the unitary business group
12 determined by application of this subparagraph (iv) for the
13 taxable year are attributable to the matching, execution, or
14 clearing of transactions conducted by an entity described in
15 subparagraph (i), (ii), or (iii) of this paragraph.

16 In no event shall the Illinois apportionment percentage
17 computed in accordance with this subsection (c-1) for any
18 taxpayer for any tax year be less than the Illinois
19 apportionment percentage computed under this subsection (c-1)
20 for that taxpayer for the first full tax year ending on or
21 after December 31, 2013 for which this subsection (c-1) applied
22 to the taxpayer.

23 (d) Transportation services. For taxable years ending
24 before December 31, 2008, business income derived from
25 furnishing transportation services shall be apportioned to
26 this State in accordance with paragraphs (1) and (2):

1 (1) Such business income (other than that derived from
2 transportation by pipeline) shall be apportioned to this
3 State by multiplying such income by a fraction, the
4 numerator of which is the revenue miles of the person in
5 this State, and the denominator of which is the revenue
6 miles of the person everywhere. For purposes of this
7 paragraph, a revenue mile is the transportation of 1
8 passenger or 1 net ton of freight the distance of 1 mile
9 for a consideration. Where a person is engaged in the
10 transportation of both passengers and freight, the
11 fraction above referred to shall be determined by means of
12 an average of the passenger revenue mile fraction and the
13 freight revenue mile fraction, weighted to reflect the
14 person's

15 (A) relative railway operating income from total
16 passenger and total freight service, as reported to the
17 Interstate Commerce Commission, in the case of
18 transportation by railroad, and

19 (B) relative gross receipts from passenger and
20 freight transportation, in case of transportation
21 other than by railroad.

22 (2) Such business income derived from transportation
23 by pipeline shall be apportioned to this State by
24 multiplying such income by a fraction, the numerator of
25 which is the revenue miles of the person in this State, and
26 the denominator of which is the revenue miles of the person

1 everywhere. For the purposes of this paragraph, a revenue
2 mile is the transportation by pipeline of 1 barrel of oil,
3 1,000 cubic feet of gas, or of any specified quantity of
4 any other substance, the distance of 1 mile for a
5 consideration.

6 (3) For taxable years ending on or after December 31,
7 2008, business income derived from providing
8 transportation services other than airline services shall
9 be apportioned to this State by using a fraction, (a) the
10 numerator of which shall be (i) all receipts from any
11 movement or shipment of people, goods, mail, oil, gas, or
12 any other substance (other than by airline) that both
13 originates and terminates in this State, plus (ii) that
14 portion of the person's gross receipts from movements or
15 shipments of people, goods, mail, oil, gas, or any other
16 substance (other than by airline) that originates in one
17 state or jurisdiction and terminates in another state or
18 jurisdiction, that is determined by the ratio that the
19 miles traveled in this State bears to total miles
20 everywhere and (b) the denominator of which shall be all
21 revenue derived from the movement or shipment of people,
22 goods, mail, oil, gas, or any other substance (other than
23 by airline). Where a taxpayer is engaged in the
24 transportation of both passengers and freight, the
25 fraction above referred to shall first be determined
26 separately for passenger miles and freight miles. Then an

1 average of the passenger miles fraction and the freight
2 miles fraction shall be weighted to reflect the taxpayer's:

3 (A) relative railway operating income from total
4 passenger and total freight service, as reported to the
5 Surface Transportation Board, in the case of
6 transportation by railroad; and

7 (B) relative gross receipts from passenger and
8 freight transportation, in case of transportation
9 other than by railroad.

10 (4) For taxable years ending on or after December 31,
11 2008, business income derived from furnishing airline
12 transportation services shall be apportioned to this State
13 by multiplying such income by a fraction, the numerator of
14 which is the revenue miles of the person in this State, and
15 the denominator of which is the revenue miles of the person
16 everywhere. For purposes of this paragraph, a revenue mile
17 is the transportation of one passenger or one net ton of
18 freight the distance of one mile for a consideration. If a
19 person is engaged in the transportation of both passengers
20 and freight, the fraction above referred to shall be
21 determined by means of an average of the passenger revenue
22 mile fraction and the freight revenue mile fraction,
23 weighted to reflect the person's relative gross receipts
24 from passenger and freight airline transportation.

25 (e) Combined apportionment. Where 2 or more persons are
26 engaged in a unitary business as described in subsection

1 (a) (27) of Section 1501, a part of which is conducted in this
2 State by one or more members of the group, the business income
3 attributable to this State by any such member or members shall
4 be apportioned by means of the combined apportionment method.

5 (f) Alternative allocation. If the allocation and
6 apportionment provisions of subsections (a) through (e) and of
7 subsection (h) do not, for taxable years ending before December
8 31, 2008, fairly represent the extent of a person's business
9 activity in this State, or, for taxable years ending on or
10 after December 31, 2008, fairly represent the market for the
11 person's goods, services, or other sources of business income,
12 the person may petition for, or the Director may, without a
13 petition, permit or require, in respect of all or any part of
14 the person's business activity, if reasonable:

15 (1) Separate accounting;

16 (2) The exclusion of any one or more factors;

17 (3) The inclusion of one or more additional factors
18 which will fairly represent the person's business
19 activities or market in this State; or

20 (4) The employment of any other method to effectuate an
21 equitable allocation and apportionment of the person's
22 business income.

23 (g) Cross reference. For allocation of business income by
24 residents, see Section 301(a).

25 (h) For tax years ending on or after December 31, 1998, the
26 apportionment factor of persons who apportion their business

1 income to this State under subsection (a) shall be equal to:

2 (1) for tax years ending on or after December 31, 1998
3 and before December 31, 1999, 16 2/3% of the property
4 factor plus 16 2/3% of the payroll factor plus 66 2/3% of
5 the sales factor;

6 (2) for tax years ending on or after December 31, 1999
7 and before December 31, 2000, 8 1/3% of the property factor
8 plus 8 1/3% of the payroll factor plus 83 1/3% of the sales
9 factor;

10 (3) for tax years ending on or after December 31, 2000,
11 the sales factor.

12 If, in any tax year ending on or after December 31, 1998 and
13 before December 31, 2000, the denominator of the payroll,
14 property, or sales factor is zero, the apportionment factor
15 computed in paragraph (1) or (2) of this subsection for that
16 year shall be divided by an amount equal to 100% minus the
17 percentage weight given to each factor whose denominator is
18 equal to zero.

19 (Source: P.A. 99-642, eff. 7-28-16; 100-201, eff. 8-18-17.)

20 (35 ILCS 5/710) (from Ch. 120, par. 7-710)

21 Sec. 710. Withholding from lottery winnings.

22 (a) In general.

23 (1) Any person making a payment to a resident or
24 nonresident of winnings under the Illinois Lottery Law and
25 not required to withhold Illinois income tax from such

1 payment under Subsection (b) of Section 701 of this Act
2 because those winnings are not subject to Federal income
3 tax withholding, must withhold Illinois income tax from
4 such payment at a rate equal to the percentage tax rate for
5 individuals provided in subsection (b) of Section 201,
6 provided that withholding is not required if such payment
7 of winnings is less than \$1,000.

8 (2) In the case of an assignment of a lottery prize
9 under Section 13.1 of the Illinois Lottery Law, any person
10 making a payment of the purchase price after December 31,
11 2013, shall withhold from the amount of each payment at a
12 rate equal to the percentage tax rate for individuals
13 provided in subsection (b) of Section 201.

14 (3) Any person making a payment after December 31, 2019
15 to a resident or nonresident of winnings from pari-mutuel
16 wagering conducted at a wagering facility licensed under
17 the Illinois Horse Racing Act of 1975 or from gambling
18 games conducted on a riverboat or in a casino or
19 organization gaming facility licensed under the Illinois
20 Gambling Act must withhold Illinois income tax from such
21 payment at a rate equal to the percentage tax rate for
22 individuals provided in subsection (b) of Section 201,
23 provided that the person making the payment is required to
24 withhold under Section 3402(g) of the Internal Revenue
25 Code.

26 (b) Credit for taxes withheld. Any amount withheld under

1 Subsection (a) shall be a credit against the Illinois income
2 tax liability of the person to whom the payment of winnings was
3 made for the taxable year in which that person incurred an
4 Illinois income tax liability with respect to those winnings.
5 (Source: P.A. 98-496, eff. 1-1-14.)

6 Section 35-40. The Joliet Regional Port District Act is
7 amended by changing Section 5.1 as follows:

8 (70 ILCS 1825/5.1) (from Ch. 19, par. 255.1)

9 Sec. 5.1. Riverboat and casino gambling. Notwithstanding
10 any other provision of this Act, the District may not regulate
11 the operation, conduct, or navigation of any riverboat gambling
12 casino licensed under the Illinois Riverboat Gambling Act, and
13 the District may not license, tax, or otherwise levy any
14 assessment of any kind on any riverboat gambling casino
15 licensed under the Illinois Riverboat Gambling Act. The General
16 Assembly declares that the powers to regulate the operation,
17 conduct, and navigation of riverboat gambling casinos and to
18 license, tax, and levy assessments upon riverboat gambling
19 casinos are exclusive powers of the State of Illinois and the
20 Illinois Gaming Board as provided in the Illinois Riverboat
21 Gambling Act.

22 (Source: P.A. 87-1175.)

23 Section 35-45. The Consumer Installment Loan Act is amended

1 by changing Section 12.5 as follows:

2 (205 ILCS 670/12.5)

3 Sec. 12.5. Limited purpose branch.

4 (a) Upon the written approval of the Director, a licensee
5 may maintain a limited purpose branch for the sole purpose of
6 making loans as permitted by this Act. A limited purpose branch
7 may include an automatic loan machine. No other activity shall
8 be conducted at the site, including but not limited to,
9 accepting payments, servicing the accounts, or collections.

10 (b) The licensee must submit an application for a limited
11 purpose branch to the Director on forms prescribed by the
12 Director with an application fee of \$300. The approval for the
13 limited purpose branch must be renewed concurrently with the
14 renewal of the licensee's license along with a renewal fee of
15 \$300 for the limited purpose branch.

16 (c) The books, accounts, records, and files of the limited
17 purpose branch's transactions shall be maintained at the
18 licensee's licensed location. The licensee shall notify the
19 Director of the licensed location at which the books, accounts,
20 records, and files shall be maintained.

21 (d) The licensee shall prominently display at the limited
22 purpose branch the address and telephone number of the
23 licensee's licensed location.

24 (e) No other business shall be conducted at the site of the
25 limited purpose branch unless authorized by the Director.

1 (f) The Director shall make and enforce reasonable rules
2 for the conduct of a limited purpose branch.

3 (g) A limited purpose branch may not be located within
4 1,000 feet of a facility operated by an inter-track wagering
5 licensee or an organization licensee subject to the Illinois
6 Horse Racing Act of 1975, on a riverboat or in a casino subject
7 to the Illinois Riverboat Gambling Act, or within 1,000 feet of
8 the location at which the riverboat docks or within 1,000 feet
9 of a casino.

10 (Source: P.A. 90-437, eff. 1-1-98.)

11 Section 35-50. The Illinois Horse Racing Act of 1975 is
12 amended by changing Sections 1.2, 3.11, 3.12, 6, 9, 15, 18, 19,
13 20, 21, 24, 25, 26, 26.8, 26.9, 27, 29, 30, 30.5, 31, 31.1,
14 32.1, 36, 40, and 54.75 and by adding Sections 3.32, 3.33,
15 3.34, 3.35, 19.5, 34.3, and 56 as follows:

16 (230 ILCS 5/1.2)

17 Sec. 1.2. Legislative intent. This Act is intended to
18 benefit the people of the State of Illinois by encouraging the
19 breeding and production of race horses, assisting economic
20 development and promoting Illinois tourism. The General
21 Assembly finds and declares it to be the public policy of the
22 State of Illinois to:

23 (a) support and enhance Illinois' horse racing industry,
24 which is a significant component within the agribusiness

1 industry;

2 (b) ensure that Illinois' horse racing industry remains
3 competitive with neighboring states;

4 (c) stimulate growth within Illinois' horse racing
5 industry, thereby encouraging new investment and development
6 to produce additional tax revenues and to create additional
7 jobs;

8 (d) promote the further growth of tourism;

9 (e) encourage the breeding of thoroughbred and
10 standardbred horses in this State; and

11 (f) ensure that public confidence and trust in the
12 credibility and integrity of racing operations and the
13 regulatory process is maintained.

14 (Source: P.A. 91-40, eff. 6-25-99.)

15 (230 ILCS 5/3.11) (from Ch. 8, par. 37-3.11)

16 Sec. 3.11. "Organization Licensee" means any person
17 receiving an organization license from the Board to conduct a
18 race meeting or meetings. With respect only to organization
19 gaming, "organization licensee" includes the authorization for
20 an organization gaming license under subsection (a) of Section
21 56 of this Act.

22 (Source: P.A. 79-1185.)

23 (230 ILCS 5/3.12) (from Ch. 8, par. 37-3.12)

24 Sec. 3.12. Pari-mutuel system of wagering. "Pari-mutuel

1 system of wagering" means a form of wagering on the outcome of
2 horse races in which wagers are made in various denominations
3 on a horse or horses and all wagers for each race are pooled
4 and held by a licensee for distribution in a manner approved by
5 the Board. "Pari-mutuel system of wagering" shall not include
6 wagering on historic races. Wagers may be placed via any method
7 or at any location authorized under this Act.

8 (Source: P.A. 96-762, eff. 8-25-09.)

9 (230 ILCS 5/3.32 new)

10 Sec. 3.32. Gross receipts. "Gross receipts" means the total
11 amount of money exchanged for the purchase of chips, tokens, or
12 electronic cards by riverboat or casino patrons or organization
13 gaming patrons.

14 (230 ILCS 5/3.33 new)

15 Sec. 3.33. Adjusted gross receipts. "Adjusted gross
16 receipts" means the gross receipts less winnings paid to
17 wagerers.

18 (230 ILCS 5/3.34 new)

19 Sec. 3.34. Organization gaming facility. "Organization
20 gaming facility" means that portion of an organization
21 licensee's racetrack facilities at which gaming authorized
22 under Section 7.7 of the Illinois Gambling Act is conducted.

1 (230 ILCS 5/3.35 new)

2 Sec. 3.35. Organization gaming license. "Organization
3 gaming license" means a license issued by the Illinois Gaming
4 Board under Section 7.7 of the Illinois Gambling Act
5 authorizing gaming pursuant to that Section at an organization
6 gaming facility.

7 (230 ILCS 5/6) (from Ch. 8, par. 37-6)

8 Sec. 6. Restrictions on Board members.

9 (a) No person shall be appointed a member of the Board or
10 continue to be a member of the Board if the person or any
11 member of their immediate family is a member of the Board of
12 Directors, employee, or financially interested in any of the
13 following: (i) any licensee or other person who has applied for
14 racing dates to the Board, or the operations thereof including,
15 but not limited to, concessions, data processing, track
16 maintenance, track security, and pari-mutuel operations,
17 located, scheduled or doing business within the State of
18 Illinois, (ii) any race horse competing at a meeting under the
19 Board's jurisdiction, or (iii) any licensee under the Illinois
20 Gambling Act. ~~No person shall be appointed a member of the~~
21 ~~Board or continue to be a member of the Board who is (or any~~
22 ~~member of whose family is) a member of the Board of Directors~~
23 ~~of, or who is a person financially interested in, any licensee~~
24 ~~or other person who has applied for racing dates to the Board,~~
25 ~~or the operations thereof including, but not limited to,~~

1 ~~concessions, data processing, track maintenance, track~~
2 ~~security and pari-mutuel operations, located, scheduled or~~
3 ~~doing business within the State of Illinois, or in any race~~
4 ~~horse competing at a meeting under the Board's jurisdiction. No~~
5 ~~Board member shall hold any other public office for which he~~
6 ~~shall receive compensation other than necessary travel or other~~
7 ~~incidental expenses.~~

8 (b) No person shall be a member of the Board who is not of
9 good moral character or who has been convicted of, or is under
10 indictment for, a felony under the laws of Illinois or any
11 other state, or the United States.

12 (c) No member of the Board or employee shall engage in any
13 political activity.

14 For the purposes of this subsection (c):

15 "Political" means any activity in support of or in
16 connection with any campaign for State or local elective office
17 or any political organization, but does not include activities
18 (i) relating to the support or opposition of any executive,
19 legislative, or administrative action (as those terms are
20 defined in Section 2 of the Lobbyist Registration Act), (ii)
21 relating to collective bargaining, or (iii) that are otherwise
22 in furtherance of the person's official State duties or
23 governmental and public service functions.

24 "Political organization" means a party, committee,
25 association, fund, or other organization (whether or not
26 incorporated) that is required to file a statement of

1 organization with the State Board of Elections or county clerk
2 under Section 9-3 of the Election Code, but only with regard to
3 those activities that require filing with the State Board of
4 Elections or county clerk.

5 (d) Board members and employees may not engage in
6 communications or any activity that may cause or have the
7 appearance of causing a conflict of interest. A conflict of
8 interest exists if a situation influences or creates the
9 appearance that it may influence judgment or performance of
10 regulatory duties and responsibilities. This prohibition shall
11 extend to any act identified by Board action that, in the
12 judgment of the Board, could represent the potential for or the
13 appearance of a conflict of interest.

14 (e) Board members and employees may not accept any gift,
15 gratuity, service, compensation, travel, lodging, or thing of
16 value, with the exception of unsolicited items of an incidental
17 nature, from any person, corporation, limited liability
18 company, or entity doing business with the Board.

19 (f) A Board member or employee shall not use or attempt to
20 use his or her official position to secure, or attempt to
21 secure, any privilege, advantage, favor, or influence for
22 himself or herself or others. No Board member or employee,
23 within a period of one year immediately preceding nomination by
24 the Governor or employment, shall have been employed or
25 received compensation or fees for services from a person or
26 entity, or its parent or affiliate, that has engaged in

1 business with the Board, a licensee or a licensee under the
2 Illinois Gambling Act. In addition, all Board members and
3 employees are subject to the restrictions set forth in Section
4 5-45 of the State Officials and Employees Ethics Act.

5 (Source: P.A. 89-16, eff. 5-30-95.)

6 (230 ILCS 5/9) (from Ch. 8, par. 37-9)

7 Sec. 9. The Board shall have all powers necessary and
8 proper to fully and effectively execute the provisions of this
9 Act, including, but not limited to, the following:

10 (a) The Board is vested with jurisdiction and supervision
11 over all race meetings in this State, over all licensees doing
12 business in this State, over all occupation licensees, and over
13 all persons on the facilities of any licensee. Such
14 jurisdiction shall include the power to issue licenses to the
15 Illinois Department of Agriculture authorizing the pari-mutuel
16 system of wagering on harness and Quarter Horse races held (1)
17 at the Illinois State Fair in Sangamon County, and (2) at the
18 DuQuoin State Fair in Perry County. The jurisdiction of the
19 Board shall also include the power to issue licenses to county
20 fairs which are eligible to receive funds pursuant to the
21 Agricultural Fair Act, as now or hereafter amended, or their
22 agents, authorizing the pari-mutuel system of wagering on horse
23 races conducted at the county fairs receiving such licenses.
24 Such licenses shall be governed by subsection (n) of this
25 Section.

1 Upon application, the Board shall issue a license to the
2 Illinois Department of Agriculture to conduct harness and
3 Quarter Horse races at the Illinois State Fair and at the
4 DuQuoin State Fairgrounds during the scheduled dates of each
5 fair. The Board shall not require and the Department of
6 Agriculture shall be exempt from the requirements of Sections
7 15.3, 18 and 19, paragraphs (a)(2), (b), (c), (d), (e), (e-5),
8 (e-10), (f), (g), and (h) of Section 20, and Sections 21, 24
9 and 25. The Board and the Department of Agriculture may extend
10 any or all of these exemptions to any contractor or agent
11 engaged by the Department of Agriculture to conduct its race
12 meetings when the Board determines that this would best serve
13 the public interest and the interest of horse racing.

14 Notwithstanding any provision of law to the contrary, it
15 shall be lawful for any licensee to operate pari-mutuel
16 wagering or contract with the Department of Agriculture to
17 operate pari-mutuel wagering at the DuQuoin State Fairgrounds
18 or for the Department to enter into contracts with a licensee,
19 employ its owners, employees or agents and employ such other
20 occupation licensees as the Department deems necessary in
21 connection with race meetings and wagerings.

22 (b) The Board is vested with the full power to promulgate
23 reasonable rules and regulations for the purpose of
24 administering the provisions of this Act and to prescribe
25 reasonable rules, regulations and conditions under which all
26 horse race meetings or wagering in the State shall be

1 conducted. Such reasonable rules and regulations are to provide
2 for the prevention of practices detrimental to the public
3 interest and to promote the best interests of horse racing and
4 to impose penalties for violations thereof.

5 (c) The Board, and any person or persons to whom it
6 delegates this power, is vested with the power to enter the
7 facilities and other places of business of any licensee to
8 determine whether there has been compliance with the provisions
9 of this Act and its rules and regulations.

10 (d) The Board, and any person or persons to whom it
11 delegates this power, is vested with the authority to
12 investigate alleged violations of the provisions of this Act,
13 its reasonable rules and regulations, orders and final
14 decisions; the Board shall take appropriate disciplinary
15 action against any licensee or occupation licensee for
16 violation thereof or institute appropriate legal action for the
17 enforcement thereof.

18 (e) The Board, and any person or persons to whom it
19 delegates this power, may eject or exclude from any race
20 meeting or the facilities of any licensee, or any part thereof,
21 any occupation licensee or any other individual whose conduct
22 or reputation is such that his presence on those facilities
23 may, in the opinion of the Board, call into question the
24 honesty and integrity of horse racing or wagering or interfere
25 with the orderly conduct of horse racing or wagering; provided,
26 however, that no person shall be excluded or ejected from the

1 facilities of any licensee solely on the grounds of race,
2 color, creed, national origin, ancestry, or sex. The power to
3 eject or exclude an occupation licensee or other individual may
4 be exercised for just cause by the licensee or the Board,
5 subject to subsequent hearing by the Board as to the propriety
6 of said exclusion.

7 (f) The Board is vested with the power to acquire,
8 establish, maintain and operate (or provide by contract to
9 maintain and operate) testing laboratories and related
10 facilities, for the purpose of conducting saliva, blood, urine
11 and other tests on the horses run or to be run in any horse race
12 meeting, including races run at county fairs, and to purchase
13 all equipment and supplies deemed necessary or desirable in
14 connection with any such testing laboratories and related
15 facilities and all such tests.

16 (g) The Board may require that the records, including
17 financial or other statements of any licensee or any person
18 affiliated with the licensee who is involved directly or
19 indirectly in the activities of any licensee as regulated under
20 this Act to the extent that those financial or other statements
21 relate to such activities be kept in such manner as prescribed
22 by the Board, and that Board employees shall have access to
23 those records during reasonable business hours. Within 120 days
24 of the end of its fiscal year, each licensee shall transmit to
25 the Board an audit of the financial transactions and condition
26 of the licensee's total operations. All audits shall be

1 conducted by certified public accountants. Each certified
2 public accountant must be registered in the State of Illinois
3 under the Illinois Public Accounting Act. The compensation for
4 each certified public accountant shall be paid directly by the
5 licensee to the certified public accountant. A licensee shall
6 also submit any other financial or related information the
7 Board deems necessary to effectively administer this Act and
8 all rules, regulations, and final decisions promulgated under
9 this Act.

10 (h) The Board shall name and appoint in the manner provided
11 by the rules and regulations of the Board: an Executive
12 Director; a State director of mutuels; State veterinarians and
13 representatives to take saliva, blood, urine and other tests on
14 horses; licensing personnel; revenue inspectors; and State
15 seasonal employees (excluding admission ticket sellers and
16 mutuel clerks). All of those named and appointed as provided in
17 this subsection shall serve during the pleasure of the Board;
18 their compensation shall be determined by the Board and be paid
19 in the same manner as other employees of the Board under this
20 Act.

21 (i) The Board shall require that there shall be 3 stewards
22 at each horse race meeting, at least 2 of whom shall be named
23 and appointed by the Board. Stewards appointed or approved by
24 the Board, while performing duties required by this Act or by
25 the Board, shall be entitled to the same rights and immunities
26 as granted to Board members and Board employees in Section 10

1 of this Act.

2 (j) The Board may discharge any Board employee who fails or
3 refuses for any reason to comply with the rules and regulations
4 of the Board, or who, in the opinion of the Board, is guilty of
5 fraud, dishonesty or who is proven to be incompetent. The Board
6 shall have no right or power to determine who shall be
7 officers, directors or employees of any licensee, or their
8 salaries except the Board may, by rule, require that all or any
9 officials or employees in charge of or whose duties relate to
10 the actual running of races be approved by the Board.

11 (k) The Board is vested with the power to appoint delegates
12 to execute any of the powers granted to it under this Section
13 for the purpose of administering this Act and any rules or
14 regulations promulgated in accordance with this Act.

15 (l) The Board is vested with the power to impose civil
16 penalties of up to \$5,000 against an individual and up to
17 \$10,000 against a licensee for each violation of any provision
18 of this Act, any rules adopted by the Board, any order of the
19 Board or any other action which, in the Board's discretion, is
20 a detriment or impediment to horse racing or wagering.
21 Beginning on the date when any organization licensee begins
22 conducting gaming pursuant to an organization gaming license
23 issued under the Illinois Gambling Act, the power granted to
24 the Board pursuant to this subsection (l) shall authorize the
25 Board to impose penalties of up to \$10,000 against an
26 individual and up to \$25,000 against a licensee. All such civil

1 penalties shall be deposited into the Horse Racing Fund.

2 (m) The Board is vested with the power to prescribe a form
3 to be used by licensees as an application for employment for
4 employees of each licensee.

5 (n) The Board shall have the power to issue a license to
6 any county fair, or its agent, authorizing the conduct of the
7 pari-mutuel system of wagering. The Board is vested with the
8 full power to promulgate reasonable rules, regulations and
9 conditions under which all horse race meetings licensed
10 pursuant to this subsection shall be held and conducted,
11 including rules, regulations and conditions for the conduct of
12 the pari-mutuel system of wagering. The rules, regulations and
13 conditions shall provide for the prevention of practices
14 detrimental to the public interest and for the best interests
15 of horse racing, and shall prescribe penalties for violations
16 thereof. Any authority granted the Board under this Act shall
17 extend to its jurisdiction and supervision over county fairs,
18 or their agents, licensed pursuant to this subsection. However,
19 the Board may waive any provision of this Act or its rules or
20 regulations which would otherwise apply to such county fairs or
21 their agents.

22 (o) Whenever the Board is authorized or required by law to
23 consider some aspect of criminal history record information for
24 the purpose of carrying out its statutory powers and
25 responsibilities, then, upon request and payment of fees in
26 conformance with the requirements of Section 2605-400 of the

1 Department of State Police Law (20 ILCS 2605/2605-400), the
2 Department of State Police is authorized to furnish, pursuant
3 to positive identification, such information contained in
4 State files as is necessary to fulfill the request.

5 (p) To insure the convenience, comfort, and wagering
6 accessibility of race track patrons, to provide for the
7 maximization of State revenue, and to generate increases in
8 purse allotments to the horsemen, the Board shall require any
9 licensee to staff the pari-mutuel department with adequate
10 personnel.

11 (Source: P.A. 97-1060, eff. 8-24-12.)

12 (230 ILCS 5/15) (from Ch. 8, par. 37-15)

13 Sec. 15. (a) The Board shall, in its discretion, issue
14 occupation licenses to horse owners, trainers, harness
15 drivers, jockeys, agents, apprentices, grooms, stable foremen,
16 exercise persons, veterinarians, valets, blacksmiths,
17 concessionaires and others designated by the Board whose work,
18 in whole or in part, is conducted upon facilities within the
19 State. Such occupation licenses will be obtained prior to the
20 persons engaging in their vocation upon such facilities. The
21 Board shall not license pari-mutuel clerks, parking
22 attendants, security guards and employees of concessionaires.
23 No occupation license shall be required of any person who works
24 at facilities within this State as a pari-mutuel clerk, parking
25 attendant, security guard or as an employee of a

1 concessionaire. Concessionaires of the Illinois State Fair and
2 DuQuoin State Fair and employees of the Illinois Department of
3 Agriculture shall not be required to obtain an occupation
4 license by the Board.

5 (b) Each application for an occupation license shall be on
6 forms prescribed by the Board. Such license, when issued, shall
7 be for the period ending December 31 of each year, except that
8 the Board in its discretion may grant 3-year licenses. The
9 application shall be accompanied by a fee of not more than \$25
10 per year or, in the case of 3-year occupation license
11 applications, a fee of not more than \$60. Each applicant shall
12 set forth in the application his full name and address, and if
13 he had been issued prior occupation licenses or has been
14 licensed in any other state under any other name, such name,
15 his age, whether or not a permit or license issued to him in
16 any other state has been suspended or revoked and if so whether
17 such suspension or revocation is in effect at the time of the
18 application, and such other information as the Board may
19 require. Fees for registration of stable names shall not exceed
20 \$50.00. Beginning on the date when any organization licensee
21 begins conducting gaming pursuant to an organization gaming
22 license issued under the Illinois Gambling Act, the fee for
23 registration of stable names shall not exceed \$150, and the
24 application fee for an occupation license shall not exceed \$75,
25 per year or, in the case of a 3-year occupation license
26 application, the fee shall not exceed \$180.

1 (c) The Board may in its discretion refuse an occupation
2 license to any person:

3 (1) who has been convicted of a crime;

4 (2) who is unqualified to perform the duties required
5 of such applicant;

6 (3) who fails to disclose or states falsely any
7 information called for in the application;

8 (4) who has been found guilty of a violation of this
9 Act or of the rules and regulations of the Board; or

10 (5) whose license or permit has been suspended, revoked
11 or denied for just cause in any other state.

12 (d) The Board may suspend or revoke any occupation license:

13 (1) for violation of any of the provisions of this Act;

14 or

15 (2) for violation of any of the rules or regulations of
16 the Board; or

17 (3) for any cause which, if known to the Board, would
18 have justified the Board in refusing to issue such
19 occupation license; or

20 (4) for any other just cause.

21 (e) Each applicant shall submit his or her fingerprints
22 to the Department of State Police in the form and manner
23 prescribed by the Department of State Police. These
24 fingerprints shall be checked against the fingerprint records
25 now and hereafter filed in the Department of State Police and
26 Federal Bureau of Investigation criminal history records

1 databases. The Department of State Police shall charge a fee
2 for conducting the criminal history records check, which shall
3 be deposited in the State Police Services Fund and shall not
4 exceed the actual cost of the records check. The Department of
5 State Police shall furnish, pursuant to positive
6 identification, records of conviction to the Board. Each
7 applicant for licensure shall submit with his occupation
8 license application, on forms provided by the Board, 2 sets of
9 his fingerprints. All such applicants shall appear in person at
10 the location designated by the Board for the purpose of
11 submitting such sets of fingerprints; however, with the prior
12 approval of a State steward, an applicant may have such sets of
13 fingerprints taken by an official law enforcement agency and
14 submitted to the Board.

15 (f) The Board may, in its discretion, issue an occupation
16 license without submission of fingerprints if an applicant has
17 been duly licensed in another recognized racing jurisdiction
18 after submitting fingerprints that were subjected to a Federal
19 Bureau of Investigation criminal history background check in
20 that jurisdiction.

21 (g) Beginning on the date when any organization licensee
22 begins conducting gaming pursuant to an organization gaming
23 license issued under the Illinois Gambling Act, the Board may
24 charge each applicant a reasonable nonrefundable fee to defray
25 the costs associated with the background investigation
26 conducted by the Board. This fee shall be exclusive of any

1 other fee or fees charged in connection with an application for
2 and, if applicable, the issuance of, an organization gaming
3 license. If the costs of the investigation exceed the amount of
4 the fee charged, the Board shall immediately notify the
5 applicant of the additional amount owed, payment of which must
6 be submitted to the Board within 7 days after such
7 notification. All information, records, interviews, reports,
8 statements, memoranda, or other data supplied to or used by the
9 Board in the course of its review or investigation of an
10 applicant for a license or renewal under this Act shall be
11 privileged, strictly confidential, and shall be used only for
12 the purpose of evaluating an applicant for a license or a
13 renewal. Such information, records, interviews, reports,
14 statements, memoranda, or other data shall not be admissible as
15 evidence, nor discoverable, in any action of any kind in any
16 court or before any tribunal, board, agency, or person, except
17 for any action deemed necessary by the Board.

18 (Source: P.A. 93-418, eff. 1-1-04.)

19 (230 ILCS 5/18) (from Ch. 8, par. 37-18)

20 Sec. 18. (a) Together with its application, each applicant
21 for racing dates shall deliver to the Board a certified check
22 or bank draft payable to the order of the Board for \$1,000. In
23 the event the applicant applies for racing dates in 2 or 3
24 successive calendar years as provided in subsection (b) of
25 Section 21, the fee shall be \$2,000. Filing fees shall not be

1 refunded in the event the application is denied. Beginning on
2 the date when any organization licensee begins conducting
3 gaming pursuant to an organization gaming license issued under
4 the Illinois Gambling Act, the application fee for racing dates
5 imposed by this subsection (a) shall be \$10,000 and the
6 application fee for racing dates in 2 or 3 successive calendar
7 years as provided in subsection (b) of Section 21 shall be
8 \$20,000. All filing fees shall be deposited into the Horse
9 Racing Fund.

10 (b) In addition to the filing fee imposed by subsection (a)
11 of \$1000 and the fees provided in subsection (j) of Section 20,
12 each organization licensee shall pay a license fee of \$100 for
13 each racing program on which its daily pari-mutuel handle is
14 \$400,000 or more but less than \$700,000, and a license fee of
15 \$200 for each racing program on which its daily pari-mutuel
16 handle is \$700,000 or more. The additional fees required to be
17 paid under this Section by this amendatory Act of 1982 shall be
18 remitted by the organization licensee to the Illinois Racing
19 Board with each day's graduated privilege tax or pari-mutuel
20 tax and breakage as provided under Section 27. Beginning on the
21 date when any organization licensee begins conducting gaming
22 pursuant to an organization gaming license issued under the
23 Illinois Gambling Act, the license fee imposed by this
24 subsection (b) shall be \$200 for each racing program on which
25 the organization licensee's daily pari-mutuel handle is
26 \$100,000 or more, but less than \$400,000, and the license fee

1 imposed by this subsection (b) shall be \$400 for each racing
2 program on which the organization licensee's daily pari-mutuel
3 handle is \$400,000 or more.

4 (c) Sections 11-42-1, 11-42-5, and 11-54-1 of the "Illinois
5 Municipal Code," ~~approved May 29, 1961, as now or hereafter~~
6 ~~amended,~~ shall not apply to any license under this Act.

7 (Source: P.A. 97-1060, eff. 8-24-12.)

8 (230 ILCS 5/19) (from Ch. 8, par. 37-19)

9 Sec. 19. (a) No organization license may be granted to
10 conduct a horse race meeting:

11 (1) except as provided in subsection (c) of Section 21
12 of this Act, to any person at any place within 35 miles of
13 any other place licensed by the Board to hold a race
14 meeting on the same date during the same hours, the mileage
15 measurement used in this subsection (a) shall be certified
16 to the Board by the Bureau of Systems and Services in the
17 Illinois Department of Transportation as the most commonly
18 used public way of vehicular travel;

19 (2) to any person in default in the payment of any
20 obligation or debt due the State under this Act, provided
21 no applicant shall be deemed in default in the payment of
22 any obligation or debt due to the State under this Act as
23 long as there is pending a hearing of any kind relevant to
24 such matter;

25 (3) to any person who has been convicted of the

1 violation of any law of the United States or any State law
2 which provided as all or part of its penalty imprisonment
3 in any penal institution; to any person against whom there
4 is pending a Federal or State criminal charge; to any
5 person who is or has been connected with or engaged in the
6 operation of any illegal business; to any person who does
7 not enjoy a general reputation in his community of being an
8 honest, upright, law-abiding person; provided that none of
9 the matters set forth in this subparagraph (3) shall make
10 any person ineligible to be granted an organization license
11 if the Board determines, based on circumstances of any such
12 case, that the granting of a license would not be
13 detrimental to the interests of horse racing and of the
14 public;

15 (4) to any person who does not at the time of
16 application for the organization license own or have a
17 contract or lease for the possession of a finished race
18 track suitable for the type of racing intended to be held
19 by the applicant and for the accommodation of the public.

20 (b) (Blank) ~~Horse racing on Sunday shall be prohibited~~
21 ~~unless authorized by ordinance or referendum of the~~
22 ~~municipality in which a race track or any of its appurtenances~~
23 ~~or facilities are located, or utilized.~~

24 (c) If any person is ineligible to receive an organization
25 license because of any of the matters set forth in subsection
26 (a) (2) or subsection (a) (3) of this Section, any other or

1 separate person that either (i) controls, directly or
2 indirectly, such ineligible person or (ii) is controlled,
3 directly or indirectly, by such ineligible person or by a
4 person which controls, directly or indirectly, such ineligible
5 person shall also be ineligible.

6 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)

7 (230 ILCS 5/19.5 new)

8 Sec. 19.5. Standardbred racetrack in Cook County.
9 Notwithstanding anything in this Act to the contrary, in
10 addition to organization licenses issued by the Board on the
11 effective date of this amendatory Act of the 101st General
12 Assembly, the Board shall issue an organization license limited
13 to standardbred racing to a racetrack located in one of the
14 following townships of Cook County: Bloom, Bremen, Calumet,
15 Orland, Rich, Thornton, or Worth. This additional organization
16 license shall not be issued within a 35-mile radius of another
17 organization license issued by the Board on the effective date
18 of this amendatory Act of the 101st General Assembly, unless
19 the person having operating control of such racetrack has given
20 written consent to the organization licensee applicant, which
21 consent must be filed with the Board at or prior to the time
22 application is made. The organization license shall be granted
23 upon application, and the licensee shall have all of the
24 current and future rights of existing Illinois racetracks,
25 including, but not limited to, the ability to obtain an

1 inter-track wagering license, the ability to obtain
2 inter-track wagering location licenses, the ability to obtain
3 an organization gaming license pursuant to the Illinois
4 Gambling Act with 1,200 gaming positions, and the ability to
5 offer Internet wagering on horse racing.

6 (230 ILCS 5/20) (from Ch. 8, par. 37-20)

7 Sec. 20. (a) Any person desiring to conduct a horse race
8 meeting may apply to the Board for an organization license. The
9 application shall be made on a form prescribed and furnished by
10 the Board. The application shall specify:

11 (1) the dates on which it intends to conduct the horse
12 race meeting, which dates shall be provided under Section
13 21;

14 (2) the hours of each racing day between which it
15 intends to hold or conduct horse racing at such meeting;

16 (3) the location where it proposes to conduct the
17 meeting; and

18 (4) any other information the Board may reasonably
19 require.

20 (b) A separate application for an organization license
21 shall be filed for each horse race meeting which such person
22 proposes to hold. Any such application, if made by an
23 individual, or by any individual as trustee, shall be signed
24 and verified under oath by such individual. If the application
25 is made by individuals, then it shall be signed and verified

1 under oath by at least 2 of the individuals; if the application
2 is made by ~~or a partnership, it shall be signed and verified~~
3 ~~under oath by at least 2 of such individuals or members of such~~
4 ~~partnership as the case may be. If made by an association, a~~
5 ~~corporation, a corporate trustee, a limited liability company,~~
6 or any other entity, it shall be signed by an authorized
7 officer, a partner, a member, or a manager, as the case may be,
8 of the entity ~~the president and attested by the secretary or~~
9 ~~assistant secretary under the seal of such association, trust~~
10 ~~or corporation if it has a seal, and shall also be verified~~
11 ~~under oath by one of the signing officers.~~

12 (c) The application shall specify:

13 (1) the name of the persons, association, trust, or
14 corporation making such application; ~~and~~

15 (2) the principal ~~post office~~ address of the applicant;

16 (3) if the applicant is a trustee, the names and
17 addresses of the beneficiaries; if the applicant is a
18 corporation, the names and ~~post office~~ addresses of all
19 officers, stockholders and directors; or if such
20 stockholders hold stock as a nominee or fiduciary, the
21 names and ~~post office~~ addresses of the parties ~~these~~
22 ~~persons, partnerships, corporations, or trusts~~ who are the
23 beneficial owners thereof or who are beneficially
24 interested therein; ~~and~~ if the applicant is a partnership,
25 the names and ~~post office~~ addresses of all partners,
26 general or limited; if the applicant is a limited liability

1 company, the names and addresses of the manager and
2 members; and if the applicant is any other entity, the
3 names and addresses of all officers or other authorized
4 persons of the entity ~~corporation, the name of the state of~~
5 ~~its incorporation shall be specified.~~

6 (d) The applicant shall execute and file with the Board a
7 good faith affirmative action plan to recruit, train, and
8 upgrade minorities in all classifications within the
9 association.

10 (e) With such application there shall be delivered to the
11 Board a certified check or bank draft payable to the order of
12 the Board for an amount equal to \$1,000. All applications for
13 the issuance of an organization license shall be filed with the
14 Board before August 1 of the year prior to the year for which
15 application is made and shall be acted upon by the Board at a
16 meeting to be held on such date as shall be fixed by the Board
17 during the last 15 days of September of such prior year. At
18 such meeting, the Board shall announce the award of the racing
19 meets, live racing schedule, and designation of host track to
20 the applicants and its approval or disapproval of each
21 application. No announcement shall be considered binding until
22 a formal order is executed by the Board, which shall be
23 executed no later than October 15 of that prior year. Absent
24 the agreement of the affected organization licensees, the Board
25 shall not grant overlapping race meetings to 2 or more tracks
26 that are within 100 miles of each other to conduct the

1 thoroughbred racing.

2 (e-1) The Board shall award standardbred racing dates to
3 organization licensees with an organization gaming license
4 pursuant to the following schedule:

5 (1) For the first calendar year of operation of
6 gambling games by an organization gaming licensee under
7 this amendatory Act of the 101st General Assembly, when a
8 single entity requests standardbred racing dates, the
9 Board shall award no fewer than 100 days of racing. The
10 100-day requirement may be reduced to no fewer than 80 days
11 if no dates are requested for the first 3 months of a
12 calendar year. If more than one entity requests
13 standardbred racing dates, the Board shall award no fewer
14 than 140 days of racing between the applicants.

15 (2) For the second calendar year of operation of
16 gambling games by an organization gaming licensee under
17 this amendatory Act of the 101st General Assembly, when a
18 single entity requests standardbred racing dates, the
19 Board shall award no fewer than 100 days of racing. The
20 100-day requirement may be reduced to no fewer than 80 days
21 if no dates are requested for the first 3 months of a
22 calendar year. If more than one entity requests
23 standardbred racing dates, the Board shall award no fewer
24 than 160 days of racing between the applicants.

25 (3) For the third calendar year of operation of
26 gambling games by an organization gaming licensee under

1 this amendatory Act of the 101st General Assembly, and each
2 calendar year thereafter, when a single entity requests
3 standardbred racing dates, the Board shall award no fewer
4 than 120 days of racing. The 120-day requirement may be
5 reduced to no fewer than 100 days if no dates are requested
6 for the first 3 months of a calendar year. If more than one
7 entity requests standardbred racing dates, the Board shall
8 award no fewer than 200 days of racing between the
9 applicants.

10 An organization licensee shall apply for racing dates
11 pursuant to this subsection (e-1). In awarding racing dates
12 under this subsection (e-1), the Board shall have the
13 discretion to allocate those standardbred racing dates among
14 these organization licensees.

15 (e-2) The Board shall award thoroughbred racing days to
16 Cook County organization licensees pursuant to the following
17 schedule:

18 (1) During the first year in which only one
19 organization licensee is awarded an organization gaming
20 license, the Board shall award no fewer than 110 days of
21 racing.

22 During the second year in which only one organization
23 licensee is awarded an organization gaming license, the
24 Board shall award no fewer than 115 racing days.

25 During the third year and every year thereafter, in
26 which only one organization licensee is awarded an

1 organization gaming license, the Board shall award no fewer
2 than 120 racing days.

3 (2) During the first year in which 2 organization
4 licensees are awarded an organization gaming license, the
5 Board shall award no fewer than 139 total racing days.

6 During the second year in which 2 organization
7 licensees are awarded an organization gaming license, the
8 Board shall award no fewer than 160 total racing days.

9 During the third year and every year thereafter in
10 which 2 organization licensees are awarded an organization
11 gaming license, the Board shall award no fewer than 174
12 total racing days.

13 A Cook County organization licensee shall apply for racing
14 dates pursuant to this subsection (e-2). In awarding racing
15 dates under this subsection (e-2), the Board shall have the
16 discretion to allocate those thoroughbred racing dates among
17 these Cook County organization licensees.

18 (e-3) In awarding racing dates for calendar year 2020 and
19 thereafter in connection with a racetrack in Madison County,
20 the Board shall award racing dates and such organization
21 licensee shall run at least 700 thoroughbred races at the
22 racetrack in Madison County each year.

23 Notwithstanding Section 7.7 of the Illinois Gambling Act or
24 any provision of this Act other than subsection (e-4.5), for
25 each calendar year for which an organization gaming licensee
26 located in Madison County requests racing dates resulting in

1 less than 700 live thoroughbred races at its racetrack
2 facility, the organization gaming licensee may not conduct
3 gaming pursuant to an organization gaming license issued under
4 the Illinois Gambling Act for the calendar year of such
5 requested live races.

6 (e-4) Notwithstanding the provisions of Section 7.7 of the
7 Illinois Gambling Act or any provision of this Act other than
8 subsections (e-3) and (e-4.5), for each calendar year for which
9 an organization gaming licensee requests thoroughbred racing
10 dates which results in a number of live races under its
11 organization license that is less than the total number of live
12 races which it conducted in 2017 at its racetrack facility, the
13 organization gaming licensee may not conduct gaming pursuant to
14 its organization gaming license for the calendar year of such
15 requested live races.

16 (e-4.1) Notwithstanding the provisions of Section 7.7 of
17 the Illinois Gambling Act or any provision of this Act other
18 than subsections (e-3) and (e-4.5), for each calendar year for
19 which an organization licensee requests racing dates for
20 standardbred racing which results in a number of live races
21 that is less than the total number of live races required in
22 subsection (e-1), the organization gaming licensee may not
23 conduct gaming pursuant to its organization gaming license for
24 the calendar year of such requested live races.

25 (e-4.5) The Board shall award the minimum live racing
26 guarantees contained in subsections (e-1), (e-2), and (e-3) to

1 ensure that each organization licensee shall individually run a
2 sufficient number of races per year to qualify for an
3 organization gaming license under this Act. The General
4 Assembly finds that the minimum live racing guarantees
5 contained in subsections (e-1), (e-2), and (e-3) are in the
6 best interest of the sport of horse racing, and that such
7 guarantees may only be reduced in the calendar year in which
8 they will be conducted in the limited circumstances described
9 in this subsection. The Board may decrease the number of racing
10 days without affecting an organization licensee's ability to
11 conduct gaming pursuant to an organization gaming license
12 issued under the Illinois Gambling Act only if the Board
13 determines, after notice and hearing, that:

14 (i) a decrease is necessary to maintain a sufficient
15 number of betting interests per race to ensure the
16 integrity of racing;

17 (ii) there are unsafe track conditions due to weather
18 or acts of God;

19 (iii) there is an agreement between an organization
20 licensee and the breed association that is applicable to
21 the involved live racing guarantee, such association
22 representing either the largest number of thoroughbred
23 owners and trainers or the largest number of standardbred
24 owners, trainers and drivers who race horses at the
25 involved organization licensee's racing meeting, so long
26 as the agreement does not compromise the integrity of the

1 sport of horse racing; or

2 (iv) the horse population or purse levels are
3 insufficient to provide the number of racing opportunities
4 otherwise required in this Act.

5 In decreasing the number of racing dates in accordance with
6 this subsection, the Board shall hold a hearing and shall
7 provide the public and all interested parties notice and an
8 opportunity to be heard. The Board shall accept testimony from
9 all interested parties, including any association representing
10 owners, trainers, jockeys, or drivers who will be affected by
11 the decrease in racing dates. The Board shall provide a written
12 explanation of the reasons for the decrease and the Board's
13 findings. The written explanation shall include a listing and
14 content of all communication between any party and any Illinois
15 Racing Board member or staff that does not take place at a
16 public meeting of the Board.

17 (e-5) In reviewing an application for the purpose of
18 granting an organization license consistent with the best
19 interests of the public and the sport of horse racing, the
20 Board shall consider:

21 (1) the character, reputation, experience, and
22 financial integrity of the applicant and of any other
23 separate person that either:

24 (i) controls the applicant, directly or
25 indirectly, or

26 (ii) is controlled, directly or indirectly, by

1 that applicant or by a person who controls, directly or
2 indirectly, that applicant;

3 (2) the applicant's facilities or proposed facilities
4 for conducting horse racing;

5 (3) the total revenue without regard to Section 32.1 to
6 be derived by the State and horsemen from the applicant's
7 conducting a race meeting;

8 (4) the applicant's good faith affirmative action plan
9 to recruit, train, and upgrade minorities in all employment
10 classifications;

11 (5) the applicant's financial ability to purchase and
12 maintain adequate liability and casualty insurance;

13 (6) the applicant's proposed and prior year's
14 promotional and marketing activities and expenditures of
15 the applicant associated with those activities;

16 (7) an agreement, if any, among organization licensees
17 as provided in subsection (b) of Section 21 of this Act;
18 and

19 (8) the extent to which the applicant exceeds or meets
20 other standards for the issuance of an organization license
21 that the Board shall adopt by rule.

22 In granting organization licenses and allocating dates for
23 horse race meetings, the Board shall have discretion to
24 determine an overall schedule, including required simulcasts
25 of Illinois races by host tracks that will, in its judgment, be
26 conducive to the best interests of the public and the sport of

1 horse racing.

2 (e-10) The Illinois Administrative Procedure Act shall
3 apply to administrative procedures of the Board under this Act
4 for the granting of an organization license, except that (1)
5 notwithstanding the provisions of subsection (b) of Section
6 10-40 of the Illinois Administrative Procedure Act regarding
7 cross-examination, the Board may prescribe rules limiting the
8 right of an applicant or participant in any proceeding to award
9 an organization license to conduct cross-examination of
10 witnesses at that proceeding where that cross-examination
11 would unduly obstruct the timely award of an organization
12 license under subsection (e) of Section 20 of this Act; (2) the
13 provisions of Section 10-45 of the Illinois Administrative
14 Procedure Act regarding proposals for decision are excluded
15 under this Act; (3) notwithstanding the provisions of
16 subsection (a) of Section 10-60 of the Illinois Administrative
17 Procedure Act regarding ex parte communications, the Board may
18 prescribe rules allowing ex parte communications with
19 applicants or participants in a proceeding to award an
20 organization license where conducting those communications
21 would be in the best interest of racing, provided all those
22 communications are made part of the record of that proceeding
23 pursuant to subsection (c) of Section 10-60 of the Illinois
24 Administrative Procedure Act; (4) the provisions of Section 14a
25 of this Act and the rules of the Board promulgated under that
26 Section shall apply instead of the provisions of Article 10 of

1 the Illinois Administrative Procedure Act regarding
2 administrative law judges; and (5) the provisions of subsection
3 (d) of Section 10-65 of the Illinois Administrative Procedure
4 Act that prevent summary suspension of a license pending
5 revocation or other action shall not apply.

6 (f) The Board may allot racing dates to an organization
7 licensee for more than one calendar year but for no more than 3
8 successive calendar years in advance, provided that the Board
9 shall review such allotment for more than one calendar year
10 prior to each year for which such allotment has been made. The
11 granting of an organization license to a person constitutes a
12 privilege to conduct a horse race meeting under the provisions
13 of this Act, and no person granted an organization license
14 shall be deemed to have a vested interest, property right, or
15 future expectation to receive an organization license in any
16 subsequent year as a result of the granting of an organization
17 license. Organization licenses shall be subject to revocation
18 if the organization licensee has violated any provision of this
19 Act or the rules and regulations promulgated under this Act or
20 has been convicted of a crime or has failed to disclose or has
21 stated falsely any information called for in the application
22 for an organization license. Any organization license
23 revocation proceeding shall be in accordance with Section 16
24 regarding suspension and revocation of occupation licenses.

25 (f-5) If, (i) an applicant does not file an acceptance of
26 the racing dates awarded by the Board as required under part

1 (1) of subsection (h) of this Section 20, or (ii) an
2 organization licensee has its license suspended or revoked
3 under this Act, the Board, upon conducting an emergency hearing
4 as provided for in this Act, may reaward on an emergency basis
5 pursuant to rules established by the Board, racing dates not
6 accepted or the racing dates associated with any suspension or
7 revocation period to one or more organization licensees, new
8 applicants, or any combination thereof, upon terms and
9 conditions that the Board determines are in the best interest
10 of racing, provided, the organization licensees or new
11 applicants receiving the awarded racing dates file an
12 acceptance of those reawarded racing dates as required under
13 paragraph (1) of subsection (h) of this Section 20 and comply
14 with the other provisions of this Act. The Illinois
15 Administrative Procedure Act shall not apply to the
16 administrative procedures of the Board in conducting the
17 emergency hearing and the reallocation of racing dates on an
18 emergency basis.

19 (g) (Blank).

20 (h) The Board shall send the applicant a copy of its
21 formally executed order by certified mail addressed to the
22 applicant at the address stated in his application, which
23 notice shall be mailed within 5 days of the date the formal
24 order is executed.

25 Each applicant notified shall, within 10 days after receipt
26 of the final executed order of the Board awarding racing dates:

1 (1) file with the Board an acceptance of such award in
2 the form prescribed by the Board;

3 (2) pay to the Board an additional amount equal to \$110
4 for each racing date awarded; and

5 (3) file with the Board the bonds required in Sections
6 21 and 25 at least 20 days prior to the first day of each
7 race meeting.

8 Upon compliance with the provisions of paragraphs (1), (2), and
9 (3) of this subsection (h), the applicant shall be issued an
10 organization license.

11 If any applicant fails to comply with this Section or fails
12 to pay the organization license fees herein provided, no
13 organization license shall be issued to such applicant.

14 (Source: P.A. 97-333, eff. 8-12-11.)

15 (230 ILCS 5/21) (from Ch. 8, par. 37-21)

16 Sec. 21. (a) Applications for organization licenses must be
17 filed with the Board at a time and place prescribed by the
18 rules and regulations of the Board. The Board shall examine the
19 applications within 21 days after the date allowed for filing
20 with respect to their conformity with this Act and such rules
21 and regulations as may be prescribed by the Board. If any
22 application does not comply with this Act or the rules and
23 regulations prescribed by the Board, such application may be
24 rejected and an organization license refused to the applicant,
25 or the Board may, within 21 days of the receipt of such

1 application, advise the applicant of the deficiencies of the
2 application under the Act or the rules and regulations of the
3 Board, and require the submittal of an amended application
4 within a reasonable time determined by the Board; and upon
5 submittal of the amended application by the applicant, the
6 Board may consider the application consistent with the process
7 described in subsection (e-5) of Section 20 of this Act. If it
8 is found to be in compliance with this Act and the rules and
9 regulations of the Board, the Board may then issue an
10 organization license to such applicant.

11 (b) The Board may exercise discretion in granting racing
12 dates to qualified applicants different from those requested by
13 the applicants in their applications. However, if all eligible
14 applicants for organization licenses whose tracks are located
15 within 100 miles of each other execute and submit to the Board
16 a written agreement among such applicants as to the award of
17 racing dates, including where applicable racing programs, for
18 up to 3 consecutive years, then subject to annual review of
19 each applicant's compliance with Board rules and regulations,
20 provisions of this Act and conditions contained in annual dates
21 orders issued by the Board, the Board may grant such dates and
22 programs to such applicants as so agreed by them if the Board
23 determines that the grant of these racing dates is in the best
24 interests of racing. The Board shall treat any such agreement
25 as the agreement signatories' joint and several application for
26 racing dates during the term of the agreement.

1 (c) Where 2 or more applicants propose to conduct horse
2 race meetings within 35 miles of each other, as certified to
3 the Board under Section 19 (a) (1) of this Act, on conflicting
4 dates, the Board may determine and grant the number of racing
5 days to be awarded to the several applicants in accordance with
6 the provisions of subsection (e-5) of Section 20 of this Act.

7 (d) (Blank).

8 (e) Prior to the issuance of an organization license, the
9 applicant shall file with the Board a bond payable to the State
10 of Illinois in the sum of \$200,000, executed by the applicant
11 and a surety company or companies authorized to do business in
12 this State, and conditioned upon the payment by the
13 organization licensee of all taxes due under Section 27, other
14 monies due and payable under this Act, all purses due and
15 payable, and that the organization licensee will upon
16 presentation of the winning ticket or tickets distribute all
17 sums due to the patrons of pari-mutuel pools. Beginning on the
18 date when any organization licensee begins conducting gaming
19 pursuant to an organization gaming license issued under the
20 Illinois Gambling Act, the amount of the bond required under
21 this subsection (e) shall be \$500,000.

22 (f) Each organization license shall specify the person to
23 whom it is issued, the dates upon which horse racing is
24 permitted, and the location, place, track, or enclosure where
25 the horse race meeting is to be held.

26 (g) Any person who owns one or more race tracks within the

1 State may seek, in its own name, a separate organization
2 license for each race track.

3 (h) All racing conducted under such organization license is
4 subject to this Act and to the rules and regulations from time
5 to time prescribed by the Board, and every such organization
6 license issued by the Board shall contain a recital to that
7 effect.

8 (i) Each such organization licensee may provide that at
9 least one race per day may be devoted to the racing of quarter
10 horses, appaloosas, arabians, or paints.

11 (j) In acting on applications for organization licenses,
12 the Board shall give weight to an organization license which
13 has implemented a good faith affirmative action effort to
14 recruit, train and upgrade minorities in all classifications
15 within the organization license.

16 (Source: P.A. 90-754, eff. 1-1-99; 91-40, eff. 6-25-99.)

17 (230 ILCS 5/24) (from Ch. 8, par. 37-24)

18 Sec. 24. (a) No license shall be issued to or held by an
19 organization licensee unless all of its officers, directors,
20 and holders of ownership interests of at least 5% are first
21 approved by the Board. The Board shall not give approval of an
22 organization license application to any person who has been
23 convicted of or is under an indictment for a crime of moral
24 turpitude or has violated any provision of the racing law of
25 this State or any rules of the Board.

1 (b) An organization licensee must notify the Board within
2 10 days of any change in the holders of a direct or indirect
3 interest in the ownership of the organization licensee. The
4 Board may, after hearing, revoke the organization license of
5 any person who registers on its books or knowingly permits a
6 direct or indirect interest in the ownership of that person
7 without notifying the Board of the name of the holder in
8 interest within this period.

9 (c) In addition to the provisions of subsection (a) of this
10 Section, no person shall be granted an organization license if
11 any public official of the State or member of his or her family
12 holds any ownership or financial interest, directly or
13 indirectly, in the person.

14 (d) No person which has been granted an organization
15 license to hold a race meeting shall give to any public
16 official or member of his family, directly or indirectly, for
17 or without consideration, any interest in the person. The Board
18 shall, after hearing, revoke the organization license granted
19 to a person which has violated this subsection.

20 (e) (Blank).

21 (f) No organization licensee or concessionaire or officer,
22 director or holder or controller of 5% or more legal or
23 beneficial interest in any organization licensee or concession
24 shall make any sort of gift or contribution that is prohibited
25 under Article 10 of the State Officials and Employees Ethics
26 Act of any kind or pay or give any money or other thing of value

1 to any person who is a public official, or a candidate or
2 nominee for public office if that payment or gift is prohibited
3 under Article 10 of the State Officials and Employees Ethics
4 Act.

5 (Source: P.A. 89-16, eff. 5-30-95.)

6 (230 ILCS 5/25) (from Ch. 8, par. 37-25)

7 Sec. 25. Admission charge; bond; fine.

8 (a) There shall be paid to the Board at such time or times
9 as it shall prescribe, the sum of fifteen cents (15¢) for each
10 person entering the grounds or enclosure of each organization
11 licensee and inter-track wagering licensee upon a ticket of
12 admission except as provided in subsection (g) of Section 27 of
13 this Act. If tickets are issued for more than one day then the
14 sum of fifteen cents (15¢) shall be paid for each person using
15 such ticket on each day that the same shall be used. Provided,
16 however, that no charge shall be made on tickets of admission
17 issued to and in the name of directors, officers, agents or
18 employees of the organization licensee, or inter-track
19 wagering licensee, or to owners, trainers, jockeys, drivers and
20 their employees or to any person or persons entering the
21 grounds or enclosure for the transaction of business in
22 connection with such race meeting. The organization licensee or
23 inter-track wagering licensee may, if it desires, collect such
24 amount from each ticket holder in addition to the amount or
25 amounts charged for such ticket of admission. Beginning on the

1 date when any organization licensee begins conducting gaming
2 pursuant to an organization gaming license issued under the
3 Illinois Gambling Act, the admission charge imposed by this
4 subsection (a) shall be 40 cents for each person entering the
5 grounds or enclosure of each organization licensee and
6 inter-track wagering licensee upon a ticket of admission, and
7 if such tickets are issued for more than one day, 40 cents
8 shall be paid for each person using such ticket on each day
9 that the same shall be used.

10 (b) Accurate records and books shall at all times be kept
11 and maintained by the organization licensees and inter-track
12 wagering licensees showing the admission tickets issued and
13 used on each racing day and the attendance thereat of each
14 horse racing meeting. The Board or its duly authorized
15 representative or representatives shall at all reasonable
16 times have access to the admission records of any organization
17 licensee and inter-track wagering licensee for the purpose of
18 examining and checking the same and ascertaining whether or not
19 the proper amount has been or is being paid the State of
20 Illinois as herein provided. The Board shall also require,
21 before issuing any license, that the licensee shall execute and
22 deliver to it a bond, payable to the State of Illinois, in such
23 sum as it shall determine, not, however, in excess of fifty
24 thousand dollars (\$50,000), with a surety or sureties to be
25 approved by it, conditioned for the payment of all sums due and
26 payable or collected by it under this Section upon admission

1 fees received for any particular racing meetings. The Board may
2 also from time to time require sworn statements of the number
3 or numbers of such admissions and may prescribe blanks upon
4 which such reports shall be made. Any organization licensee or
5 inter-track wagering licensee failing or refusing to pay the
6 amount found to be due as herein provided, shall be deemed
7 guilty of a business offense and upon conviction shall be
8 punished by a fine of not more than five thousand dollars
9 (\$5,000) in addition to the amount due from such organization
10 licensee or inter-track wagering licensee as herein provided.
11 All fines paid into court by an organization licensee or
12 inter-track wagering licensee found guilty of violating this
13 Section shall be transmitted and paid over by the clerk of the
14 court to the Board. Beginning on the date when any organization
15 licensee begins conducting gaming pursuant to an organization
16 gaming license issued under the Illinois Gambling Act, any fine
17 imposed pursuant to this subsection (b) shall not exceed
18 \$10,000.

19 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)

20 (230 ILCS 5/26) (from Ch. 8, par. 37-26)

21 Sec. 26. Wagering.

22 (a) Any licensee may conduct and supervise the pari-mutuel
23 system of wagering, as defined in Section 3.12 of this Act, on
24 horse races conducted by an Illinois organization licensee or
25 conducted at a racetrack located in another state or country

1 ~~and televised in Illinois~~ in accordance with subsection (g) of
2 Section 26 of this Act. Subject to the prior consent of the
3 Board, licensees may supplement any pari-mutuel pool in order
4 to guarantee a minimum distribution. Such pari-mutuel method of
5 wagering shall not, under any circumstances if conducted under
6 the provisions of this Act, be held or construed to be
7 unlawful, other statutes of this State to the contrary
8 notwithstanding. Subject to rules for advance wagering
9 promulgated by the Board, any licensee may accept wagers in
10 advance of the day of the race wagered upon occurs.

11 (b) Except for those gaming activities for which a license
12 is obtained and authorized under the Illinois Lottery Law, the
13 Charitable Games Act, the Raffles and Poker Runs Act, or the
14 Illinois Gambling Act, no ~~no~~ other method of betting, pool
15 making, wagering or gambling shall be used or permitted by the
16 licensee. Each licensee may retain, subject to the payment of
17 all applicable taxes and purses, an amount not to exceed 17% of
18 all money wagered under subsection (a) of this Section, except
19 as may otherwise be permitted under this Act.

20 (b-5) An individual may place a wager under the pari-mutuel
21 system from any licensed location authorized under this Act
22 provided that wager is electronically recorded in the manner
23 described in Section 3.12 of this Act. Any wager made
24 electronically by an individual while physically on the
25 premises of a licensee shall be deemed to have been made at the
26 premises of that licensee.

1 (c) (Blank). ~~Until January 1, 2000, the sum held by any~~
2 ~~licensee for payment of outstanding pari-mutuel tickets, if~~
3 ~~unclaimed prior to December 31 of the next year, shall be~~
4 ~~retained by the licensee for payment of such tickets until that~~
5 ~~date. Within 10 days thereafter, the balance of such sum~~
6 ~~remaining unclaimed, less any uncashed supplements contributed~~
7 ~~by such licensee for the purpose of guaranteeing minimum~~
8 ~~distributions of any pari-mutuel pool, shall be paid to the~~
9 ~~Illinois Veterans' Rehabilitation Fund of the State treasury,~~
10 ~~except as provided in subsection (g) of Section 27 of this Act.~~

11 (c-5) The Beginning January 1, 2000, the sum held by any
12 licensee for payment of outstanding pari-mutuel tickets, if
13 unclaimed prior to December 31 of the next year, shall be
14 retained by the licensee for payment of such tickets until that
15 date. Within 10 days thereafter, the balance of such sum
16 remaining unclaimed, less any uncashed supplements contributed
17 by such licensee for the purpose of guaranteeing minimum
18 distributions of any pari-mutuel pool, shall be evenly
19 distributed to the purse account of the organization licensee
20 and the organization licensee, except that the balance of the
21 sum of all outstanding pari-mutuel tickets generated from
22 simulcast wagering and inter-track wagering by an organization
23 licensee located in a county with a population in excess of
24 230,000 and borders the Mississippi River or any licensee that
25 derives its license from that organization licensee shall be
26 evenly distributed to the purse account of the organization

1 licensee and the organization licensee.

2 (d) A pari-mutuel ticket shall be honored until December 31
3 of the next calendar year, and the licensee shall pay the same
4 and may charge the amount thereof against unpaid money
5 similarly accumulated on account of pari-mutuel tickets not
6 presented for payment.

7 (e) No licensee shall knowingly permit any minor, other
8 than an employee of such licensee or an owner, trainer, jockey,
9 driver, or employee thereof, to be admitted during a racing
10 program unless accompanied by a parent or guardian, or any
11 minor to be a patron of the pari-mutuel system of wagering
12 conducted or supervised by it. The admission of any
13 unaccompanied minor, other than an employee of the licensee or
14 an owner, trainer, jockey, driver, or employee thereof at a
15 race track is a Class C misdemeanor.

16 (f) Notwithstanding the other provisions of this Act, an
17 organization licensee may contract with an entity in another
18 state or country to permit any legal wagering entity in another
19 state or country to accept wagers solely within such other
20 state or country on races conducted by the organization
21 licensee in this State. Beginning January 1, 2000, these wagers
22 shall not be subject to State taxation. Until January 1, 2000,
23 when the out-of-State entity conducts a pari-mutuel pool
24 separate from the organization licensee, a privilege tax equal
25 to 7 1/2% of all monies received by the organization licensee
26 from entities in other states or countries pursuant to such

1 contracts is imposed on the organization licensee, and such
2 privilege tax shall be remitted to the Department of Revenue
3 within 48 hours of receipt of the moneys from the simulcast.
4 When the out-of-State entity conducts a combined pari-mutuel
5 pool with the organization licensee, the tax shall be 10% of
6 all monies received by the organization licensee with 25% of
7 the receipts from this 10% tax to be distributed to the county
8 in which the race was conducted.

9 An organization licensee may permit one or more of its
10 races to be utilized for pari-mutuel wagering at one or more
11 locations in other states and may transmit audio and visual
12 signals of races the organization licensee conducts to one or
13 more locations outside the State or country and may also permit
14 pari-mutuel pools in other states or countries to be combined
15 with its gross or net wagering pools or with wagering pools
16 established by other states.

17 (g) A host track may accept interstate simulcast wagers on
18 horse races conducted in other states or countries and shall
19 control the number of signals and types of breeds of racing in
20 its simulcast program, subject to the disapproval of the Board.
21 The Board may prohibit a simulcast program only if it finds
22 that the simulcast program is clearly adverse to the integrity
23 of racing. The host track simulcast program shall include the
24 signal of live racing of all organization licensees. All
25 non-host licensees and advance deposit wagering licensees
26 shall carry the signal of and accept wagers on live racing of

1 all organization licensees. Advance deposit wagering licensees
2 shall not be permitted to accept out-of-state wagers on any
3 Illinois signal provided pursuant to this Section without the
4 approval and consent of the organization licensee providing the
5 signal. For one year after August 15, 2014 (the effective date
6 of Public Act 98-968), non-host licensees may carry the host
7 track simulcast program and shall accept wagers on all races
8 included as part of the simulcast program of horse races
9 conducted at race tracks located within North America upon
10 which wagering is permitted. For a period of one year after
11 August 15, 2014 (the effective date of Public Act 98-968), on
12 horse races conducted at race tracks located outside of North
13 America, non-host licensees may accept wagers on all races
14 included as part of the simulcast program upon which wagering
15 is permitted. Beginning August 15, 2015 (one year after the
16 effective date of Public Act 98-968), non-host licensees may
17 carry the host track simulcast program and shall accept wagers
18 on all races included as part of the simulcast program upon
19 which wagering is permitted. All organization licensees shall
20 provide their live signal to all advance deposit wagering
21 licensees for a simulcast commission fee not to exceed 6% of
22 the advance deposit wagering licensee's Illinois handle on the
23 organization licensee's signal without prior approval by the
24 Board. The Board may adopt rules under which it may permit
25 simulcast commission fees in excess of 6%. The Board shall
26 adopt rules limiting the interstate commission fees charged to

1 an advance deposit wagering licensee. The Board shall adopt
2 rules regarding advance deposit wagering on interstate
3 simulcast races that shall reflect, among other things, the
4 General Assembly's desire to maximize revenues to the State,
5 horsemen purses, and organization ~~organizational~~ licensees.
6 However, organization licensees providing live signals
7 pursuant to the requirements of this subsection (g) may
8 petition the Board to withhold their live signals from an
9 advance deposit wagering licensee if the organization licensee
10 discovers and the Board finds reputable or credible information
11 that the advance deposit wagering licensee is under
12 investigation by another state or federal governmental agency,
13 the advance deposit wagering licensee's license has been
14 suspended in another state, or the advance deposit wagering
15 licensee's license is in revocation proceedings in another
16 state. The organization licensee's provision of their live
17 signal to an advance deposit wagering licensee under this
18 subsection (g) pertains to wagers placed from within Illinois.
19 Advance deposit wagering licensees may place advance deposit
20 wagering terminals at wagering facilities as a convenience to
21 customers. The advance deposit wagering licensee shall not
22 charge or collect any fee from purses for the placement of the
23 advance deposit wagering terminals. The costs and expenses of
24 the host track and non-host licensees associated with
25 interstate simulcast wagering, other than the interstate
26 commission fee, shall be borne by the host track and all

1 non-host licensees incurring these costs. The interstate
2 commission fee shall not exceed 5% of Illinois handle on the
3 interstate simulcast race or races without prior approval of
4 the Board. The Board shall promulgate rules under which it may
5 permit interstate commission fees in excess of 5%. The
6 interstate commission fee and other fees charged by the sending
7 racetrack, including, but not limited to, satellite decoder
8 fees, shall be uniformly applied to the host track and all
9 non-host licensees.

10 Notwithstanding any other provision of this Act, ~~through~~
11 ~~December 31, 2020,~~ an organization licensee, with the consent
12 of the horsemen association representing the largest number of
13 owners, trainers, jockeys, or standardbred drivers who race
14 horses at that organization licensee's racing meeting, may
15 maintain a system whereby advance deposit wagering may take
16 place or an organization licensee, with the consent of the
17 horsemen association representing the largest number of
18 owners, trainers, jockeys, or standardbred drivers who race
19 horses at that organization licensee's racing meeting, may
20 contract with another person to carry out a system of advance
21 deposit wagering. Such consent may not be unreasonably
22 withheld. Only with respect to an appeal to the Board that
23 consent for an organization licensee that maintains its own
24 advance deposit wagering system is being unreasonably
25 withheld, the Board shall issue a final order within 30 days
26 after initiation of the appeal, and the organization licensee's

1 advance deposit wagering system may remain operational during
2 that 30-day period. The actions of any organization licensee
3 who conducts advance deposit wagering or any person who has a
4 contract with an organization licensee to conduct advance
5 deposit wagering who conducts advance deposit wagering on or
6 after January 1, 2013 and prior to June 7, 2013 (the effective
7 date of Public Act 98-18) taken in reliance on the changes made
8 to this subsection (g) by Public Act 98-18 are hereby
9 validated, provided payment of all applicable pari-mutuel
10 taxes are remitted to the Board. All advance deposit wagers
11 placed from within Illinois must be placed through a
12 Board-approved advance deposit wagering licensee; no other
13 entity may accept an advance deposit wager from a person within
14 Illinois. All advance deposit wagering is subject to any rules
15 adopted by the Board. The Board may adopt rules necessary to
16 regulate advance deposit wagering through the use of emergency
17 rulemaking in accordance with Section 5-45 of the Illinois
18 Administrative Procedure Act. The General Assembly finds that
19 the adoption of rules to regulate advance deposit wagering is
20 deemed an emergency and necessary for the public interest,
21 safety, and welfare. An advance deposit wagering licensee may
22 retain all moneys as agreed to by contract with an organization
23 licensee. Any moneys retained by the organization licensee from
24 advance deposit wagering, not including moneys retained by the
25 advance deposit wagering licensee, shall be paid 50% to the
26 organization licensee's purse account and 50% to the

1 organization licensee. With the exception of any organization
2 licensee that is owned by a publicly traded company that is
3 incorporated in a state other than Illinois and advance deposit
4 wagering licensees under contract with such organization
5 licensees, organization licensees that maintain advance
6 deposit wagering systems and advance deposit wagering
7 licensees that contract with organization licensees shall
8 provide sufficiently detailed monthly accountings to 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 so that
12 the horsemen association, as an interested party, can confirm
13 the accuracy of the amounts paid to the purse account at the
14 horsemen association's affiliated organization licensee from
15 advance deposit wagering. If more than one breed races at the
16 same race track facility, then the 50% of the moneys to be paid
17 to an organization licensee's purse account shall be allocated
18 among all organization licensees' purse accounts operating at
19 that race track facility proportionately based on the actual
20 number of host days that the Board grants to that breed at that
21 race track facility in the current calendar year. To the extent
22 any fees from advance deposit wagering conducted in Illinois
23 for wagers in Illinois or other states have been placed in
24 escrow or otherwise withheld from wagers pending a
25 determination of the legality of advance deposit wagering, no
26 action shall be brought to declare such wagers or the

1 disbursement of any fees previously escrowed illegal.

2 (1) Between the hours of 6:30 a.m. and 6:30 p.m. an
3 inter-track wagering licensee other than the host track may
4 supplement the host track simulcast program with
5 additional simulcast races or race programs, provided that
6 between January 1 and the third Friday in February of any
7 year, inclusive, if no live thoroughbred racing is
8 occurring in Illinois during this period, only
9 thoroughbred races may be used for supplemental interstate
10 simulcast purposes. The Board shall withhold approval for a
11 supplemental interstate simulcast only if it finds that the
12 simulcast is clearly adverse to the integrity of racing. A
13 supplemental interstate simulcast may be transmitted from
14 an inter-track wagering licensee to its affiliated
15 non-host licensees. The interstate commission fee for a
16 supplemental interstate simulcast shall be paid by the
17 non-host licensee and its affiliated non-host licensees
18 receiving the simulcast.

19 (2) Between the hours of 6:30 p.m. and 6:30 a.m. an
20 inter-track wagering licensee other than the host track may
21 receive supplemental interstate simulcasts only with the
22 consent of the host track, except when the Board finds that
23 the simulcast is clearly adverse to the integrity of
24 racing. Consent granted under this paragraph (2) to any
25 inter-track wagering licensee shall be deemed consent to
26 all non-host licensees. The interstate commission fee for

1 the supplemental interstate simulcast shall be paid by all
2 participating non-host licensees.

3 (3) Each licensee conducting interstate simulcast
4 wagering may retain, subject to the payment of all
5 applicable taxes and the purses, an amount not to exceed
6 17% of all money wagered. If any licensee conducts the
7 pari-mutuel system wagering on races conducted at
8 racetracks in another state or country, each such race or
9 race program shall be considered a separate racing day for
10 the purpose of determining the daily handle and computing
11 the privilege tax of that daily handle as provided in
12 subsection (a) of Section 27. Until January 1, 2000, from
13 the sums permitted to be retained pursuant to this
14 subsection, each inter-track wagering location licensee
15 shall pay 1% of the pari-mutuel handle wagered on simulcast
16 wagering to the Horse Racing Tax Allocation Fund, subject
17 to the provisions of subparagraph (B) of paragraph (11) of
18 subsection (h) of Section 26 of this Act.

19 (4) A licensee who receives an interstate simulcast may
20 combine its gross or net pools with pools at the sending
21 racetracks pursuant to rules established by the Board. All
22 licensees combining their gross pools at a sending
23 racetrack shall adopt the takeout ~~take-out~~ percentages of
24 the sending racetrack. A licensee may also establish a
25 separate pool and takeout structure for wagering purposes
26 on races conducted at race tracks outside of the State of

1 Illinois. The licensee may permit pari-mutuel wagers
2 placed in other states or countries to be combined with its
3 gross or net wagering pools or other wagering pools.

4 (5) After the payment of the interstate commission fee
5 (except for the interstate commission fee on a supplemental
6 interstate simulcast, which shall be paid by the host track
7 and by each non-host licensee through the host track
8 ~~host track~~) and all applicable State and local taxes,
9 except as provided in subsection (g) of Section 27 of this
10 Act, the remainder of moneys retained from simulcast
11 wagering pursuant to this subsection (g), and Section 26.2
12 shall be divided as follows:

13 (A) For interstate simulcast wagers made at a host
14 track, 50% to the host track and 50% to purses at the
15 host track.

16 (B) For wagers placed on interstate simulcast
17 races, supplemental simulcasts as defined in
18 subparagraphs (1) and (2), and separately pooled races
19 conducted outside of the State of Illinois made at a
20 non-host licensee, 25% to the host track, 25% to the
21 non-host licensee, and 50% to the purses at the host
22 track.

23 (6) Notwithstanding any provision in this Act to the
24 contrary, non-host licensees who derive their licenses
25 from a track located in a county with a population in
26 excess of 230,000 and that borders the Mississippi River

1 may receive supplemental interstate simulcast races at all
2 times subject to Board approval, which shall be withheld
3 only upon a finding that a supplemental interstate
4 simulcast is clearly adverse to the integrity of racing.

5 (7) Effective January 1, 2017, notwithstanding any
6 provision of this Act to the contrary, after payment of all
7 applicable State and local taxes and interstate commission
8 fees, non-host licensees who derive their licenses from a
9 track located in a county with a population in excess of
10 230,000 and that borders the Mississippi River shall retain
11 50% of the retention from interstate simulcast wagers and
12 shall pay 50% to purses at the track from which the
13 non-host licensee derives its license.

14 (7.1) Notwithstanding any other provision of this Act
15 to the contrary, if no standardbred racing is conducted at
16 a racetrack located in Madison County during any calendar
17 year beginning on or after January 1, 2002, all moneys
18 derived by that racetrack from simulcast wagering and
19 inter-track wagering that (1) are to be used for purses and
20 (2) are generated between the hours of 6:30 p.m. and 6:30
21 a.m. during that calendar year shall be paid as follows:

22 (A) If the licensee that conducts horse racing at
23 that racetrack requests from the Board at least as many
24 racing dates as were conducted in calendar year 2000,
25 80% shall be paid to its thoroughbred purse account;
26 and

1 (B) Twenty percent shall be deposited into the
2 Illinois Colt Stakes Purse Distribution Fund and shall
3 be paid to purses for standardbred races for Illinois
4 conceived and foaled horses conducted at any county
5 fairgrounds. The moneys deposited into the Fund
6 pursuant to this subparagraph (B) shall be deposited
7 within 2 weeks after the day they were generated, shall
8 be in addition to and not in lieu of any other moneys
9 paid to standardbred purses under this Act, and shall
10 not be commingled with other moneys paid into that
11 Fund. The moneys deposited pursuant to this
12 subparagraph (B) shall be allocated as provided by the
13 Department of Agriculture, with the advice and
14 assistance of the Illinois Standardbred Breeders Fund
15 Advisory Board.

16 (7.2) Notwithstanding any other provision of this Act
17 to the contrary, if no thoroughbred racing is conducted at
18 a racetrack located in Madison County during any calendar
19 year beginning on or after January 1, 2002, all moneys
20 derived by that racetrack from simulcast wagering and
21 inter-track wagering that (1) are to be used for purses and
22 (2) are generated between the hours of 6:30 a.m. and 6:30
23 p.m. during that calendar year shall be deposited as
24 follows:

25 (A) If the licensee that conducts horse racing at
26 that racetrack requests from the Board at least as many

1 racing dates as were conducted in calendar year 2000,
2 80% shall be deposited into its standardbred purse
3 account; and

4 (B) Twenty percent shall be deposited into the
5 Illinois Colt Stakes Purse Distribution Fund. Moneys
6 deposited into the Illinois Colt Stakes Purse
7 Distribution Fund pursuant to this subparagraph (B)
8 shall be paid to Illinois conceived and foaled
9 thoroughbred breeders' programs and to thoroughbred
10 purses for races conducted at any county fairgrounds
11 for Illinois conceived and foaled horses at the
12 discretion of the Department of Agriculture, with the
13 advice and assistance of the Illinois Thoroughbred
14 Breeders Fund Advisory Board. The moneys deposited
15 into the Illinois Colt Stakes Purse Distribution Fund
16 pursuant to this subparagraph (B) shall be deposited
17 within 2 weeks after the day they were generated, shall
18 be in addition to and not in lieu of any other moneys
19 paid to thoroughbred purses under this Act, and shall
20 not be commingled with other moneys deposited into that
21 Fund.

22 (7.3) (Blank).

23 (7.4) (Blank).

24 (8) Notwithstanding any provision in this Act to the
25 contrary, an organization licensee from a track located in
26 a county with a population in excess of 230,000 and that

1 borders the Mississippi River and its affiliated non-host
2 licensees shall not be entitled to share in any retention
3 generated on racing, inter-track wagering, or simulcast
4 wagering at any other Illinois wagering facility.

5 (8.1) Notwithstanding any provisions in this Act to the
6 contrary, if 2 organization licensees are conducting
7 standardbred race meetings concurrently between the hours
8 of 6:30 p.m. and 6:30 a.m., after payment of all applicable
9 State and local taxes and interstate commission fees, the
10 remainder of the amount retained from simulcast wagering
11 otherwise attributable to the host track and to host track
12 purses shall be split daily between the 2 organization
13 licensees and the purses at the tracks of the 2
14 organization licensees, respectively, based on each
15 organization licensee's share of the total live handle for
16 that day, provided that this provision shall not apply to
17 any non-host licensee that derives its license from a track
18 located in a county with a population in excess of 230,000
19 and that borders the Mississippi River.

20 (9) (Blank).

21 (10) (Blank).

22 (11) (Blank).

23 (12) The Board shall have authority to compel all host
24 tracks to receive the simulcast of any or all races
25 conducted at the Springfield or DuQuoin State fairgrounds
26 and include all such races as part of their simulcast

1 programs.

2 (13) Notwithstanding any other provision of this Act,
3 in the event that the total Illinois pari-mutuel handle on
4 Illinois horse races at all wagering facilities in any
5 calendar year is less than 75% of the total Illinois
6 pari-mutuel handle on Illinois horse races at all such
7 wagering facilities for calendar year 1994, then each
8 wagering facility that has an annual total Illinois
9 pari-mutuel handle on Illinois horse races that is less
10 than 75% of the total Illinois pari-mutuel handle on
11 Illinois horse races at such wagering facility for calendar
12 year 1994, shall be permitted to receive, from any amount
13 otherwise payable to the purse account at the race track
14 with which the wagering facility is affiliated in the
15 succeeding calendar year, an amount equal to 2% of the
16 differential in total Illinois pari-mutuel handle on
17 Illinois horse races at the wagering facility between that
18 calendar year in question and 1994 provided, however, that
19 a wagering facility shall not be entitled to any such
20 payment until the Board certifies in writing to the
21 wagering facility the amount to which the wagering facility
22 is entitled and a schedule for payment of the amount to the
23 wagering facility, based on: (i) the racing dates awarded
24 to the race track affiliated with the wagering facility
25 during the succeeding year; (ii) the sums available or
26 anticipated to be available in the purse account of the

1 race track affiliated with the wagering facility for purses
2 during the succeeding year; and (iii) the need to ensure
3 reasonable purse levels during the payment period. The
4 Board's certification shall be provided no later than
5 January 31 of the succeeding year. In the event a wagering
6 facility entitled to a payment under this paragraph (13) is
7 affiliated with a race track that maintains purse accounts
8 for both standardbred and thoroughbred racing, the amount
9 to be paid to the wagering facility shall be divided
10 between each purse account pro rata, based on the amount of
11 Illinois handle on Illinois standardbred and thoroughbred
12 racing respectively at the wagering facility during the
13 previous calendar year. Annually, the General Assembly
14 shall appropriate sufficient funds from the General
15 Revenue Fund to the Department of Agriculture for payment
16 into the thoroughbred and standardbred horse racing purse
17 accounts at Illinois pari-mutuel tracks. The amount paid to
18 each purse account shall be the amount certified by the
19 Illinois Racing Board in January to be transferred from
20 each account to each eligible racing facility in accordance
21 with the provisions of this Section. Beginning in the
22 calendar year in which an organization licensee that is
23 eligible to receive payment under this paragraph (13)
24 begins to receive funds from gaming pursuant to an
25 organization gaming license issued under the Illinois
26 Gambling Act, the amount of the payment due to all wagering

1 facilities licensed under that organization licensee under
2 this paragraph (13) shall be the amount certified by the
3 Board in January of that year. An organization licensee and
4 its related wagering facilities shall no longer be able to
5 receive payments under this paragraph (13) beginning in the
6 year subsequent to the first year in which the organization
7 licensee begins to receive funds from gaming pursuant to an
8 organization gaming license issued under the Illinois
9 Gambling Act.

10 (h) The Board may approve and license the conduct of
11 inter-track wagering and simulcast wagering by inter-track
12 wagering licensees and inter-track wagering location licensees
13 subject to the following terms and conditions:

14 (1) Any person licensed to conduct a race meeting (i)
15 at a track where 60 or more days of racing were conducted
16 during the immediately preceding calendar year or where
17 over the 5 immediately preceding calendar years an average
18 of 30 or more days of racing were conducted annually may be
19 issued an inter-track wagering license; (ii) at a track
20 located in a county that is bounded by the Mississippi
21 River, which has a population of less than 150,000
22 according to the 1990 decennial census, and an average of
23 at least 60 days of racing per year between 1985 and 1993
24 may be issued an inter-track wagering license; ~~or~~ (iii) at
25 a track awarded standardbred racing dates; or (iv) at a
26 track located in Madison County that conducted at least 100

1 days of live racing during the immediately preceding
2 calendar year may be issued an inter-track wagering
3 license, unless a lesser schedule of live racing is the
4 result of (A) weather, unsafe track conditions, or other
5 acts of God; (B) an agreement between the organization
6 licensee and the associations representing the largest
7 number of owners, trainers, jockeys, or standardbred
8 drivers who race horses at that organization licensee's
9 racing meeting; or (C) a finding by the Board of
10 extraordinary circumstances and that it was in the best
11 interest of the public and the sport to conduct fewer than
12 100 days of live racing. Any such person having operating
13 control of the racing facility may receive inter-track
14 wagering location licenses. An eligible race track located
15 in a county that has a population of more than 230,000 and
16 that is bounded by the Mississippi River may establish up
17 to 9 inter-track wagering locations, an eligible race track
18 located in Stickney Township in Cook County may establish
19 up to 16 inter-track wagering locations, and an eligible
20 race track located in Palatine Township in Cook County may
21 establish up to 18 inter-track wagering locations. An
22 eligible racetrack conducting standardbred racing may have
23 up to 16 inter-track wagering locations. An application for
24 said license shall be filed with the Board prior to such
25 dates as may be fixed by the Board. With an application for
26 an inter-track wagering location license there shall be

1 delivered to the Board a certified check or bank draft
2 payable to the order of the Board for an amount equal to
3 \$500. The application shall be on forms prescribed and
4 furnished by the Board. The application shall comply with
5 all other rules, regulations and conditions imposed by the
6 Board in connection therewith.

7 (2) The Board shall examine the applications with
8 respect to their conformity with this Act and the rules and
9 regulations imposed by the Board. If found to be in
10 compliance with the Act and rules and regulations of the
11 Board, the Board may then issue a license to conduct
12 inter-track wagering and simulcast wagering to such
13 applicant. All such applications shall be acted upon by the
14 Board at a meeting to be held on such date as may be fixed
15 by the Board.

16 (3) In granting licenses to conduct inter-track
17 wagering and simulcast wagering, the Board shall give due
18 consideration to the best interests of the public, of horse
19 racing, and of maximizing revenue to the State.

20 (4) Prior to the issuance of a license to conduct
21 inter-track wagering and simulcast wagering, the applicant
22 shall file with the Board a bond payable to the State of
23 Illinois in the sum of \$50,000, executed by the applicant
24 and a surety company or companies authorized to do business
25 in this State, and conditioned upon (i) the payment by the
26 licensee of all taxes due under Section 27 or 27.1 and any

1 other monies due and payable under this Act, and (ii)
2 distribution by the licensee, upon presentation of the
3 winning ticket or tickets, of all sums payable to the
4 patrons of pari-mutuel pools.

5 (5) Each license to conduct inter-track wagering and
6 simulcast wagering shall specify the person to whom it is
7 issued, the dates on which such wagering is permitted, and
8 the track or location where the wagering is to be
9 conducted.

10 (6) All wagering under such license is subject to this
11 Act and to the rules and regulations from time to time
12 prescribed by the Board, and every such license issued by
13 the Board shall contain a recital to that effect.

14 (7) An inter-track wagering licensee or inter-track
15 wagering location licensee may accept wagers at the track
16 or location where it is licensed, or as otherwise provided
17 under this Act.

18 (8) Inter-track wagering or simulcast wagering shall
19 not be conducted at any track less than 4 ~~5~~ miles from a
20 track at which a racing meeting is in progress.

21 (8.1) Inter-track wagering location licensees who
22 derive their licenses from a particular organization
23 licensee shall conduct inter-track wagering and simulcast
24 wagering only at locations that are within 160 miles of
25 that race track where the particular organization licensee
26 is licensed to conduct racing. However, inter-track

1 waging and simulcast waging shall not be conducted by
2 those licensees at any location within 5 miles of any race
3 track at which a horse race meeting has been licensed in
4 the current year, unless the person having operating
5 control of such race track has given its written consent to
6 such inter-track waging location licensees, which
7 consent must be filed with the Board at or prior to the
8 time application is made. In the case of any inter-track
9 waging location licensee initially licensed after
10 December 31, 2013, inter-track waging and simulcast
11 waging shall not be conducted by those inter-track
12 waging location licensees that are located outside the
13 City of Chicago at any location within 8 miles of any race
14 track at which a horse race meeting has been licensed in
15 the current year, unless the person having operating
16 control of such race track has given its written consent to
17 such inter-track waging location licensees, which
18 consent must be filed with the Board at or prior to the
19 time application is made.

20 (8.2) Inter-track waging or simulcast waging shall
21 not be conducted by an inter-track waging location
22 licensee at any location within 500 feet of an existing
23 church, an ~~or~~ existing elementary or secondary public
24 school, or an existing elementary or secondary private
25 school registered with or recognized by the State Board of
26 Education ~~school~~, nor within 500 feet of the residences of

1 more than 50 registered voters without receiving written
2 permission from a majority of the registered voters at such
3 residences. Such written permission statements shall be
4 filed with the Board. The distance of 500 feet shall be
5 measured to the nearest part of any building used for
6 worship services, education programs, residential
7 purposes, or conducting inter-track wagering by an
8 inter-track wagering location licensee, and not to
9 property boundaries. However, inter-track wagering or
10 simulcast wagering may be conducted at a site within 500
11 feet of a church, school or residences of 50 or more
12 registered voters if such church, school or residences have
13 been erected or established, or such voters have been
14 registered, after the Board issues the original
15 inter-track wagering location license at the site in
16 question. Inter-track wagering location licensees may
17 conduct inter-track wagering and simulcast wagering only
18 in areas that are zoned for commercial or manufacturing
19 purposes or in areas for which a special use has been
20 approved by the local zoning authority. However, no license
21 to conduct inter-track wagering and simulcast wagering
22 shall be granted by the Board with respect to any
23 inter-track wagering location within the jurisdiction of
24 any local zoning authority which has, by ordinance or by
25 resolution, prohibited the establishment of an inter-track
26 wagering location within its jurisdiction. However,

1 inter-track wagering and simulcast wagering may be
2 conducted at a site if such ordinance or resolution is
3 enacted after the Board licenses the original inter-track
4 wagering location licensee for the site in question.

5 (9) (Blank).

6 (10) An inter-track wagering licensee or an
7 inter-track wagering location licensee may retain, subject
8 to the payment of the privilege taxes and the purses, an
9 amount not to exceed 17% of all money wagered. Each program
10 of racing conducted by each inter-track wagering licensee
11 or inter-track wagering location licensee shall be
12 considered a separate racing day for the purpose of
13 determining the daily handle and computing the privilege
14 tax or pari-mutuel tax on such daily handle as provided in
15 Section 27.

16 (10.1) Except as provided in subsection (g) of Section
17 27 of this Act, inter-track wagering location licensees
18 shall pay 1% of the pari-mutuel handle at each location to
19 the municipality in which such location is situated and 1%
20 of the pari-mutuel handle at each location to the county in
21 which such location is situated. In the event that an
22 inter-track wagering location licensee is situated in an
23 unincorporated area of a county, such licensee shall pay 2%
24 of the pari-mutuel handle from such location to such
25 county.

26 (10.2) Notwithstanding any other provision of this

1 Act, with respect to inter-track wagering at a race track
2 located in a county that has a population of more than
3 230,000 and that is bounded by the Mississippi River ("the
4 first race track"), or at a facility operated by an
5 inter-track wagering licensee or inter-track wagering
6 location licensee that derives its license from the
7 organization licensee that operates the first race track,
8 on races conducted at the first race track or on races
9 conducted at another Illinois race track and
10 simultaneously televised to the first race track or to a
11 facility operated by an inter-track wagering licensee or
12 inter-track wagering location licensee that derives its
13 license from the organization licensee that operates the
14 first race track, those moneys shall be allocated as
15 follows:

16 (A) That portion of all moneys wagered on
17 standardbred racing that is required under this Act to
18 be paid to purses shall be paid to purses for
19 standardbred races.

20 (B) That portion of all moneys wagered on
21 thoroughbred racing that is required under this Act to
22 be paid to purses shall be paid to purses for
23 thoroughbred races.

24 (11) (A) After payment of the privilege or pari-mutuel
25 tax, any other applicable taxes, and the costs and expenses
26 in connection with the gathering, transmission, and

1 dissemination of all data necessary to the conduct of
2 inter-track wagering, the remainder of the monies retained
3 under either Section 26 or Section 26.2 of this Act by the
4 inter-track wagering licensee on inter-track wagering
5 shall be allocated with 50% to be split between the 2
6 participating licensees and 50% to purses, except that an
7 inter-track wagering licensee that derives its license
8 from a track located in a county with a population in
9 excess of 230,000 and that borders the Mississippi River
10 shall not divide any remaining retention with the Illinois
11 organization licensee that provides the race or races, and
12 an inter-track wagering licensee that accepts wagers on
13 races conducted by an organization licensee that conducts a
14 race meet in a county with a population in excess of
15 230,000 and that borders the Mississippi River shall not
16 divide any remaining retention with that organization
17 licensee.

18 (B) From the sums permitted to be retained pursuant to
19 this Act each inter-track wagering location licensee shall
20 pay (i) the privilege or pari-mutuel tax to the State; (ii)
21 4.75% of the pari-mutuel handle on inter-track wagering at
22 such location on races as purses, except that an
23 inter-track wagering location licensee that derives its
24 license from a track located in a county with a population
25 in excess of 230,000 and that borders the Mississippi River
26 shall retain all purse moneys for its own purse account

1 consistent with distribution set forth in this subsection
2 (h), and inter-track wagering location licensees that
3 accept wagers on races conducted by an organization
4 licensee located in a county with a population in excess of
5 230,000 and that borders the Mississippi River shall
6 distribute all purse moneys to purses at the operating host
7 track; (iii) until January 1, 2000, except as provided in
8 subsection (g) of Section 27 of this Act, 1% of the
9 pari-mutuel handle wagered on inter-track wagering and
10 simulcast wagering at each inter-track wagering location
11 licensee facility to the Horse Racing Tax Allocation Fund,
12 provided that, to the extent the total amount collected and
13 distributed to the Horse Racing Tax Allocation Fund under
14 this subsection (h) during any calendar year exceeds the
15 amount collected and distributed to the Horse Racing Tax
16 Allocation Fund during calendar year 1994, that excess
17 amount shall be redistributed (I) to all inter-track
18 wagering location licensees, based on each licensee's pro
19 rata ~~pro-rata~~ share of the total handle from inter-track
20 wagering and simulcast wagering for all inter-track
21 wagering location licensees during the calendar year in
22 which this provision is applicable; then (II) the amounts
23 redistributed to each inter-track wagering location
24 licensee as described in subpart (I) shall be further
25 redistributed as provided in subparagraph (B) of paragraph
26 (5) of subsection (g) of this Section 26 provided first,

1 that the shares of those amounts, which are to be
2 redistributed to the host track or to purses at the host
3 track under subparagraph (B) of paragraph (5) of subsection
4 (g) of this Section 26 shall be redistributed based on each
5 host track's pro rata share of the total inter-track
6 wagering and simulcast wagering handle at all host tracks
7 during the calendar year in question, and second, that any
8 amounts redistributed as described in part (I) to an
9 inter-track wagering location licensee that accepts wagers
10 on races conducted by an organization licensee that
11 conducts a race meet in a county with a population in
12 excess of 230,000 and that borders the Mississippi River
13 shall be further redistributed, effective January 1, 2017,
14 as provided in paragraph (7) of subsection (g) of this
15 Section 26, with the portion of that further redistribution
16 allocated to purses at that organization licensee to be
17 divided between standardbred purses and thoroughbred
18 purses based on the amounts otherwise allocated to purses
19 at that organization licensee during the calendar year in
20 question; and (iv) 8% of the pari-mutuel handle on
21 inter-track wagering wagered at such location to satisfy
22 all costs and expenses of conducting its wagering. The
23 remainder of the monies retained by the inter-track
24 wagering location licensee shall be allocated 40% to the
25 location licensee and 60% to the organization licensee
26 which provides the Illinois races to the location, except

1 that an inter-track wagering location licensee that
2 derives its license from a track located in a county with a
3 population in excess of 230,000 and that borders the
4 Mississippi River shall not divide any remaining retention
5 with the organization licensee that provides the race or
6 races and an inter-track wagering location licensee that
7 accepts wagers on races conducted by an organization
8 licensee that conducts a race meet in a county with a
9 population in excess of 230,000 and that borders the
10 Mississippi River shall not divide any remaining retention
11 with the organization licensee. Notwithstanding the
12 provisions of clauses (ii) and (iv) of this paragraph, in
13 the case of the additional inter-track wagering location
14 licenses authorized under paragraph (1) of this subsection
15 (h) by Public Act 87-110, those licensees shall pay the
16 following amounts as purses: during the first 12 months the
17 licensee is in operation, 5.25% of the pari-mutuel handle
18 wagered at the location on races; during the second 12
19 months, 5.25%; during the third 12 months, 5.75%; during
20 the fourth 12 months, 6.25%; and during the fifth 12 months
21 and thereafter, 6.75%. The following amounts shall be
22 retained by the licensee to satisfy all costs and expenses
23 of conducting its wagering: during the first 12 months the
24 licensee is in operation, 8.25% of the pari-mutuel handle
25 wagered at the location; during the second 12 months,
26 8.25%; during the third 12 months, 7.75%; during the fourth

1 12 months, 7.25%; and during the fifth 12 months and
2 thereafter, 6.75%. For additional inter-track wagering
3 location licensees authorized under Public Act 89-16,
4 purses for the first 12 months the licensee is in operation
5 shall be 5.75% of the pari-mutuel wagered at the location,
6 purses for the second 12 months the licensee is in
7 operation shall be 6.25%, and purses thereafter shall be
8 6.75%. For additional inter-track location licensees
9 authorized under Public Act 89-16, the licensee shall be
10 allowed to retain to satisfy all costs and expenses: 7.75%
11 of the pari-mutuel handle wagered at the location during
12 its first 12 months of operation, 7.25% during its second
13 12 months of operation, and 6.75% thereafter.

14 (C) There is hereby created the Horse Racing Tax
15 Allocation Fund which shall remain in existence until
16 December 31, 1999. Moneys remaining in the Fund after
17 December 31, 1999 shall be paid into the General Revenue
18 Fund. Until January 1, 2000, all monies paid into the Horse
19 Racing Tax Allocation Fund pursuant to this paragraph (11)
20 by inter-track wagering location licensees located in park
21 districts of 500,000 population or less, or in a
22 municipality that is not included within any park district
23 but is included within a conservation district and is the
24 county seat of a county that (i) is contiguous to the state
25 of Indiana and (ii) has a 1990 population of 88,257
26 according to the United States Bureau of the Census, and

1 operating on May 1, 1994 shall be allocated by
2 appropriation as follows:

3 Two-sevenths to the Department of Agriculture.
4 Fifty percent of this two-sevenths shall be used to
5 promote the Illinois horse racing and breeding
6 industry, and shall be distributed by the Department of
7 Agriculture upon the advice of a 9-member committee
8 appointed by the Governor consisting of the following
9 members: the Director of Agriculture, who shall serve
10 as chairman; 2 representatives of organization
11 licensees conducting thoroughbred race meetings in
12 this State, recommended by those licensees; 2
13 representatives of organization licensees conducting
14 standardbred race meetings in this State, recommended
15 by those licensees; a representative of the Illinois
16 Thoroughbred Breeders and Owners Foundation,
17 recommended by that Foundation; a representative of
18 the Illinois Standardbred Owners and Breeders
19 Association, recommended by that Association; a
20 representative of the Horsemen's Benevolent and
21 Protective Association or any successor organization
22 thereto established in Illinois comprised of the
23 largest number of owners and trainers, recommended by
24 that Association or that successor organization; and a
25 representative of the Illinois Harness Horsemen's
26 Association, recommended by that Association.

1 Committee members shall serve for terms of 2 years,
2 commencing January 1 of each even-numbered year. If a
3 representative of any of the above-named entities has
4 not been recommended by January 1 of any even-numbered
5 year, the Governor shall appoint a committee member to
6 fill that position. Committee members shall receive no
7 compensation for their services as members but shall be
8 reimbursed for all actual and necessary expenses and
9 disbursements incurred in the performance of their
10 official duties. The remaining 50% of this
11 two-sevenths shall be distributed to county fairs for
12 premiums and rehabilitation as set forth in the
13 Agricultural Fair Act;

14 Four-sevenths to park districts or municipalities
15 that do not have a park district of 500,000 population
16 or less for museum purposes (if an inter-track wagering
17 location licensee is located in such a park district)
18 or to conservation districts for museum purposes (if an
19 inter-track wagering location licensee is located in a
20 municipality that is not included within any park
21 district but is included within a conservation
22 district and is the county seat of a county that (i) is
23 contiguous to the state of Indiana and (ii) has a 1990
24 population of 88,257 according to the United States
25 Bureau of the Census, except that if the conservation
26 district does not maintain a museum, the monies shall

1 be allocated equally between the county and the
2 municipality in which the inter-track wagering
3 location licensee is located for general purposes) or
4 to a municipal recreation board for park purposes (if
5 an inter-track wagering location licensee is located
6 in a municipality that is not included within any park
7 district and park maintenance is the function of the
8 municipal recreation board and the municipality has a
9 1990 population of 9,302 according to the United States
10 Bureau of the Census); provided that the monies are
11 distributed to each park district or conservation
12 district or municipality that does not have a park
13 district in an amount equal to four-sevenths of the
14 amount collected by each inter-track wagering location
15 licensee within the park district or conservation
16 district or municipality for the Fund. Monies that were
17 paid into the Horse Racing Tax Allocation Fund before
18 August 9, 1991 (the effective date of Public Act
19 87-110) by an inter-track wagering location licensee
20 located in a municipality that is not included within
21 any park district but is included within a conservation
22 district as provided in this paragraph shall, as soon
23 as practicable after August 9, 1991 (the effective date
24 of Public Act 87-110), be allocated and paid to that
25 conservation district as provided in this paragraph.
26 Any park district or municipality not maintaining a

1 museum may deposit the monies in the corporate fund of
2 the park district or municipality where the
3 inter-track wagering location is located, to be used
4 for general purposes; and

5 One-seventh to the Agricultural Premium Fund to be
6 used for distribution to agricultural home economics
7 extension councils in accordance with "An Act in
8 relation to additional support and finances for the
9 Agricultural and Home Economic Extension Councils in
10 the several counties of this State and making an
11 appropriation therefor", approved July 24, 1967.

12 Until January 1, 2000, all other monies paid into the
13 Horse Racing Tax Allocation Fund pursuant to this paragraph
14 (11) shall be allocated by appropriation as follows:

15 Two-sevenths to the Department of Agriculture.
16 Fifty percent of this two-sevenths shall be used to
17 promote the Illinois horse racing and breeding
18 industry, and shall be distributed by the Department of
19 Agriculture upon the advice of a 9-member committee
20 appointed by the Governor consisting of the following
21 members: the Director of Agriculture, who shall serve
22 as chairman; 2 representatives of organization
23 licensees conducting thoroughbred race meetings in
24 this State, recommended by those licensees; 2
25 representatives of organization licensees conducting
26 standardbred race meetings in this State, recommended

1 by those licensees; a representative of the Illinois
2 Thoroughbred Breeders and Owners Foundation,
3 recommended by that Foundation; a representative of
4 the Illinois Standardbred Owners and Breeders
5 Association, recommended by that Association; a
6 representative of the Horsemen's Benevolent and
7 Protective Association or any successor organization
8 thereto established in Illinois comprised of the
9 largest number of owners and trainers, recommended by
10 that Association or that successor organization; and a
11 representative of the Illinois Harness Horsemen's
12 Association, recommended by that Association.
13 Committee members shall serve for terms of 2 years,
14 commencing January 1 of each even-numbered year. If a
15 representative of any of the above-named entities has
16 not been recommended by January 1 of any even-numbered
17 year, the Governor shall appoint a committee member to
18 fill that position. Committee members shall receive no
19 compensation for their services as members but shall be
20 reimbursed for all actual and necessary expenses and
21 disbursements incurred in the performance of their
22 official duties. The remaining 50% of this
23 two-sevenths shall be distributed to county fairs for
24 premiums and rehabilitation as set forth in the
25 Agricultural Fair Act;

26 Four-sevenths to museums and aquariums located in

1 park districts of over 500,000 population; provided
2 that the monies are distributed in accordance with the
3 previous year's distribution of the maintenance tax
4 for such museums and aquariums as provided in Section 2
5 of the Park District Aquarium and Museum Act; and

6 One-seventh to the Agricultural Premium Fund to be
7 used for distribution to agricultural home economics
8 extension councils in accordance with "An Act in
9 relation to additional support and finances for the
10 Agricultural and Home Economic Extension Councils in
11 the several counties of this State and making an
12 appropriation therefor", approved July 24, 1967. This
13 subparagraph (C) shall be inoperative and of no force
14 and effect on and after January 1, 2000.

15 (D) Except as provided in paragraph (11) of this
16 subsection (h), with respect to purse allocation from
17 inter-track wagering, the monies so retained shall be
18 divided as follows:

19 (i) If the inter-track wagering licensee,
20 except an inter-track wagering licensee that
21 derives its license from an organization licensee
22 located in a county with a population in excess of
23 230,000 and bounded by the Mississippi River, is
24 not conducting its own race meeting during the same
25 dates, then the entire purse allocation shall be to
26 purses at the track where the races wagered on are

1 being conducted.

2 (ii) If the inter-track wagering licensee,
3 except an inter-track wagering licensee that
4 derives its license from an organization licensee
5 located in a county with a population in excess of
6 230,000 and bounded by the Mississippi River, is
7 also conducting its own race meeting during the
8 same dates, then the purse allocation shall be as
9 follows: 50% to purses at the track where the races
10 wagered on are being conducted; 50% to purses at
11 the track where the inter-track wagering licensee
12 is accepting such wagers.

13 (iii) If the inter-track wagering is being
14 conducted by an inter-track wagering location
15 licensee, except an inter-track wagering location
16 licensee that derives its license from an
17 organization licensee located in a county with a
18 population in excess of 230,000 and bounded by the
19 Mississippi River, the entire purse allocation for
20 Illinois races shall be to purses at the track
21 where the race meeting being wagered on is being
22 held.

23 (12) The Board shall have all powers necessary and
24 proper to fully supervise and control the conduct of
25 inter-track wagering and simulcast wagering by inter-track
26 wagering licensees and inter-track wagering location

1 licensees, including, but not limited to the following:

2 (A) The Board is vested with power to promulgate
3 reasonable rules and regulations for the purpose of
4 administering the conduct of this wagering and to
5 prescribe reasonable rules, regulations and conditions
6 under which such wagering shall be held and conducted.
7 Such rules and regulations are to provide for the
8 prevention of practices detrimental to the public
9 interest and for the best interests of said wagering
10 and to impose penalties for violations thereof.

11 (B) The Board, and any person or persons to whom it
12 delegates this power, is vested with the power to enter
13 the facilities of any licensee to determine whether
14 there has been compliance with the provisions of this
15 Act and the rules and regulations relating to the
16 conduct of such wagering.

17 (C) The Board, and any person or persons to whom it
18 delegates this power, may eject or exclude from any
19 licensee's facilities, any person whose conduct or
20 reputation is such that his presence on such premises
21 may, in the opinion of the Board, call into the
22 question the honesty and integrity of, or interfere
23 with the orderly conduct of such wagering; provided,
24 however, that no person shall be excluded or ejected
25 from such premises solely on the grounds of race,
26 color, creed, national origin, ancestry, or sex.

1 (D) (Blank).

2 (E) The Board is vested with the power to appoint
3 delegates to execute any of the powers granted to it
4 under this Section for the purpose of administering
5 this wagering and any rules and regulations
6 promulgated in accordance with this Act.

7 (F) The Board shall name and appoint a State
8 director of this wagering who shall be a representative
9 of the Board and whose duty it shall be to supervise
10 the conduct of inter-track wagering as may be provided
11 for by the rules and regulations of the Board; such
12 rules and regulation shall specify the method of
13 appointment and the Director's powers, authority and
14 duties.

15 (G) The Board is vested with the power to impose
16 civil penalties of up to \$5,000 against individuals and
17 up to \$10,000 against licensees for each violation of
18 any provision of this Act relating to the conduct of
19 this wagering, any rules adopted by the Board, any
20 order of the Board or any other action which in the
21 Board's discretion, is a detriment or impediment to
22 such wagering.

23 (13) The Department of Agriculture may enter into
24 agreements with licensees authorizing such licensees to
25 conduct inter-track wagering on races to be held at the
26 licensed race meetings conducted by the Department of

1 Agriculture. Such agreement shall specify the races of the
2 Department of Agriculture's licensed race meeting upon
3 which the licensees will conduct wagering. In the event
4 that a licensee conducts inter-track pari-mutuel wagering
5 on races from the Illinois State Fair or DuQuoin State Fair
6 which are in addition to the licensee's previously approved
7 racing program, those races shall be considered a separate
8 racing day for the purpose of determining the daily handle
9 and computing the privilege or pari-mutuel tax on that
10 daily handle as provided in Sections 27 and 27.1. Such
11 agreements shall be approved by the Board before such
12 wagering may be conducted. In determining whether to grant
13 approval, the Board shall give due consideration to the
14 best interests of the public and of horse racing. The
15 provisions of paragraphs (1), (8), (8.1), and (8.2) of
16 subsection (h) of this Section which are not specified in
17 this paragraph (13) shall not apply to licensed race
18 meetings conducted by the Department of Agriculture at the
19 Illinois State Fair in Sangamon County or the DuQuoin State
20 Fair in Perry County, or to any wagering conducted on those
21 race meetings.

22 (14) An inter-track wagering location license
23 authorized by the Board in 2016 that is owned and operated
24 by a race track in Rock Island County shall be transferred
25 to a commonly owned race track in Cook County on August 12,
26 2016 (the effective date of Public Act 99-757). The

1 licensee shall retain its status in relation to purse
2 distribution under paragraph (11) of this subsection (h)
3 following the transfer to the new entity. The pari-mutuel
4 tax credit under Section 32.1 shall not be applied toward
5 any pari-mutuel tax obligation of the inter-track wagering
6 location licensee of the license that is transferred under
7 this paragraph (14).

8 (i) Notwithstanding the other provisions of this Act, the
9 conduct of wagering at wagering facilities is authorized on all
10 days, except as limited by subsection (b) of Section 19 of this
11 Act.

12 (Source: P.A. 99-756, eff. 8-12-16; 99-757, eff. 8-12-16;
13 100-201, eff. 8-18-17; 100-627, eff. 7-20-18; 100-1152, eff.
14 12-14-18; revised 1-13-19.)

15 (230 ILCS 5/26.8)

16 Sec. 26.8. Beginning on February 1, 2014 ~~and through~~
17 ~~December 31, 2020~~, each wagering licensee may impose a
18 surcharge of up to 0.5% on winning wagers and winnings from
19 wagers. The surcharge shall be deducted from winnings prior to
20 payout. All amounts collected from the imposition of this
21 surcharge shall be evenly distributed to the organization
22 licensee and the purse account of the organization licensee
23 with which the licensee is affiliated. The amounts distributed
24 under this Section shall be in addition to the amounts paid
25 pursuant to paragraph (10) of subsection (h) of Section 26,

1 Section 26.3, Section 26.4, Section 26.5, and Section 26.7.

2 (Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

3 (230 ILCS 5/26.9)

4 Sec. 26.9. Beginning on February 1, 2014 ~~and through~~
5 ~~December 31, 2020~~, in addition to the surcharge imposed in
6 Sections 26.3, 26.4, 26.5, 26.7, and 26.8 of this Act, each
7 licensee shall impose a surcharge of 0.2% on winning wagers and
8 winnings from wagers. The surcharge shall be deducted from
9 winnings prior to payout. All amounts collected from the
10 surcharges imposed under this Section shall be remitted to the
11 Board. From amounts collected under this Section, the Board
12 shall deposit an amount not to exceed \$100,000 annually into
13 the Quarter Horse Purse Fund and all remaining amounts into the
14 Horse Racing Fund.

15 (Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

16 (230 ILCS 5/27) (from Ch. 8, par. 37-27)

17 Sec. 27. (a) In addition to the organization license fee
18 provided by this Act, until January 1, 2000, a graduated
19 privilege tax is hereby imposed for conducting the pari-mutuel
20 system of wagering permitted under this Act. Until January 1,
21 2000, except as provided in subsection (g) of Section 27 of
22 this Act, all of the breakage of each racing day held by any
23 licensee in the State shall be paid to the State. Until January
24 1, 2000, such daily graduated privilege tax shall be paid by

1 the licensee from the amount permitted to be retained under
2 this Act. Until January 1, 2000, each day's graduated privilege
3 tax, breakage, and Horse Racing Tax Allocation funds shall be
4 remitted to the Department of Revenue within 48 hours after the
5 close of the racing day upon which it is assessed or within
6 such other time as the Board prescribes. The privilege tax
7 hereby imposed, until January 1, 2000, shall be a flat tax at
8 the rate of 2% of the daily pari-mutuel handle except as
9 provided in Section 27.1.

10 In addition, every organization licensee, except as
11 provided in Section 27.1 of this Act, which conducts multiple
12 wagering shall pay, until January 1, 2000, as a privilege tax
13 on multiple wagers an amount equal to 1.25% of all moneys
14 wagered each day on such multiple wagers, plus an additional
15 amount equal to 3.5% of the amount wagered each day on any
16 other multiple wager which involves a single betting interest
17 on 3 or more horses. The licensee shall remit the amount of
18 such taxes to the Department of Revenue within 48 hours after
19 the close of the racing day on which it is assessed or within
20 such other time as the Board prescribes.

21 This subsection (a) shall be inoperative and of no force
22 and effect on and after January 1, 2000.

23 (a-5) Beginning on January 1, 2000, a flat pari-mutuel tax
24 at the rate of 1.5% of the daily pari-mutuel handle is imposed
25 at all pari-mutuel wagering facilities and on advance deposit
26 wagering from a location other than a wagering facility, except

1 as otherwise provided for in this subsection (a-5). In addition
2 to the pari-mutuel tax imposed on advance deposit wagering
3 pursuant to this subsection (a-5), beginning on August 24, 2012
4 (the effective date of Public Act 97-1060) ~~and through December~~
5 ~~31, 2020~~, an additional pari-mutuel tax at the rate of 0.25%
6 shall be imposed on advance deposit wagering. Until August 25,
7 2012, the additional 0.25% pari-mutuel tax imposed on advance
8 deposit wagering by Public Act 96-972 shall be deposited into
9 the Quarter Horse Purse Fund, which shall be created as a
10 non-appropriated trust fund administered by the Board for
11 grants to thoroughbred organization licensees for payment of
12 purses for quarter horse races conducted by the organization
13 licensee. Beginning on August 26, 2012, the additional 0.25%
14 pari-mutuel tax imposed on advance deposit wagering shall be
15 deposited into the Standardbred Purse Fund, which shall be
16 created as a non-appropriated trust fund administered by the
17 Board, for grants to the standardbred organization licensees
18 for payment of purses for standardbred horse races conducted by
19 the organization licensee. Thoroughbred organization licensees
20 may petition the Board to conduct quarter horse racing and
21 receive purse grants from the Quarter Horse Purse Fund. The
22 Board shall have complete discretion in distributing the
23 Quarter Horse Purse Fund to the petitioning organization
24 licensees. Beginning on July 26, 2010 (the effective date of
25 Public Act 96-1287), a pari-mutuel tax at the rate of 0.75% of
26 the daily pari-mutuel handle is imposed at a pari-mutuel

1 facility whose license is derived from a track located in a
2 county that borders the Mississippi River and conducted live
3 racing in the previous year. The pari-mutuel tax imposed by
4 this subsection (a-5) shall be remitted to the Department of
5 Revenue within 48 hours after the close of the racing day upon
6 which it is assessed or within such other time as the Board
7 prescribes.

8 (a-10) Beginning on the date when an organization licensee
9 begins conducting gaming pursuant to an organization gaming
10 license, the following pari-mutuel tax is imposed upon an
11 organization licensee on Illinois races at the licensee's
12 racetrack:

13 1.5% of the pari-mutuel handle at or below the average
14 daily pari-mutuel handle for 2011.

15 2% of the pari-mutuel handle above the average daily
16 pari-mutuel handle for 2011 up to 125% of the average daily
17 pari-mutuel handle for 2011.

18 2.5% of the pari-mutuel handle 125% or more above the
19 average daily pari-mutuel handle for 2011 up to 150% of the
20 average daily pari-mutuel handle for 2011.

21 3% of the pari-mutuel handle 150% or more above the
22 average daily pari-mutuel handle for 2011 up to 175% of the
23 average daily pari-mutuel handle for 2011.

24 3.5% of the pari-mutuel handle 175% or more above the
25 average daily pari-mutuel handle for 2011.

26 The pari-mutuel tax imposed by this subsection (a-10) shall

1 be remitted to the Board within 48 hours after the close of the
2 racing day upon which it is assessed or within such other time
3 as the Board prescribes.

4 (b) On or before December 31, 1999, in the event that any
5 organization licensee conducts 2 separate programs of races on
6 any day, each such program shall be considered a separate
7 racing day for purposes of determining the daily handle and
8 computing the privilege tax on such daily handle as provided in
9 subsection (a) of this Section.

10 (c) Licensees shall at all times keep accurate books and
11 records of all monies wagered on each day of a race meeting and
12 of the taxes paid to the Department of Revenue under the
13 provisions of this Section. The Board or its duly authorized
14 representative or representatives shall at all reasonable
15 times have access to such records for the purpose of examining
16 and checking the same and ascertaining whether the proper
17 amount of taxes is being paid as provided. The Board shall
18 require verified reports and a statement of the total of all
19 monies wagered daily at each wagering facility upon which the
20 taxes are assessed and may prescribe forms upon which such
21 reports and statement shall be made.

22 (d) Before a license is issued or re-issued, the licensee
23 shall post a bond in the sum of \$500,000 to the State of
24 Illinois. The bond shall be used to guarantee that the licensee
25 faithfully makes the payments, keeps the books and records and
26 makes reports, and conducts games of chance in conformity with

1 this Act and the rules adopted by the Board. The bond shall not
2 be canceled by a surety on less than 30 days' notice in writing
3 to the Board. If a bond is canceled and the licensee fails to
4 file a new bond with the Board in the required amount on or
5 before the effective date of cancellation, the licensee's
6 license shall be revoked. The total and aggregate liability of
7 the surety on the bond is limited to the amount specified in
8 the bond. ~~Any licensee failing or refusing to pay the amount of~~
9 ~~any tax due under this Section shall be guilty of a business~~
10 ~~offense and upon conviction shall be fined not more than \$5,000~~
11 ~~in addition to the amount found due as tax under this Section.~~
12 ~~Each day's violation shall constitute a separate offense. All~~
13 ~~finer paid into Court by a licensee hereunder shall be~~
14 ~~transmitted and paid over by the Clerk of the Court to the~~
15 ~~Board.~~

16 (e) No other license fee, privilege tax, excise tax, or
17 racing fee, except as provided in this Act, shall be assessed
18 or collected from any such licensee by the State.

19 (f) No other license fee, privilege tax, excise tax or
20 racing fee shall be assessed or collected from any such
21 licensee by units of local government except as provided in
22 paragraph 10.1 of subsection (h) and subsection (f) of Section
23 26 of this Act. However, any municipality that has a Board
24 licensed horse race meeting at a race track wholly within its
25 corporate boundaries or a township that has a Board licensed
26 horse race meeting at a race track wholly within the

1 unincorporated area of the township may charge a local
2 amusement tax not to exceed 10¢ per admission to such horse
3 race meeting by the enactment of an ordinance. However, any
4 municipality or county that has a Board licensed inter-track
5 wagering location facility wholly within its corporate
6 boundaries may each impose an admission fee not to exceed \$1.00
7 per admission to such inter-track wagering location facility,
8 so that a total of not more than \$2.00 per admission may be
9 imposed. Except as provided in subparagraph (g) of Section 27
10 of this Act, the inter-track wagering location licensee shall
11 collect any and all such fees and ~~within 48 hours~~ remit the
12 fees to the Board as the Board prescribes, which shall,
13 pursuant to rule, cause the fees to be distributed to the
14 county or municipality.

15 (g) Notwithstanding any provision in this Act to the
16 contrary, if in any calendar year the total taxes and fees from
17 wagering on live racing and from inter-track wagering required
18 to be collected from licensees and distributed under this Act
19 to all State and local governmental authorities exceeds the
20 amount of such taxes and fees distributed to each State and
21 local governmental authority to which each State and local
22 governmental authority was entitled under this Act for calendar
23 year 1994, then the first \$11 million of that excess amount
24 shall be allocated at the earliest possible date for
25 distribution as purse money for the succeeding calendar year.
26 Upon reaching the 1994 level, and until the excess amount of

1 taxes and fees exceeds \$11 million, the Board shall direct all
2 licensees to cease paying the subject taxes and fees and the
3 Board shall direct all licensees to allocate any such excess
4 amount for purses as follows:

5 (i) the excess amount shall be initially divided
6 between thoroughbred and standardbred purses based on the
7 thoroughbred's and standardbred's respective percentages
8 of total Illinois live wagering in calendar year 1994;

9 (ii) each thoroughbred and standardbred organization
10 licensee issued an organization licensee in that
11 succeeding allocation year shall be allocated an amount
12 equal to the product of its percentage of total Illinois
13 live thoroughbred or standardbred wagering in calendar
14 year 1994 (the total to be determined based on the sum of
15 1994 on-track wagering for all organization licensees
16 issued organization licenses in both the allocation year
17 and the preceding year) multiplied by the total amount
18 allocated for standardbred or thoroughbred purses,
19 provided that the first \$1,500,000 of the amount allocated
20 to standardbred purses under item (i) shall be allocated to
21 the Department of Agriculture to be expended with the
22 assistance and advice of the Illinois Standardbred
23 Breeders Funds Advisory Board for the purposes listed in
24 subsection (g) of Section 31 of this Act, before the amount
25 allocated to standardbred purses under item (i) is
26 allocated to standardbred organization licensees in the

1 succeeding allocation year.

2 To the extent the excess amount of taxes and fees to be
3 collected and distributed to State and local governmental
4 authorities exceeds \$11 million, that excess amount shall be
5 collected and distributed to State and local authorities as
6 provided for under this Act.

7 (Source: P.A. 99-756, eff. 8-12-16; 100-627, eff. 7-20-18.)

8 (230 ILCS 5/29) (from Ch. 8, par. 37-29)

9 Sec. 29. (a) After the privilege or pari-mutuel tax
10 established in Sections 26(f), 27, and 27.1 is paid to the
11 State from the monies retained by the organization licensee
12 pursuant to Sections 26, 26.2, and 26.3, the remainder of those
13 monies retained pursuant to Sections 26 and 26.2, except as
14 provided in subsection (g) of Section 27 of this Act, shall be
15 allocated evenly to the organization licensee and as purses.

16 (b) (Blank).

17 (c) (Blank).

18 (d) From the amounts generated for purses from all sources,
19 including, but not limited to, amounts generated from wagering
20 conducted by organization licensees, organization gaming
21 licensees, inter-track wagering licensees, inter-track
22 wagering location licensees, and advance deposit wagering
23 licensees, an organization licensee shall pay to an
24 organization representing the largest number of horse owners
25 and trainers in Illinois, for thoroughbred and standardbred

1 horses that race at the track of the organization licensee, an
2 amount equal to at least 5% of any and all revenue earned by
3 the organization licensee for purses for that calendar year. A
4 contract with the appropriate thoroughbred or standardbred
5 horsemen organization shall be negotiated and signed by the
6 organization licensee before the beginning of each calendar
7 year. Amounts may be used for any legal purpose, including, but
8 not limited to, operational expenses, programs for backstretch
9 workers, retirement plans, diversity scholarships, horse
10 aftercare programs, workers compensation insurance fees, and
11 horse ownership programs. Financial statements highlighting
12 how the funding is spent shall be provided upon request to the
13 organization licensee. The appropriate thoroughbred or
14 standardbred horsemen organization shall make that information
15 available on its website.

16 ~~Each organization licensee and inter track wagering~~
17 ~~licensee from the money retained for purses as set forth in~~
18 ~~subsection (a) of this Section, shall pay to an organization~~
19 ~~representing the largest number of horse owners and trainers~~
20 ~~which has negotiated a contract with the organization licensee~~
21 ~~for such purpose an amount equal to at least 1% of the~~
22 ~~organization licensee's and inter track wagering licensee's~~
23 ~~retention of the pari-mutuel handle for the racing season. Each~~
24 ~~inter track wagering location licensee, from the 4% of its~~
25 ~~handle required to be paid as purses under paragraph (11) of~~
26 ~~subsection (h) of Section 26 of this Act, shall pay to the~~

1 ~~contractually established representative organization 2% of~~
2 ~~that 4%, provided that the payments so made to the organization~~
3 ~~shall not exceed a total of \$125,000 in any calendar year. Such~~
4 ~~contract shall be negotiated and signed prior to the beginning~~
5 ~~of the racing season.~~

6 (Source: P.A. 91-40, eff. 6-25-99.)

7 (230 ILCS 5/30) (from Ch. 8, par. 37-30)

8 Sec. 30. (a) The General Assembly declares that it is the
9 policy of this State to encourage the breeding of thoroughbred
10 horses in this State and the ownership of such horses by
11 residents of this State in order to provide for: sufficient
12 numbers of high quality thoroughbred horses to participate in
13 thoroughbred racing meetings in this State, and to establish
14 and preserve the agricultural and commercial benefits of such
15 breeding and racing industries to the State of Illinois. It is
16 the intent of the General Assembly to further this policy by
17 the provisions of this Act.

18 (b) Each organization licensee conducting a thoroughbred
19 racing meeting pursuant to this Act shall provide at least two
20 races each day limited to Illinois conceived and foaled horses
21 or Illinois foaled horses or both. A minimum of 6 races shall
22 be conducted each week limited to Illinois conceived and foaled
23 or Illinois foaled horses or both. No horses shall be permitted
24 to start in such races unless duly registered under the rules
25 of the Department of Agriculture.

1 (c) Conditions of races under subsection (b) shall be
2 commensurate with past performance, quality, and class of
3 Illinois conceived and foaled and Illinois foaled horses
4 available. If, however, sufficient competition cannot be had
5 among horses of that class on any day, the races may, with
6 consent of the Board, be eliminated for that day and substitute
7 races provided.

8 (d) There is hereby created a special fund of the State
9 Treasury to be known as the Illinois Thoroughbred Breeders
10 Fund.

11 Beginning on the effective date of this amendatory Act of
12 the 101st General Assembly, the Illinois Thoroughbred Breeders
13 Fund shall become a non-appropriated trust fund held separate
14 from State moneys. Expenditures from this Fund shall no longer
15 be subject to appropriation.

16 Except as provided in subsection (g) of Section 27 of this
17 Act, 8.5% of all the monies received by the State as privilege
18 taxes on Thoroughbred racing meetings shall be paid into the
19 Illinois Thoroughbred Breeders Fund.

20 Notwithstanding any provision of law to the contrary,
21 amounts deposited into the Illinois Thoroughbred Breeders Fund
22 from revenues generated by gaming pursuant to an organization
23 gaming license issued under the Illinois Gambling Act after the
24 effective date of this amendatory Act of the 101st General
25 Assembly shall be in addition to tax and fee amounts paid under
26 this Section for calendar year 2019 and thereafter.

1 (e) The Illinois Thoroughbred Breeders Fund shall be
2 administered by the Department of Agriculture with the advice
3 and assistance of the Advisory Board created in subsection (f)
4 of this Section.

5 (f) The Illinois Thoroughbred Breeders Fund Advisory Board
6 shall consist of the Director of the Department of Agriculture,
7 who shall serve as Chairman; a member of the Illinois Racing
8 Board, designated by it; 2 representatives of the organization
9 licensees conducting thoroughbred racing meetings, recommended
10 by them; 2 representatives of the Illinois Thoroughbred
11 Breeders and Owners Foundation, recommended by it; one
12 representative ~~and 2 representatives~~ of the Horsemen's
13 Benevolent Protective Association; and one representative from
14 the Illinois Thoroughbred Horsemen's Association ~~or any~~
15 ~~successor organization established in Illinois comprised of~~
16 ~~the largest number of owners and trainers, recommended by it,~~
17 ~~with one representative of the Horsemen's Benevolent and~~
18 ~~Protective Association to come from its Illinois Division, and~~
19 ~~one from its Chicago Division.~~ Advisory Board members shall
20 serve for 2 years commencing January 1 of each odd numbered
21 year. If representatives of the organization licensees
22 conducting thoroughbred racing meetings, the Illinois
23 Thoroughbred Breeders and Owners Foundation, ~~and~~ the
24 Horsemen's Benevolent Protection Association, and the Illinois
25 Thoroughbred Horsemen's Association have not been recommended
26 by January 1, of each odd numbered year, the Director of the

1 Department of Agriculture shall make an appointment for the
2 organization failing to so recommend a member of the Advisory
3 Board. Advisory Board members shall receive no compensation for
4 their services as members but shall be reimbursed for all
5 actual and necessary expenses and disbursements incurred in the
6 execution of their official duties.

7 (g) ~~No monies shall be expended from the Illinois~~
8 ~~Thoroughbred Breeders Fund except as appropriated by the~~
9 ~~General Assembly.~~ Monies expended ~~appropriated~~ from the
10 Illinois Thoroughbred Breeders Fund shall be expended by the
11 Department of Agriculture, with the advice and assistance of
12 the Illinois Thoroughbred Breeders Fund Advisory Board, for the
13 following purposes only:

14 (1) To provide purse supplements to owners of horses
15 participating in races limited to Illinois conceived and
16 foaled and Illinois foaled horses. Any such purse
17 supplements shall not be included in and shall be paid in
18 addition to any purses, stakes, or breeders' awards offered
19 by each organization licensee as determined by agreement
20 between such organization licensee and an organization
21 representing the horsemen. No monies from the Illinois
22 Thoroughbred Breeders Fund shall be used to provide purse
23 supplements for claiming races in which the minimum
24 claiming price is less than \$7,500.

25 (2) To provide stakes and awards to be paid to the
26 owners of the winning horses in certain races limited to

1 Illinois conceived and foaled and Illinois foaled horses
2 designated as stakes races.

3 (2.5) To provide an award to the owner or owners of an
4 Illinois conceived and foaled or Illinois foaled horse that
5 wins a maiden special weight, an allowance, overnight
6 handicap race, or claiming race with claiming price of
7 \$10,000 or more providing the race is not restricted to
8 Illinois conceived and foaled or Illinois foaled horses.
9 Awards shall also be provided to the owner or owners of
10 Illinois conceived and foaled and Illinois foaled horses
11 that place second or third in those races. To the extent
12 that additional moneys are required to pay the minimum
13 additional awards of 40% of the purse the horse earns for
14 placing first, second or third in those races for Illinois
15 foaled horses and of 60% of the purse the horse earns for
16 placing first, second or third in those races for Illinois
17 conceived and foaled horses, those moneys shall be provided
18 from the purse account at the track where earned.

19 (3) To provide stallion awards to the owner or owners
20 of any stallion that is duly registered with the Illinois
21 Thoroughbred Breeders Fund Program ~~prior to the effective~~
22 ~~date of this amendatory Act of 1995~~ whose duly registered
23 Illinois conceived and foaled offspring wins a race
24 conducted at an Illinois thoroughbred racing meeting other
25 than a claiming race, provided that the stallion stood
26 service within Illinois at the time the offspring was

1 conceived and that the stallion did not stand for service
2 outside of Illinois at any time during the year in which
3 the offspring was conceived. ~~Such award shall not be paid~~
4 ~~to the owner or owners of an Illinois stallion that served~~
5 ~~outside this State at any time during the calendar year in~~
6 ~~which such race was conducted.~~

7 (4) To provide \$75,000 annually for purses to be
8 distributed to county fairs that provide for the running of
9 races during each county fair exclusively for the
10 thoroughbreds conceived and foaled in Illinois. The
11 conditions of the races shall be developed by the county
12 fair association and reviewed by the Department with the
13 advice and assistance of the Illinois Thoroughbred
14 Breeders Fund Advisory Board. There shall be no wagering of
15 any kind on the running of Illinois conceived and foaled
16 races at county fairs.

17 (4.1) To provide purse money for an Illinois stallion
18 stakes program.

19 (5) No less than 90% ~~80%~~ of all monies expended
20 ~~appropriated~~ from the Illinois Thoroughbred Breeders Fund
21 shall be expended for the purposes in (1), (2), (2.5), (3),
22 (4), (4.1), and (5) as shown above.

23 (6) To provide for educational programs regarding the
24 thoroughbred breeding industry.

25 (7) To provide for research programs concerning the
26 health, development and care of the thoroughbred horse.

1 (8) To provide for a scholarship and training program
2 for students of equine veterinary medicine.

3 (9) To provide for dissemination of public information
4 designed to promote the breeding of thoroughbred horses in
5 Illinois.

6 (10) To provide for all expenses incurred in the
7 administration of the Illinois Thoroughbred Breeders Fund.

8 (h) The Illinois Thoroughbred Breeders Fund is not subject
9 to administrative charges or chargebacks, including, but not
10 limited to, those authorized under Section 8h of the State
11 Finance Act. Whenever the Governor finds that the amount in the
12 Illinois Thoroughbred Breeders Fund is more than the total of
13 the outstanding appropriations from such fund, the Governor
14 shall notify the State Comptroller and the State Treasurer of
15 such fact. The Comptroller and the State Treasurer, upon
16 receipt of such notification, shall transfer such excess amount
17 from the Illinois Thoroughbred Breeders Fund to the General
18 Revenue Fund.

19 (i) A sum equal to 13% of the first prize money of every
20 purse won by an Illinois foaled or Illinois conceived and
21 foaled horse in races not limited to Illinois foaled horses or
22 Illinois conceived and foaled horses, or both, shall be paid by
23 the organization licensee conducting the horse race meeting.
24 Such sum shall be paid 50% from the organization licensee's
25 share of the money wagered and 50% from the purse account as
26 follows: 11 1/2% to the breeder of the winning horse and 1 1/2%

1 to the organization representing thoroughbred breeders and
2 owners who representative serves on the Illinois Thoroughbred
3 Breeders Fund Advisory Board for verifying the amounts of
4 breeders' awards earned, ensuring their distribution in
5 accordance with this Act, and servicing and promoting the
6 Illinois thoroughbred horse racing industry. Beginning in the
7 calendar year in which an organization licensee that is
8 eligible to receive payments under paragraph (13) of subsection
9 (g) of Section 26 of this Act begins to receive funds from
10 gaming pursuant to an organization gaming license issued under
11 the Illinois Gambling Act, a sum equal to 21 1/2% of the first
12 prize money of every purse won by an Illinois foaled or an
13 Illinois conceived and foaled horse in races not limited to an
14 Illinois conceived and foaled horse, or both, shall be paid 30%
15 from the organization licensee's account and 70% from the purse
16 account as follows: 20% to the breeder of the winning horse and
17 1 1/2% to the organization representing thoroughbred breeders
18 and owners whose representatives serve on the Illinois
19 Thoroughbred Breeders Fund Advisory Board for verifying the
20 amounts of breeders' awards earned, ensuring their
21 distribution in accordance with this Act, and servicing and
22 promoting the Illinois Thoroughbred racing industry. A sum
23 ~~equal to 12 1/2% of the first prize money of every purse won by~~
24 ~~an Illinois foaled or an Illinois conceived and foaled horse in~~
25 ~~races not limited to Illinois foaled horses or Illinois~~
26 ~~conceived and foaled horses, or both, shall be paid by the~~

1 ~~organization licensee conducting the horse race meeting. Such~~
2 ~~sum shall be paid from the organization licensee's share of the~~
3 ~~money wagered as follows: 11 1/2% to the breeder of the winning~~
4 ~~horse and 1% to the organization representing thoroughbred~~
5 ~~breeders and owners whose representative serves on the Illinois~~
6 ~~Thoroughbred Breeders Fund Advisory Board for verifying the~~
7 ~~amounts of breeders' awards earned, assuring their~~
8 ~~distribution in accordance with this Act, and servicing and~~
9 ~~promoting the Illinois thoroughbred horse racing industry. The~~
10 organization representing thoroughbred breeders and owners
11 shall cause all expenditures of monies received under this
12 subsection (i) to be audited at least annually by a registered
13 public accountant. The organization shall file copies of each
14 annual audit with the Racing Board, the Clerk of the House of
15 Representatives and the Secretary of the Senate, and shall make
16 copies of each annual audit available to the public upon
17 request and upon payment of the reasonable cost of photocopying
18 the requested number of copies. Such payments shall not reduce
19 any award to the owner of the horse or reduce the taxes payable
20 under this Act. Upon completion of its racing meet, each
21 organization licensee shall deliver to the organization
22 representing thoroughbred breeders and owners whose
23 representative serves on the Illinois Thoroughbred Breeders
24 Fund Advisory Board a listing of all the Illinois foaled and
25 the Illinois conceived and foaled horses which won breeders'
26 awards and the amount of such breeders' awards under this

1 subsection to verify accuracy of payments and assure proper
2 distribution of breeders' awards in accordance with the
3 provisions of this Act. Such payments shall be delivered by the
4 organization licensee within 30 days of the end of each race
5 meeting.

6 (j) A sum equal to 13% of the first prize money won in
7 every race limited to Illinois foaled horses or Illinois
8 conceived and foaled horses, or both, shall be paid in the
9 following manner by the organization licensee conducting the
10 horse race meeting, 50% from the organization licensee's share
11 of the money wagered and 50% from the purse account as follows:
12 11 1/2% to the breeders of the horses in each such race which
13 are the official first, second, third, and fourth finishers and
14 1 1/2% to the organization representing thoroughbred breeders
15 and owners whose representatives serve on the Illinois
16 Thoroughbred Breeders Fund Advisory Board for verifying the
17 amounts of breeders' awards earned, ensuring their proper
18 distribution in accordance with this Act, and servicing and
19 promoting the Illinois horse racing industry. Beginning in the
20 calendar year in which an organization licensee that is
21 eligible to receive payments under paragraph (13) of subsection
22 (g) of Section 26 of this Act begins to receive funds from
23 gaming pursuant to an organization gaming license issued under
24 the Illinois Gambling Act, a sum of 21 1/2% of every purse in a
25 race limited to Illinois foaled horses or Illinois conceived
26 and foaled horses, or both, shall be paid by the organization

1 licensee conducting the horse race meeting. Such sum shall be
2 paid 30% from the organization licensee's account and 70% from
3 the purse account as follows: 20% to the breeders of the horses
4 in each such race who are official first, second, third and
5 fourth finishers and 1 1/2% to the organization representing
6 thoroughbred breeders and owners whose representatives serve
7 on the Illinois Thoroughbred Breeders Fund Advisory Board for
8 verifying the amounts of breeders' awards earned, ensuring
9 their proper distribution in accordance with this Act, and
10 servicing and promoting the Illinois thoroughbred horse racing
11 industry. The organization representing thoroughbred breeders
12 and owners shall cause all expenditures of moneys received
13 under this subsection (j) to be audited at least annually by a
14 registered public accountant. The organization shall file
15 copies of each annual audit with the Racing Board, the Clerk of
16 the House of Representatives and the Secretary of the Senate,
17 and shall make copies of each annual audit available to the
18 public upon request and upon payment of the reasonable cost of
19 photocopying the requested number of copies. The copies of the
20 audit to the General Assembly shall be filed with the Clerk of
21 the House of Representatives and the Secretary of the Senate in
22 electronic form only, in the manner that the Clerk and the
23 Secretary shall direct. A sum equal to 12 1/2% of the first
24 prize money won in each race limited to Illinois foaled horses
25 or Illinois conceived and foaled horses, or both, shall be paid
26 in the following manner by the organization licensee conducting

1 ~~the horse race meeting, from the organization licensee's share~~
2 ~~of the money wagered: 11 1/2% to the breeders of the horses in~~
3 ~~each such race which are the official first, second, third and~~
4 ~~fourth finishers and 1% to the organization representing~~
5 ~~thoroughbred breeders and owners whose representative serves~~
6 ~~on the Illinois Thoroughbred Breeders Fund Advisory Board for~~
7 ~~verifying the amounts of breeders' awards earned, assuring~~
8 ~~their proper distribution in accordance with this Act, and~~
9 ~~servicing and promoting the Illinois thoroughbred horse racing~~
10 ~~industry. The organization representing thoroughbred breeders~~
11 ~~and owners shall cause all expenditures of monies received~~
12 ~~under this subsection (j) to be audited at least annually by a~~
13 ~~registered public accountant. The organization shall file~~
14 ~~copies of each annual audit with the Racing Board, the Clerk of~~
15 ~~the House of Representatives and the Secretary of the Senate,~~
16 ~~and shall make copies of each annual audit available to the~~
17 ~~public upon request and upon payment of the reasonable cost of~~
18 ~~photocopying the requested number of copies.~~

19 The amounts ~~11 1/2%~~ paid to the breeders in accordance with
20 this subsection shall be distributed as follows:

21 (1) 60% of such sum shall be paid to the breeder of the
22 horse which finishes in the official first position;

23 (2) 20% of such sum shall be paid to the breeder of the
24 horse which finishes in the official second position;

25 (3) 15% of such sum shall be paid to the breeder of the
26 horse which finishes in the official third position; and

1 (4) 5% of such sum shall be paid to the breeder of the
2 horse which finishes in the official fourth position.

3 Such payments shall not reduce any award to the owners of a
4 horse or reduce the taxes payable under this Act. Upon
5 completion of its racing meet, each organization licensee shall
6 deliver to the organization representing thoroughbred breeders
7 and owners whose representative serves on the Illinois
8 Thoroughbred Breeders Fund Advisory Board a listing of all the
9 Illinois foaled and the Illinois conceived and foaled horses
10 which won breeders' awards and the amount of such breeders'
11 awards in accordance with the provisions of this Act. Such
12 payments shall be delivered by the organization licensee within
13 30 days of the end of each race meeting.

14 (k) The term "breeder", as used herein, means the owner of
15 the mare at the time the foal is dropped. An "Illinois foaled
16 horse" is a foal dropped by a mare which enters this State on
17 or before December 1, in the year in which the horse is bred,
18 provided the mare remains continuously in this State until its
19 foal is born. An "Illinois foaled horse" also means a foal born
20 of a mare in the same year as the mare enters this State on or
21 before March 1, and remains in this State at least 30 days
22 after foaling, is bred back during the season of the foaling to
23 an Illinois Registered Stallion (unless a veterinarian
24 certifies that the mare should not be bred for health reasons),
25 and is not bred to a stallion standing in any other state
26 during the season of foaling. An "Illinois foaled horse" also

1 means a foal born in Illinois of a mare purchased at public
2 auction subsequent to the mare entering this State on or before
3 March 1 ~~prior to February 1~~ of the foaling year providing the
4 mare is owned solely by one or more Illinois residents or an
5 Illinois entity that is entirely owned by one or more Illinois
6 residents.

7 (1) The Department of Agriculture shall, by rule, with the
8 advice and assistance of the Illinois Thoroughbred Breeders
9 Fund Advisory Board:

10 (1) Qualify stallions for Illinois breeding; such
11 stallions to stand for service within the State of Illinois
12 at the time of a foal's conception. Such stallion must not
13 stand for service at any place outside the State of
14 Illinois during the calendar year in which the foal is
15 conceived. The Department of Agriculture may assess and
16 collect an application fee of up to \$500 ~~fees~~ for the
17 registration of Illinois-eligible stallions. All fees
18 collected are to be held in trust accounts for the purposes
19 set forth in this Act and in accordance with Section 205-15
20 of the Department of Agriculture Law ~~paid into the Illinois~~
21 ~~Thoroughbred Breeders Fund.~~

22 (2) Provide for the registration of Illinois conceived
23 and foaled horses and Illinois foaled horses. No such horse
24 shall compete in the races limited to Illinois conceived
25 and foaled horses or Illinois foaled horses or both unless
26 registered with the Department of Agriculture. The

1 Department of Agriculture may prescribe such forms as are
2 necessary to determine the eligibility of such horses. The
3 Department of Agriculture may assess and collect
4 application fees for the registration of Illinois-eligible
5 foals. All fees collected are to be held in trust accounts
6 for the purposes set forth in this Act and in accordance
7 with Section 205-15 of the Department of Agriculture Law
8 ~~paid into the Illinois Thoroughbred Breeders Fund~~. No
9 person shall knowingly prepare or cause preparation of an
10 application for registration of such foals containing
11 false information.

12 (m) The Department of Agriculture, with the advice and
13 assistance of the Illinois Thoroughbred Breeders Fund Advisory
14 Board, shall provide that certain races limited to Illinois
15 conceived and foaled and Illinois foaled horses be stakes races
16 and determine the total amount of stakes and awards to be paid
17 to the owners of the winning horses in such races.

18 In determining the stakes races and the amount of awards
19 for such races, the Department of Agriculture shall consider
20 factors, including but not limited to, the amount of money
21 appropriated for the Illinois Thoroughbred Breeders Fund
22 program, organization licensees' contributions, availability
23 of stakes caliber horses as demonstrated by past performances,
24 whether the race can be coordinated into the proposed racing
25 dates within organization licensees' racing dates, opportunity
26 for colts and fillies and various age groups to race, public

1 wagering on such races, and the previous racing schedule.

2 (n) The Board and the organization ~~organizational~~ licensee
3 shall notify the Department of the conditions and minimum
4 purses for races limited to Illinois conceived and foaled and
5 Illinois foaled horses conducted for each organization
6 ~~organizational~~ licensee conducting a thoroughbred racing
7 meeting. The Department of Agriculture with the advice and
8 assistance of the Illinois Thoroughbred Breeders Fund Advisory
9 Board may allocate monies for purse supplements for such races.
10 In determining whether to allocate money and the amount, the
11 Department of Agriculture shall consider factors, including
12 but not limited to, the amount of money appropriated for the
13 Illinois Thoroughbred Breeders Fund program, the number of
14 races that may occur, and the organization ~~organizational~~
15 licensee's purse structure.

16 (o) (Blank).

17 (Source: P.A. 98-692, eff. 7-1-14.)

18 (230 ILCS 5/30.5)

19 Sec. 30.5. Illinois Racing Quarter Horse Breeders Fund.

20 (a) The General Assembly declares that it is the policy of
21 this State to encourage the breeding of racing quarter horses
22 in this State and the ownership of such horses by residents of
23 this State in order to provide for sufficient numbers of high
24 quality racing quarter horses in this State and to establish
25 and preserve the agricultural and commercial benefits of such

1 breeding and racing industries to the State of Illinois. It is
2 the intent of the General Assembly to further this policy by
3 the provisions of this Act.

4 (b) There is hereby created a special fund in the State
5 Treasury to be known as the Illinois Racing Quarter Horse
6 Breeders Fund. Except as provided in subsection (g) of Section
7 27 of this Act, 8.5% of all the moneys received by the State as
8 pari-mutuel taxes on quarter horse racing shall be paid into
9 the Illinois Racing Quarter Horse Breeders Fund. The Illinois
10 Racing Quarter Horse Breeders Fund shall not be subject to
11 administrative charges or chargebacks, including, but not
12 limited to, those authorized under Section 8h of the State
13 Finance Act.

14 (c) The Illinois Racing Quarter Horse Breeders Fund shall
15 be administered by the Department of Agriculture with the
16 advice and assistance of the Advisory Board created in
17 subsection (d) of this Section.

18 (d) The Illinois Racing Quarter Horse Breeders Fund
19 Advisory Board shall consist of the Director of the Department
20 of Agriculture, who shall serve as Chairman; a member of the
21 Illinois Racing Board, designated by it; one representative of
22 the organization licensees conducting pari-mutuel quarter
23 horse racing meetings, recommended by them; 2 representatives
24 of the Illinois Running Quarter Horse Association, recommended
25 by it; and the Superintendent of Fairs and Promotions from the
26 Department of Agriculture. Advisory Board members shall serve

1 for 2 years commencing January 1 of each odd numbered year. If
2 representatives have not been recommended by January 1 of each
3 odd numbered year, the Director of the Department of
4 Agriculture may make an appointment for the organization
5 failing to so recommend a member of the Advisory Board.
6 Advisory Board members shall receive no compensation for their
7 services as members but may be reimbursed for all actual and
8 necessary expenses and disbursements incurred in the execution
9 of their official duties.

10 (e) Moneys in ~~No moneys shall be expended from the Illinois~~
11 ~~Racing Quarter Horse Breeders Fund except as appropriated by~~
12 ~~the General Assembly. Moneys appropriated from the Illinois~~
13 Racing Quarter Horse Breeders Fund shall be expended by the
14 Department of Agriculture, with the advice and assistance of
15 the Illinois Racing Quarter Horse Breeders Fund Advisory Board,
16 for the following purposes only:

17 (1) To provide stakes and awards to be paid to the
18 owners of the winning horses in certain races. This
19 provision is limited to Illinois conceived and foaled
20 horses.

21 (2) To provide an award to the owner or owners of an
22 Illinois conceived and foaled horse that wins a race when
23 pari-mutuel wagering is conducted; providing the race is
24 not restricted to Illinois conceived and foaled horses.

25 (3) To provide purse money for an Illinois stallion
26 stakes program.

1 (4) To provide for purses to be distributed for the
2 running of races during the Illinois State Fair and the
3 DuQuoin State Fair exclusively for quarter horses
4 conceived and foaled in Illinois.

5 (5) To provide for purses to be distributed for the
6 running of races at Illinois county fairs exclusively for
7 quarter horses conceived and foaled in Illinois.

8 (6) To provide for purses to be distributed for running
9 races exclusively for quarter horses conceived and foaled
10 in Illinois at locations in Illinois determined by the
11 Department of Agriculture with advice and consent of the
12 Illinois Racing Quarter Horse Breeders Fund Advisory
13 Board.

14 (7) No less than 90% of all moneys appropriated from
15 the Illinois Racing Quarter Horse Breeders Fund shall be
16 expended for the purposes in items (1), (2), (3), (4), and
17 (5) of this subsection (e).

18 (8) To provide for research programs concerning the
19 health, development, and care of racing quarter horses.

20 (9) To provide for dissemination of public information
21 designed to promote the breeding of racing quarter horses
22 in Illinois.

23 (10) To provide for expenses incurred in the
24 administration of the Illinois Racing Quarter Horse
25 Breeders Fund.

26 (f) The Department of Agriculture shall, by rule, with the

1 advice and assistance of the Illinois Racing Quarter Horse
2 Breeders Fund Advisory Board:

3 (1) Qualify stallions for Illinois breeding; such
4 stallions to stand for service within the State of
5 Illinois, at the time of a foal's conception. Such stallion
6 must not stand for service at any place outside the State
7 of Illinois during the calendar year in which the foal is
8 conceived. The Department of Agriculture may assess and
9 collect application fees for the registration of
10 Illinois-eligible stallions. All fees collected are to be
11 paid into the Illinois Racing Quarter Horse Breeders Fund.

12 (2) Provide for the registration of Illinois conceived
13 and foaled horses. No such horse shall compete in the races
14 limited to Illinois conceived and foaled horses unless it
15 is registered with the Department of Agriculture. The
16 Department of Agriculture may prescribe such forms as are
17 necessary to determine the eligibility of such horses. The
18 Department of Agriculture may assess and collect
19 application fees for the registration of Illinois-eligible
20 foals. All fees collected are to be paid into the Illinois
21 Racing Quarter Horse Breeders Fund. No person shall
22 knowingly prepare or cause preparation of an application
23 for registration of such foals that contains false
24 information.

25 (g) The Department of Agriculture, with the advice and
26 assistance of the Illinois Racing Quarter Horse Breeders Fund

1 Advisory Board, shall provide that certain races limited to
2 Illinois conceived and foaled be stakes races and determine the
3 total amount of stakes and awards to be paid to the owners of
4 the winning horses in such races.

5 (Source: P.A. 98-463, eff. 8-16-13.)

6 (230 ILCS 5/31) (from Ch. 8, par. 37-31)

7 Sec. 31. (a) The General Assembly declares that it is the
8 policy of this State to encourage the breeding of standardbred
9 horses in this State and the ownership of such horses by
10 residents of this State in order to provide for: sufficient
11 numbers of high quality standardbred horses to participate in
12 harness racing meetings in this State, and to establish and
13 preserve the agricultural and commercial benefits of such
14 breeding and racing industries to the State of Illinois. It is
15 the intent of the General Assembly to further this policy by
16 the provisions of this Section of this Act.

17 (b) Each organization licensee conducting a harness racing
18 meeting pursuant to this Act shall provide for at least two
19 races each race program limited to Illinois conceived and
20 foaled horses. A minimum of 6 races shall be conducted each
21 week limited to Illinois conceived and foaled horses. No horses
22 shall be permitted to start in such races unless duly
23 registered under the rules of the Department of Agriculture.

24 (b-5) Organization licensees, not including the Illinois
25 State Fair or the DuQuoin State Fair, shall provide stake races

1 and early closer races for Illinois conceived and foaled horses
2 so that purses distributed for such races shall be no less than
3 17% of total purses distributed for harness racing in that
4 calendar year in addition to any stakes payments and starting
5 fees contributed by horse owners.

6 (b-10) Each organization licensee conducting a harness
7 racing meeting pursuant to this Act shall provide an owner
8 award to be paid from the purse account equal to 12% of the
9 amount earned by Illinois conceived and foaled horses finishing
10 in the first 3 positions in races that are not restricted to
11 Illinois conceived and foaled horses. The owner awards shall
12 not be paid on races below the \$10,000 claiming class.

13 (c) Conditions of races under subsection (b) shall be
14 commensurate with past performance, quality and class of
15 Illinois conceived and foaled horses available. If, however,
16 sufficient competition cannot be had among horses of that class
17 on any day, the races may, with consent of the Board, be
18 eliminated for that day and substitute races provided.

19 (d) There is hereby created a special fund of the State
20 Treasury to be known as the Illinois Standardbred Breeders
21 Fund. Beginning on the effective date of this amendatory Act of
22 the 101st General Assembly, the Illinois Standardbred Breeders
23 Fund shall become a non-appropriated trust fund held separate
24 and apart from State moneys. Expenditures from this Fund shall
25 no longer be subject to appropriation.

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) Notwithstanding any provision of law to the contrary,
6 amounts deposited into the Illinois Standardbred Breeders Fund
7 from revenues generated by gaming pursuant to an organization
8 gaming license issued under the Illinois Gambling Act after the
9 effective date of this amendatory Act of the 101st General
10 Assembly shall be in addition to tax and fee amounts paid under
11 this Section for calendar year 2019 and thereafter. The
12 Illinois Standardbred Breeders Fund shall be administered by
13 the Department of Agriculture with the assistance and advice of
14 the Advisory Board created in subsection (f) of this Section.

15 (f) The Illinois Standardbred Breeders Fund Advisory Board
16 is hereby created. The Advisory Board shall consist of the
17 Director of the Department of Agriculture, who shall serve as
18 Chairman; the Superintendent of the Illinois State Fair; a
19 member of the Illinois Racing Board, designated by it; a
20 representative of the largest association of Illinois
21 standardbred owners and breeders, recommended by it; a
22 representative of a statewide association representing
23 agricultural fairs in Illinois, recommended by it, such
24 representative to be from a fair at which Illinois conceived
25 and foaled racing is conducted; a representative of the
26 organization licensees conducting harness racing meetings,

1 recommended by them; a representative of the Breeder's
2 Committee of the association representing the largest number of
3 standardbred owners, breeders, trainers, caretakers, and
4 drivers, recommended by it; and a representative of the
5 association representing the largest number of standardbred
6 owners, breeders, trainers, caretakers, and drivers,
7 recommended by it. Advisory Board members shall serve for 2
8 years commencing January 1 of each odd numbered year. If
9 representatives of the largest association of Illinois
10 standardbred owners and breeders, a statewide association of
11 agricultural fairs in Illinois, the association representing
12 the largest number of standardbred owners, breeders, trainers,
13 caretakers, and drivers, a member of the Breeder's Committee of
14 the association representing the largest number of
15 standardbred owners, breeders, trainers, caretakers, and
16 drivers, and the organization licensees conducting harness
17 racing meetings have not been recommended by January 1 of each
18 odd numbered year, the Director of the Department of
19 Agriculture shall make an appointment for the organization
20 failing to so recommend a member of the Advisory Board.
21 Advisory Board members shall receive no compensation for their
22 services as members but shall be reimbursed for all actual and
23 necessary expenses and disbursements incurred in the execution
24 of their official duties.

25 (g) ~~No monies shall be expended from the Illinois~~
26 ~~Standardbred Breeders Fund except as appropriated by the~~

1 ~~General Assembly.~~ Monies expended ~~appropriated~~ from the
2 Illinois Standardbred Breeders Fund shall be expended by the
3 Department of Agriculture, with the assistance and advice of
4 the Illinois Standardbred Breeders Fund Advisory Board for the
5 following purposes only:

6 1. To provide purses for races limited to Illinois
7 conceived and foaled horses at the State Fair and the
8 DuQuoin State Fair.

9 2. To provide purses for races limited to Illinois
10 conceived and foaled horses at county fairs.

11 3. To provide purse supplements for races limited to
12 Illinois conceived and foaled horses conducted by
13 associations conducting harness racing meetings.

14 4. No less than 75% of all monies in the Illinois
15 Standardbred Breeders Fund shall be expended for purses in
16 1, 2 and 3 as shown above.

17 5. In the discretion of the Department of Agriculture
18 to provide awards to harness breeders of Illinois conceived
19 and foaled horses which win races conducted by organization
20 licensees conducting harness racing meetings. A breeder is
21 the owner of a mare at the time of conception. No more than
22 10% of all monies appropriated from the Illinois
23 Standardbred Breeders Fund shall be expended for such
24 harness breeders awards. No more than 25% of the amount
25 expended for harness breeders awards shall be expended for
26 expenses incurred in the administration of such harness

1 breeders awards.

2 6. To pay for the improvement of racing facilities
3 located at the State Fair and County fairs.

4 7. To pay the expenses incurred in the administration
5 of the Illinois Standardbred Breeders Fund.

6 8. To promote the sport of harness racing, including
7 grants up to a maximum of \$7,500 per fair per year for
8 conducting pari-mutuel wagering during the advertised
9 dates of a county fair.

10 9. To pay up to \$50,000 annually for the Department of
11 Agriculture to conduct drug testing at county fairs racing
12 standardbred horses.

13 (h) The Illinois Standardbred Breeders Fund is not subject
14 to administrative charges or chargebacks, including, but not
15 limited to, those authorized under Section 8h of the State
16 Finance Act. ~~Whenever the Governor finds that the amount in the~~
17 ~~Illinois Standardbred Breeders Fund is more than the total of~~
18 ~~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. However,
23 from January 1, 2018 until January 1, 2022, semen from an
24 Illinois stallion may be transported outside the State of
25 Illinois. The articles of agreement of any partnership,
26 joint venture, limited partnership, syndicate, association

1 or corporation and any bylaws and stock certificates must
2 contain a restriction that provides that the ownership or
3 transfer of interest by any one of the persons a party to
4 the agreement can only be made to a person who qualifies as
5 an Illinois resident.

6 2. Provide for the registration of Illinois conceived
7 and foaled horses and no such horse shall compete in the
8 races limited to Illinois conceived and foaled horses
9 unless registered with the Department of Agriculture. The
10 Department of Agriculture may prescribe such forms as may
11 be necessary to determine the eligibility of such horses.
12 No person shall knowingly prepare or cause preparation of
13 an application for registration of such foals containing
14 false information. A mare (dam) must be in the State at
15 least 30 days prior to foaling or remain in the State at
16 least 30 days at the time of foaling. However, the
17 requirement that a mare (dam) must be in the State at least
18 30 days before foaling or remain in the State at least 30
19 days at the time of foaling shall not be in effect from
20 January 1, 2018 until January 1, 2022. Beginning with the
21 1996 breeding season and for foals of 1997 and thereafter,
22 a foal conceived by transported semen may be eligible for
23 Illinois conceived and foaled registration provided all
24 breeding and foaling requirements are met. The stallion
25 must be qualified for Illinois Standardbred Breeders Fund
26 breeding at the time of conception and the mare must be

1 inseminated within the State of Illinois. The foal must be
2 dropped in Illinois and properly registered with the
3 Department of Agriculture in accordance with this Act.
4 However, from January 1, 2018 until January 1, 2022, the
5 requirement for a mare to be inseminated within the State
6 of Illinois and the requirement for a foal to be dropped in
7 Illinois are inapplicable.

8 3. Provide that at least a 5 day racing program shall
9 be conducted at the State Fair each year, which program
10 shall include at least the following races limited to
11 Illinois conceived and foaled horses: (a) a two year old
12 Trot and Pace, and Filly Division of each; (b) a three year
13 old Trot and Pace, and Filly Division of each; (c) an aged
14 Trot and Pace, and Mare Division of each.

15 4. Provide for the payment of nominating, sustaining
16 and starting fees for races promoting the sport of harness
17 racing and for the races to be conducted at the State Fair
18 as provided in subsection (j) 3 of this Section provided
19 that the nominating, sustaining and starting payment
20 required from an entrant shall not exceed 2% of the purse
21 of such race. All nominating, sustaining and starting
22 payments shall be held for the benefit of entrants and
23 shall be paid out as part of the respective purses for such
24 races. Nominating, sustaining and starting fees shall be
25 held in trust accounts for the purposes as set forth in
26 this Act and in accordance with Section 205-15 of the

1 Department of Agriculture Law ~~(20 ILCS 205/205-15)~~.

2 5. Provide for the registration with the Department of
3 Agriculture of Colt Associations or county fairs desiring
4 to sponsor races at county fairs.

5 6. Provide for the promotion of producing standardbred
6 racehorses by providing a bonus award program for owners of
7 2-year-old horses that win multiple major stakes races that
8 are limited to Illinois conceived and foaled horses.

9 (k) The Department of Agriculture, with the advice and
10 assistance of the Illinois Standardbred Breeders Fund Advisory
11 Board, may allocate monies for purse supplements for such
12 races. In determining whether to allocate money and the amount,
13 the Department of Agriculture shall consider factors,
14 including but not limited to, the amount of money appropriated
15 for the Illinois Standardbred Breeders Fund program, the number
16 of races that may occur, and an organization ~~organizational~~
17 licensee's purse structure. The organization ~~organizational~~
18 licensee shall notify the Department of Agriculture of the
19 conditions and minimum purses for races limited to Illinois
20 conceived and foaled horses to be conducted by each
21 organization ~~organizational~~ licensee conducting a harness
22 racing meeting for which purse supplements have been
23 negotiated.

24 (l) All races held at county fairs and the State Fair which
25 receive funds from the Illinois Standardbred Breeders Fund
26 shall be conducted in accordance with the rules of the United

1 States Trotting Association unless otherwise modified by the
2 Department of Agriculture.

3 (m) At all standardbred race meetings held or conducted
4 under authority of a license granted by the Board, and at all
5 standardbred races held at county fairs which are approved by
6 the Department of Agriculture or at the Illinois or DuQuoin
7 State Fairs, no one shall jog, train, warm up or drive a
8 standardbred horse unless he or she is wearing a protective
9 safety helmet, with the chin strap fastened and in place, which
10 meets the standards and requirements as set forth in the 1984
11 Standard for Protective Headgear for Use in Harness Racing and
12 Other Equestrian Sports published by the Snell Memorial
13 Foundation, or any standards and requirements for headgear the
14 Illinois Racing Board may approve. Any other standards and
15 requirements so approved by the Board shall equal or exceed
16 those published by the Snell Memorial Foundation. Any
17 equestrian helmet bearing the Snell label shall be deemed to
18 have met those standards and requirements.

19 (Source: P.A. 99-756, eff. 8-12-16; 100-777, eff. 8-10-18.)

20 (230 ILCS 5/31.1) (from Ch. 8, par. 37-31.1)

21 Sec. 31.1. (a) Unless subsection (a-5) applies,
22 organization ~~Organization~~ licensees collectively shall
23 contribute annually to charity the sum of \$750,000 to
24 non-profit organizations that provide medical and family,
25 counseling, and similar services to persons who reside or work

1 on the backstretch of Illinois racetracks. Unless subsection
2 (a-5) applies, these ~~These~~ contributions shall be collected as
3 follows: (i) no later than July 1st of each year the Board
4 shall assess each organization licensee, except those tracks
5 located in Madison County, ~~which are not within 100 miles of~~
6 ~~each other~~ which tracks shall pay \$30,000 annually apiece into
7 the Board charity fund, that amount which equals \$690,000
8 multiplied by the amount of pari-mutuel wagering handled by the
9 organization licensee in the year preceding assessment and
10 divided by the total pari-mutuel wagering handled by all
11 Illinois organization licensees, except those tracks located
12 in Madison and Rock Island counties ~~which are not within 100~~
13 ~~miles of each other,~~ in the year preceding assessment; (ii)
14 notice of the assessed contribution shall be mailed to each
15 organization licensee; (iii) within thirty days of its receipt
16 of such notice, each organization licensee shall remit the
17 assessed contribution to the Board. Unless subsection (a-5)
18 applies, if an organization licensee commences operation of
19 gaming at its facility pursuant to an organization gaming
20 license under the Illinois Gambling Act, then the organization
21 licensee shall contribute an additional \$83,000 per year
22 beginning in the year subsequent to the first year in which the
23 organization licensee begins receiving funds from gaming
24 pursuant to an organization gaming license. If an organization
25 licensee wilfully fails to so remit the contribution, the Board
26 may revoke its license to conduct horse racing.

1 (a-5) If (1) an organization licensee that did not operate
2 live racing in 2017 is awarded racing dates in 2018 or in any
3 subsequent year and (2) all organization licensees are
4 operating gaming pursuant to an organization gaming license
5 under the Illinois Gambling Act, then subsection (a) does not
6 apply and organization licensees collectively shall contribute
7 annually to charity the sum of \$1,000,000 to non-profit
8 organizations that provide medical and family, counseling, and
9 similar services to persons who reside or work on the
10 backstretch of Illinois racetracks. These contributions shall
11 be collected as follows: (i) no later than July 1st of each
12 year the Board shall assess each organization licensee an
13 amount based on the proportionate amount of live racing days in
14 the calendar year for which the Board has awarded to the
15 organization licensee out of the total aggregate number of live
16 racing days awarded; (ii) notice of the assessed contribution
17 shall be mailed to each organization licensee; (iii) within 30
18 days after its receipt of such notice, each organization
19 licensee shall remit the assessed contribution to the Board. If
20 an organization licensee willfully fails to so remit the
21 contribution, the Board may revoke its license to conduct horse
22 racing.

23 (b) No later than October 1st of each year, any qualified
24 charitable organization seeking an allotment of contributed
25 funds shall submit to the Board an application for those funds,
26 using the Board's approved form. No later than December 31st of

1 each year, the Board shall distribute all such amounts
2 collected that year to such charitable organization
3 applicants.

4 (Source: P.A. 87-110.)

5 (230 ILCS 5/32.1)

6 Sec. 32.1. Pari-mutuel tax credit; statewide racetrack
7 real estate equalization.

8 (a) In order to encourage new investment in Illinois
9 racetrack facilities and mitigate differing real estate tax
10 burdens among all racetracks, the licensees affiliated or
11 associated with each racetrack that has been awarded live
12 racing dates in the current year shall receive an immediate
13 pari-mutuel tax credit in an amount equal to the greater of (i)
14 50% of the amount of the real estate taxes paid in the prior
15 year attributable to that racetrack, or (ii) the amount by
16 which the real estate taxes paid in the prior year attributable
17 to that racetrack exceeds 60% of the average real estate taxes
18 paid in the prior year for all racetracks awarded live horse
19 racing meets in the current year.

20 Each year, regardless of whether the organization licensee
21 conducted live racing in the year of certification, the Board
22 shall certify in writing, prior to December 31, the real estate
23 taxes paid in that year for each racetrack and the amount of
24 the pari-mutuel tax credit that each organization licensee,
25 inter-track wagering licensee, and inter-track wagering

1 location licensee that derives its license from such racetrack
2 is entitled in the succeeding calendar year. The real estate
3 taxes considered under this Section for any racetrack shall be
4 those taxes on the real estate parcels and related facilities
5 used to conduct a horse race meeting and inter-track wagering
6 at such racetrack under this Act. In no event shall the amount
7 of the tax credit under this Section exceed the amount of
8 pari-mutuel taxes otherwise calculated under this Act. The
9 amount of the tax credit under this Section shall be retained
10 by each licensee and shall not be subject to any reallocation
11 or further distribution under this Act. The Board may
12 promulgate emergency rules to implement this Section.

13 (b) If the organization licensee is operating gaming
14 pursuant to an organization gaming license issued under the
15 Illinois Gambling Act, except the organization licensee
16 described in Section 19.5, then, for the 5-year period
17 beginning on the January 1 of the calendar year immediately
18 following the calendar year during which an organization
19 licensee begins conducting gaming operations pursuant to an
20 organization gaming license issued under the Illinois Gambling
21 Act, the organization licensee shall make capital
22 expenditures, in an amount equal to no less than 50% of the tax
23 credit under this Section, to the improvement and maintenance
24 of the backstretch, including, but not limited to, backstretch
25 barns, dormitories, and services for backstretch workers.
26 Those capital expenditures must be in addition to, and not in

1 lieu of, the capital expenditures made for backstretch
2 improvements in calendar year 2015, as reported to the Board in
3 the organization licensee's application for racing dates and as
4 certified by the Board. The organization licensee is required
5 to annually submit the list and amounts of these capital
6 expenditures to the Board by January 30th of the year following
7 the expenditure.

8 (c) If the organization licensee is conducting gaming in
9 accordance with paragraph (b), then, after the 5-year period
10 beginning on January 1 of the calendar year immediately
11 following the calendar year during which an organization
12 licensee begins conducting gaming operations pursuant to an
13 organization gaming license issued under the Illinois Gambling
14 Act, the organization license is ineligible to receive a tax
15 credit under this Section.

16 (Source: P.A. 100-201, eff. 8-18-17.)

17 (230 ILCS 5/34.3 new)

18 Sec. 34.3. Drug testing. The Illinois Racing Board and the
19 Department of Agriculture shall jointly establish a program for
20 the purpose of conducting drug testing of horses at county
21 fairs and shall adopt any rules necessary for enforcement of
22 the program. The rules shall include appropriate penalties for
23 violations.

24 (230 ILCS 5/36) (from Ch. 8, par. 37-36)

1 Sec. 36. (a) Whoever administers or conspires to administer
2 to any horse a hypnotic, narcotic, stimulant, depressant or any
3 chemical substance which may affect the speed of a horse at any
4 time in any race where the purse or any part of the purse is
5 made of money authorized by any Section of this Act, except
6 those chemical substances permitted by ruling of the Board,
7 internally, externally or by hypodermic method in a race or
8 prior thereto, or whoever knowingly enters a horse in any race
9 within a period of 24 hours after any hypnotic, narcotic,
10 stimulant, depressant or any other chemical substance which may
11 affect the speed of a horse at any time, except those chemical
12 substances permitted by ruling of the Board, has been
13 administered to such horse either internally or externally or
14 by hypodermic method for the purpose of increasing or retarding
15 the speed of such horse shall be guilty of a Class 4 felony.
16 The Board shall suspend or revoke such violator's license.

17 (b) The term "hypnotic" as used in this Section includes
18 all barbituric acid preparations and derivatives.

19 (c) The term "narcotic" as used in this Section includes
20 opium and all its alkaloids, salts, preparations and
21 derivatives, cocaine and all its salts, preparations and
22 derivatives and substitutes.

23 (d) The provisions of this Section and the treatment
24 authorized in this Section apply to horses entered in and
25 competing in race meetings as defined in Section 3.07 of this
26 Act and to horses entered in and competing at any county fair.

1 (Source: P.A. 79-1185.)

2 (230 ILCS 5/40) (from Ch. 8, par. 37-40)

3 Sec. 40. (a) The imposition of any fine or penalty provided
4 in this Act shall not preclude the Board in its rules and
5 regulations from imposing a fine or penalty for any other
6 action which, in the Board's discretion, is a detriment or
7 impediment to horse racing.

8 (b) The Director of Agriculture or his or her authorized
9 representative shall impose the following monetary penalties
10 and hold administrative hearings as required for failure to
11 submit the following applications, lists, or reports within the
12 time period, date or manner required by statute or rule or for
13 removing a foal from Illinois prior to inspection:

14 (1) late filing of a renewal application for offering
15 or standing stallion for service:

16 (A) if an application is submitted no more than 30
17 days late, \$50;

18 (B) if an application is submitted no more than 45
19 days late, \$150; or

20 (C) if an application is submitted more than 45
21 days late, if filing of the application is allowed
22 under an administrative hearing, \$250;

23 (2) late filing of list or report of mares bred:

24 (A) if a list or report is submitted no more than
25 30 days late, \$50;

1 (B) if a list or report is submitted no more than
2 60 days late, \$150; or

3 (C) if a list or report is submitted more than 60
4 days late, if filing of the list or report is allowed
5 under an administrative hearing, \$250;

6 (3) filing an Illinois foaled thoroughbred mare status
7 report after the statutory deadline as provided in
8 subsection (k) of Section 30 of this Act ~~December 31:~~

9 (A) if a report is submitted no more than 30 days
10 late, \$50;

11 (B) if a report is submitted no more than 90 days
12 late, \$150;

13 (C) if a report is submitted no more than 150 days
14 late, \$250; or

15 (D) if a report is submitted more than 150 days
16 late, if filing of the report is allowed under an
17 administrative hearing, \$500;

18 (4) late filing of application for foal eligibility
19 certificate:

20 (A) if an application is submitted no more than 30
21 days late, \$50;

22 (B) if an application is submitted no more than 90
23 days late, \$150;

24 (C) if an application is submitted no more than 150
25 days late, \$250; or

26 (D) if an application is submitted more than 150

1 days late, if filing of the application is allowed
2 under an administrative hearing, \$500;

3 (5) failure to report the intent to remove a foal from
4 Illinois prior to inspection, identification and
5 certification by a Department of Agriculture investigator,
6 \$50; and

7 (6) if a list or report of mares bred is incomplete,
8 \$50 per mare not included on the list or report.

9 Any person upon whom monetary penalties are imposed under
10 this Section 3 times within a 5-year period shall have any
11 further monetary penalties imposed at double the amounts set
12 forth above. All monies assessed and collected for violations
13 relating to thoroughbreds shall be paid into the Illinois
14 Thoroughbred Breeders Fund. All monies assessed and collected
15 for violations relating to standardbreds shall be paid into the
16 Illinois Standardbred Breeders Fund.

17 (Source: P.A. 99-933, eff. 1-27-17; 100-201, eff. 8-18-17.)

18 (230 ILCS 5/54.75)

19 Sec. 54.75. Horse Racing Equity Trust Fund.

20 (a) There is created a Fund to be known as the Horse Racing
21 Equity Trust Fund, which is a non-appropriated trust fund held
22 separate and apart from State moneys. The Fund shall consist of
23 moneys paid into it by owners licensees under the Illinois
24 ~~Riverboat~~ Gambling Act for the purposes described in this
25 Section. The Fund shall be administered by the Board. Moneys in

1 the Fund shall be distributed as directed and certified by the
2 Board in accordance with the provisions of subsection (b).

3 (b) The moneys deposited into the Fund, plus any accrued
4 interest on those moneys, shall be distributed within 10 days
5 after those moneys are deposited into the Fund as follows:

6 (1) Sixty percent of all moneys distributed under this
7 subsection shall be distributed to organization licensees
8 to be distributed at their race meetings as purses.
9 Fifty-seven percent of the amount distributed under this
10 paragraph (1) shall be distributed for thoroughbred race
11 meetings and 43% shall be distributed for standardbred race
12 meetings. Within each breed, moneys shall be allocated to
13 each organization licensee's purse fund in accordance with
14 the ratio between the purses generated for that breed by
15 that licensee during the prior calendar year and the total
16 purses generated throughout the State for that breed during
17 the prior calendar year by licensees in the current
18 calendar year.

19 (2) The remaining 40% of the moneys distributed under
20 this subsection (b) shall be distributed as follows:

21 (A) 11% shall be distributed to any person (or its
22 successors or assigns) who had operating control of a
23 racetrack that conducted live racing in 2002 at a
24 racetrack in a county with at least 230,000 inhabitants
25 that borders the Mississippi River and is a licensee in
26 the current year; and

1 (B) the remaining 89% shall be distributed pro rata
2 according to the aggregate proportion of total handle
3 from wagering on live races conducted in Illinois
4 (irrespective of where the wagers are placed) for
5 calendar years 2004 and 2005 to any person (or its
6 successors or assigns) who (i) had majority operating
7 control of a racing facility at which live racing was
8 conducted in calendar year 2002, (ii) is a licensee in
9 the current year, and (iii) is not eligible to receive
10 moneys under subparagraph (A) of this paragraph (2).

11 The moneys received by an organization licensee
12 under this paragraph (2) shall be used by each
13 organization licensee to improve, maintain, market,
14 and otherwise operate its racing facilities to conduct
15 live racing, which shall include backstretch services
16 and capital improvements related to live racing and the
17 backstretch. Any organization licensees sharing common
18 ownership may pool the moneys received and spent at all
19 racing facilities commonly owned in order to meet these
20 requirements.

21 If any person identified in this paragraph (2) becomes
22 ineligible to receive moneys from the Fund, such amount
23 shall be redistributed among the remaining persons in
24 proportion to their percentages otherwise calculated.

25 (c) The Board shall monitor organization licensees to
26 ensure that moneys paid to organization licensees under this

1 Section are distributed by the organization licensees as
2 provided in subsection (b).

3 (Source: P.A. 95-1008, eff. 12-15-08.)

4 (230 ILCS 5/56 new)

5 Sec. 56. Gaming pursuant to an organization gaming license.

6 (a) A person, firm, corporation, partnership, or limited
7 liability company having operating control of a racetrack may
8 apply to the Gaming Board for an organization gaming license.
9 An organization gaming license shall authorize its holder to
10 conduct gaming on the grounds of the racetrack of which the
11 organization gaming licensee has operating control. Only one
12 organization gaming license may be awarded for any racetrack. A
13 holder of an organization gaming license shall be subject to
14 the Illinois Gambling Act and rules of the Illinois Gaming
15 Board concerning gaming pursuant to an organization gaming
16 license issued under the Illinois Gambling Act. If the person,
17 firm, corporation, or limited liability company having
18 operating control of a racetrack is found by the Illinois
19 Gaming Board to be unsuitable for an organization gaming
20 license under the Illinois Gambling Act and rules of the Gaming
21 Board, that person, firm, corporation, or limited liability
22 company shall not be granted an organization gaming license.
23 Each license shall specify the number of gaming positions that
24 its holder may operate.

25 An organization gaming licensee may not permit patrons

1 under 21 years of age to be present in its organization gaming
2 facility, but the licensee may accept wagers on live racing and
3 inter-track wagers at its organization gaming facility.

4 (b) For purposes of this subsection, "adjusted gross
5 receipts" means an organization gaming licensee's gross
6 receipts less winnings paid to wagerers and shall also include
7 any amounts that would otherwise be deducted pursuant to
8 subsection (a-9) of Section 13 of the Illinois Gambling Act.
9 The adjusted gross receipts by an organization gaming licensee
10 from gaming pursuant to an organization gaming license issued
11 under the Illinois Gambling Act remaining after the payment of
12 taxes under Section 13 of the Illinois Gambling Act shall be
13 distributed as follows:

14 (1) Amounts shall be paid to the purse account at the
15 track at which the organization licensee is conducting
16 racing equal to the following:

17 12.75% of annual adjusted gross receipts up to and
18 including \$93,000,000;

19 20% of annual adjusted gross receipts in excess of
20 \$93,000,000 but not exceeding \$100,000,000;

21 26.5% of annual adjusted gross receipts in excess
22 of \$100,000,000 but not exceeding \$125,000,000; and

23 20.5% of annual adjusted gross receipts in excess
24 of \$125,000,000.

25 If 2 different breeds race at the same racetrack in the
26 same calendar year, the purse moneys allocated under this

1 subsection (b) shall be divided pro rata based on live
2 racing days awarded by the Board to that race track for
3 each breed. However, the ratio may not exceed 60% for
4 either breed, except if one breed is awarded fewer than 20
5 live racing days, in which case the purse moneys allocated
6 shall be divided pro rata based on live racing days.

7 (2) The remainder shall be retained by the organization
8 gaming licensee.

9 (c) Annually, from the purse account of an organization
10 licensee racing thoroughbred horses in this State, except for
11 in Madison County, an amount equal to 12% of the gaming
12 receipts from gaming pursuant to an organization gaming license
13 placed into the purse accounts shall be paid to the Illinois
14 Thoroughbred Breeders Fund and shall be used for owner awards;
15 a stallion program pursuant to paragraph (3) of subsection (g)
16 of Section 30 of this Act; and Illinois conceived and foaled
17 stakes races pursuant to paragraph (2) of subsection (g) of
18 Section 30 of this Act, as specifically designated by the
19 horsemen association representing the largest number of owners
20 and trainers who race at the organization licensee's race
21 meetings.

22 Annually, from the purse account of an organization
23 licensee racing thoroughbred horses in Madison County, an
24 amount equal to 10% of the gaming receipts from gaming pursuant
25 to an organization gaming license placed into the purse
26 accounts shall be paid to the Illinois Thoroughbred Breeders

1 Fund and shall be used for owner awards; a stallion program
2 pursuant to paragraph (3) of subsection (g) of Section 30 of
3 this Act; and Illinois conceived and foaled stakes races
4 pursuant to paragraph (2) of subsection (g) of Section 30 of
5 this Act, as specifically designated by the horsemen
6 association representing the largest number of owners and
7 trainers who race at the organization licensee's race meetings.

8 Annually, from the amounts generated for purses from all
9 sources, including, but not limited to, amounts generated from
10 wagering conducted by organization licensees, organization
11 gaming licensees, inter-track wagering licensees, inter-track
12 wagering locations licensees, and advance deposit wagering
13 licensees, or an organization licensee to the purse account of
14 an organization licensee conducting thoroughbred races at a
15 track in Madison County, an amount equal to 10% of adjusted
16 gross receipts as defined in subsection (b) of this Section
17 shall be paid to the horsemen association representing the
18 largest number of owners and trainers who race at the
19 organization licensee's race meets, to be used to for
20 operational expenses and may be also used for after care
21 programs for retired thoroughbred race horses, backstretch
22 laundry and kitchen facilities, a health insurance or
23 retirement program, the Future Farmers of America, and such
24 other programs.

25 Annually, from the purse account of organization licensees
26 conducting thoroughbred races at racetracks in Cook County,

1 \$100,000 shall be paid for division and equal distribution to
2 the animal sciences department of each Illinois public
3 university system engaged in equine research and education on
4 or before the effective date of this amendatory Act of the
5 101st General Assembly for equine research and education.

6 (d) Annually, from the purse account of an organization
7 licensee racing standardbred horses, an amount equal to 15% of
8 the gaming receipts from gaming pursuant to an organization
9 gaming license placed into that purse account shall be paid to
10 the Illinois Standardbred Breeders Fund. Moneys deposited into
11 the Illinois Standardbred Breeders Fund shall be used for
12 standardbred racing as authorized in paragraphs 1, 2, 3, 8, and
13 9 of subsection (g) of Section 31 of this Act and for bonus
14 awards as authorized under paragraph 6 of subsection (j) of
15 Section 31 of this Act.

16 Section 35-55. The Riverboat Gambling Act is amended by
17 changing Sections 1, 2, 3, 4, 5, 5.1, 6, 7, 7.3, 7.5, 8, 9, 11,
18 11.1, 12, 13, 14, 15, 17, 17.1, 18, 18.1, 19, 20, and 24 and by
19 adding Sections 5.3, 7.7, 7.8, 7.10, 7.11, 7.12, 7.13, 7.14,
20 and 7.15 as follows:

21 (230 ILCS 10/1) (from Ch. 120, par. 2401)

22 Sec. 1. Short title. This Act shall be known and may be
23 cited as the Illinois ~~Riverboat~~ Gambling Act.

24 (Source: P.A. 86-1029.)

1 (230 ILCS 10/2) (from Ch. 120, par. 2402)

2 Sec. 2. Legislative Intent.

3 (a) This Act is intended to benefit the people of the State
4 of Illinois by assisting economic development, ~~and~~ promoting
5 Illinois tourism, ~~and~~ ~~by~~ increasing the amount of revenues
6 available to the State to assist and support education, and to
7 defray State expenses.

8 (b) While authorization of riverboat and casino gambling
9 will enhance investment, beautification, development and
10 tourism in Illinois, it is recognized that it will do so
11 successfully only if public confidence and trust in the
12 credibility and integrity of the gambling operations and the
13 regulatory process is maintained. Therefore, regulatory
14 provisions of this Act are designed to strictly regulate the
15 facilities, persons, associations and practices related to
16 gambling operations pursuant to the police powers of the State,
17 including comprehensive law enforcement supervision.

18 (c) The Illinois Gaming Board established under this Act
19 should, as soon as possible, inform each applicant for an
20 owners license of the Board's intent to grant or deny a
21 license.

22 (Source: P.A. 93-28, eff. 6-20-03.)

23 (230 ILCS 10/3) (from Ch. 120, par. 2403)

24 Sec. 3. ~~Riverboat~~ Gambling Authorized.

1 (a) Riverboat and casino gambling operations and gaming
2 operations pursuant to an organization gaming license ~~and the~~
3 ~~system of wagering incorporated therein~~, as defined in this
4 Act, are hereby authorized to the extent that they are carried
5 out in accordance with the provisions of this Act.

6 (b) This Act does not apply to the pari-mutuel system of
7 wagering used or intended to be used in connection with the
8 horse-race meetings as authorized under the Illinois Horse
9 Racing Act of 1975, lottery games authorized under the Illinois
10 Lottery Law, bingo authorized under the Bingo License and Tax
11 Act, charitable games authorized under the Charitable Games Act
12 or pull tabs and jar games conducted under the Illinois Pull
13 Tabs and Jar Games Act. This Act applies to gaming by an
14 organization gaming licensee authorized under the Illinois
15 Horse Racing Act of 1975 to the extent provided in that Act and
16 in this Act.

17 (c) Riverboat gambling conducted pursuant to this Act may
18 be authorized upon any water within the State of Illinois or
19 any water other than Lake Michigan which constitutes a boundary
20 of the State of Illinois. Notwithstanding any provision in this
21 subsection (c) to the contrary, a licensee that receives its
22 license pursuant to subsection (e-5) of Section 7 may conduct
23 riverboat gambling on Lake Michigan from a home dock located on
24 Lake Michigan subject to any limitations contained in Section
25 7. Notwithstanding any provision in this subsection (c) to the
26 contrary, a licensee may conduct gambling at its home dock

1 facility as provided in Sections 7 and 11. A licensee may
2 conduct riverboat gambling authorized under this Act
3 regardless of whether it conducts excursion cruises. A licensee
4 may permit the continuous ingress and egress of passengers for
5 the purpose of gambling.

6 (d) Gambling that is conducted in accordance with this Act
7 using slot machines and video games of chance and other
8 electronic gambling games as defined in both this Act and the
9 Illinois Horse Racing Act of 1975 is authorized.

10 (Source: P.A. 91-40, eff. 6-25-99.)

11 (230 ILCS 10/4) (from Ch. 120, par. 2404)

12 Sec. 4. Definitions. As used in this Act:

13 ~~(a)~~ "Board" means the Illinois Gaming Board.

14 ~~(b)~~ "Occupational license" means a license issued by the
15 Board to a person or entity to perform an occupation which the
16 Board has identified as requiring a license to engage in
17 riverboat gambling, casino gambling, or gaming pursuant to an
18 organization gaming license issued under this Act in Illinois.

19 ~~(c)~~ "Gambling game" includes, but is not limited to,
20 baccarat, twenty-one, poker, craps, slot machine, video game of
21 chance, roulette wheel, klondike table, punchboard, faro
22 layout, keno layout, numbers ticket, push card, jar ticket, or
23 pull tab which is authorized by the Board as a wagering device
24 under this Act.

25 ~~(d)~~ "Riverboat" means a self-propelled excursion boat, a

1 permanently moored barge, or permanently moored barges that are
2 permanently fixed together to operate as one vessel, on which
3 lawful gambling is authorized and licensed as provided in this
4 Act.

5 "Slot machine" means any mechanical, electrical, or other
6 device, contrivance, or machine that is authorized by the Board
7 as a wagering device under this Act which, upon insertion of a
8 coin, currency, token, or similar object therein, or upon
9 payment of any consideration whatsoever, is available to play
10 or operate, the play or operation of which may deliver or
11 entitle the person playing or operating the machine to receive
12 cash, premiums, merchandise, tokens, or anything of value
13 whatsoever, whether the payoff is made automatically from the
14 machine or in any other manner whatsoever. A slot machine:

15 (1) may utilize spinning reels or video displays or
16 both;

17 (2) may or may not dispense coins, tickets, or tokens
18 to winning patrons;

19 (3) may use an electronic credit system for receiving
20 wagers and making payouts; and

21 (4) may simulate a table game.

22 "Slot machine" does not include table games authorized by
23 the Board as a wagering device under this Act.

24 ~~(e)~~ "Managers license" means a license issued by the Board
25 to a person or entity to manage gambling operations conducted
26 by the State pursuant to Section 7.3.

1 ~~(f)~~ "Dock" means the location where a riverboat moors for
2 the purpose of embarking passengers for and disembarking
3 passengers from the riverboat.

4 ~~(g)~~ "Gross receipts" means the total amount of money
5 exchanged for the purchase of chips, tokens, or electronic
6 cards by riverboat patrons.

7 ~~(h)~~ "Adjusted gross receipts" means the gross receipts less
8 winnings paid to wagerers.

9 ~~(i)~~ "Cheat" means to alter the selection of criteria which
10 determine the result of a gambling game or the amount or
11 frequency of payment in a gambling game.

12 ~~(j)~~ ~~(Blank)~~.

13 ~~(k)~~ "Gambling operation" means the conduct of ~~authorized~~
14 gambling games authorized under this Act upon a riverboat or in
15 a casino or authorized under this Act and the Illinois Horse
16 Racing Act of 1975 at an organization gaming facility.

17 ~~(l)~~ "License bid" means the lump sum amount of money that
18 an applicant bids and agrees to pay the State in return for an
19 owners license that is issued or re-issued on or after July 1,
20 2003.

21 "Table game" means a live gaming apparatus upon which
22 gaming is conducted or that determines an outcome that is the
23 object of a wager, including, but not limited to, baccarat,
24 twenty-one, blackjack, poker, craps, roulette wheel, klondike
25 table, punchboard, faro layout, keno layout, numbers ticket,
26 push card, jar ticket, pull tab, or other similar games that

1 are authorized by the Board as a wagering device under this
2 Act. "Table game" does not include slot machines or video games
3 of chance.

4 ~~(m)~~ The terms "minority person", "woman", and "person with
5 a disability" shall have the same meaning as defined in Section
6 2 of the Business Enterprise for Minorities, Women, and Persons
7 with Disabilities Act.

8 "Casino" means a facility at which lawful gambling is
9 authorized as provided in this Act.

10 "Owners license" means a license to conduct riverboat or
11 casino gambling operations, but does not include an
12 organization gaming license.

13 "Licensed owner" means a person who holds an owners
14 license.

15 "Organization gaming facility" means that portion of an
16 organization licensee's racetrack facilities at which gaming
17 authorized under Section 7.7 is conducted.

18 "Organization gaming license" means a license issued by the
19 Illinois Gaming Board under Section 7.7 of this Act authorizing
20 gaming pursuant to that Section at an organization gaming
21 facility.

22 "Organization gaming licensee" means an entity that holds
23 an organization gaming license.

24 "Organization licensee" means an entity authorized by the
25 Illinois Racing Board to conduct pari-mutuel wagering in
26 accordance with the Illinois Horse Racing Act of 1975. With

1 respect only to gaming pursuant to an organization gaming
2 license, "organization licensee" includes the authorization
3 for gaming created under subsection (a) of Section 56 of the
4 Illinois Horse Racing Act of 1975.

5 (Source: P.A. 100-391, eff. 8-25-17.)

6 (230 ILCS 10/5) (from Ch. 120, par. 2405)

7 Sec. 5. Gaming Board.

8 (a) (1) There is hereby established the Illinois Gaming
9 Board, which shall have the powers and duties specified in this
10 Act, and all other powers necessary and proper to fully and
11 effectively execute this Act for the purpose of administering,
12 regulating, and enforcing the system of riverboat and casino
13 gambling established by this Act and gaming pursuant to an
14 organization gaming license issued under this Act. Its
15 jurisdiction shall extend under this Act to every person,
16 association, corporation, partnership and trust involved in
17 riverboat and casino gambling operations and gaming pursuant to
18 an organization gaming license issued under this Act in the
19 State of Illinois.

20 (2) The Board shall consist of 5 members to be appointed by
21 the Governor with the advice and consent of the Senate, one of
22 whom shall be designated by the Governor to be chairperson
23 ~~chairman~~. Each member shall have a reasonable knowledge of the
24 practice, procedure and principles of gambling operations.
25 Each member shall either be a resident of Illinois or shall

1 certify that he or she will become a resident of Illinois
2 before taking office.

3 On and after the effective date of this amendatory Act of
4 the 101st General Assembly, new appointees to the Board must
5 include the following:

6 (A) One member who has received, at a minimum, a
7 bachelor's degree from an accredited school and at least 10
8 years of verifiable experience in the fields of
9 investigation and law enforcement.

10 (B) One member who is a certified public accountant
11 with experience in auditing and with knowledge of complex
12 corporate structures and transactions.

13 (C) One member who has 5 years' experience as a
14 principal, senior officer, or director of a company or
15 business with either material responsibility for the daily
16 operations and management of the overall company or
17 business or material responsibility for the policy making
18 of the company or business.

19 (D) One member who is an attorney licensed to practice
20 law in Illinois for at least 5 years.

21 Notwithstanding any provision of this subsection (a), the
22 requirements of subparagraphs (A) through (D) of this paragraph
23 (2) shall not apply to any person reappointed pursuant to
24 paragraph (3).

25 No more than 3 members of the Board may be from the same
26 political party. No Board member shall, within a period of one

1 year immediately preceding nomination, have been employed or
2 received compensation or fees for services from a person or
3 entity, or its parent or affiliate, that has engaged in
4 business with the Board, a licensee, or a licensee under the
5 Illinois Horse Racing Act of 1975. Board members must publicly
6 disclose all prior affiliations with gaming interests,
7 including any compensation, fees, bonuses, salaries, and other
8 reimbursement received from a person or entity, or its parent
9 or affiliate, that has engaged in business with the Board, a
10 licensee, or a licensee under the Illinois Horse Racing Act of
11 1975. This disclosure must be made within 30 days after
12 nomination but prior to confirmation by the Senate and must be
13 made available to the members of the Senate. ~~At least one~~
14 ~~member shall be experienced in law enforcement and criminal~~
15 ~~investigation, at least one member shall be a certified public~~
16 ~~accountant experienced in accounting and auditing, and at least~~
17 ~~one member shall be a lawyer licensed to practice law in~~
18 ~~Illinois.~~

19 (3) The terms of office of the Board members shall be 3
20 years, except that the terms of office of the initial Board
21 members appointed pursuant to this Act will commence from the
22 effective date of this Act and run as follows: one for a term
23 ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for
24 a term ending July 1, 1993. Upon the expiration of the
25 foregoing terms, the successors of such members shall serve a
26 term for 3 years and until their successors are appointed and

1 qualified for like terms. Vacancies in the Board shall be
2 filled for the unexpired term in like manner as original
3 appointments. Each member of the Board shall be eligible for
4 reappointment at the discretion of the Governor with the advice
5 and consent of the Senate.

6 (4) Each member of the Board shall receive \$300 for each
7 day the Board meets and for each day the member conducts any
8 hearing pursuant to this Act. Each member of the Board shall
9 also be reimbursed for all actual and necessary expenses and
10 disbursements incurred in the execution of official duties.

11 (5) No person shall be appointed a member of the Board or
12 continue to be a member of the Board who is, or whose spouse,
13 child or parent is, a member of the board of directors of, or a
14 person financially interested in, any gambling operation
15 subject to the jurisdiction of this Board, or any race track,
16 race meeting, racing association or the operations thereof
17 subject to the jurisdiction of the Illinois Racing Board. No
18 Board member shall hold any other public office. No person
19 shall be a member of the Board who is not of good moral
20 character or who has been convicted of, or is under indictment
21 for, a felony under the laws of Illinois or any other state, or
22 the United States.

23 (5.5) No member of the Board shall engage in any political
24 activity. For the purposes of this Section, "political" means
25 any activity in support of or in connection with any campaign
26 for federal, State, or local elective office or any political

1 organization, but does not include activities (i) relating to
2 the support or opposition of any executive, legislative, or
3 administrative action (as those terms are defined in Section 2
4 of the Lobbyist Registration Act), (ii) relating to collective
5 bargaining, or (iii) that are otherwise in furtherance of the
6 person's official State duties or governmental and public
7 service functions.

8 (6) Any member of the Board may be removed by the Governor
9 for neglect of duty, misfeasance, malfeasance, or nonfeasance
10 in office or for engaging in any political activity.

11 (7) Before entering upon the discharge of the duties of his
12 office, each member of the Board shall take an oath that he
13 will faithfully execute the duties of his office according to
14 the laws of the State and the rules and regulations adopted
15 therewith and shall give bond to the State of Illinois,
16 approved by the Governor, in the sum of \$25,000. Every such
17 bond, when duly executed and approved, shall be recorded in the
18 office of the Secretary of State. Whenever the Governor
19 determines that the bond of any member of the Board has become
20 or is likely to become invalid or insufficient, he shall
21 require such member forthwith to renew his bond, which is to be
22 approved by the Governor. Any member of the Board who fails to
23 take oath and give bond within 30 days from the date of his
24 appointment, or who fails to renew his bond within 30 days
25 after it is demanded by the Governor, shall be guilty of
26 neglect of duty and may be removed by the Governor. The cost of

1 any bond given by any member of the Board under this Section
2 shall be taken to be a part of the necessary expenses of the
3 Board.

4 (7.5) For the examination of all mechanical,
5 electromechanical, or electronic table games, slot machines,
6 slot accounting systems, sports wagering systems, and other
7 electronic gaming equipment, and the field inspection of such
8 systems, games, and machines, for compliance with this Act, the
9 Board shall ~~may~~ utilize the services of ~~one or more~~ independent
10 outside testing laboratories that have been accredited in
11 accordance with ISO/IEC 17025 by an accreditation body that is
12 a signatory to the International Laboratory Accreditation
13 Cooperation Mutual Recognition Agreement signifying they ~~by a~~
14 ~~national accreditation body and that, in the judgment of the~~
15 ~~Board,~~ are qualified to perform such examinations.
16 Notwithstanding any law to the contrary, the Board shall
17 consider the licensing of independent outside testing
18 laboratory applicants in accordance with procedures
19 established by the Board by rule. The Board shall not withhold
20 its approval of an independent outside testing laboratory
21 license applicant that has been accredited as required under
22 this paragraph (7.5) and is licensed in gaming jurisdictions
23 comparable to Illinois. Upon the finalization of required
24 rules, the Board shall license independent testing
25 laboratories and accept the test reports of any licensed
26 testing laboratory of the system's, game's, or machine

1 manufacturer's choice, notwithstanding the existence of
2 contracts between the Board and any independent testing
3 laboratory.

4 (8) The Board shall employ such personnel as may be
5 necessary to carry out its functions and shall determine the
6 salaries of all personnel, except those personnel whose
7 salaries are determined under the terms of a collective
8 bargaining agreement. No person shall be employed to serve the
9 Board who is, or whose spouse, parent or child is, an official
10 of, or has a financial interest in or financial relation with,
11 any operator engaged in gambling operations within this State
12 or any organization engaged in conducting horse racing within
13 this State. For the one year immediately preceding employment,
14 an employee shall not have been employed or received
15 compensation or fees for services from a person or entity, or
16 its parent or affiliate, that has engaged in business with the
17 Board, a licensee, or a licensee under the Illinois Horse
18 Racing Act of 1975. Any employee violating these prohibitions
19 shall be subject to termination of employment.

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 any such ~~all requested~~ hearings promptly and
19 in 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 organization 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 July 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 organization 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 the Sports Wagering Act; and

22 (14) To adopt, by rule, a code of conduct governing
23 Board members and employees that ensure, to the maximum
24 extent possible, that persons subject to this Code avoid
25 situations, relationships, or associations that may
26 represent or lead to a conflict of interest.

1 Internal controls and changes submitted by licensees must
2 be reviewed and either approved or denied with cause within 90
3 days after receipt of submission is deemed final by the
4 Illinois Gaming Board. In the event an internal control
5 submission or change does not meet the standards set by the
6 Board, staff of the Board must provide technical assistance to
7 the licensee to rectify such deficiencies within 90 days after
8 the initial submission and the revised submission must be
9 reviewed and approved or denied with cause within 90 days after
10 the date the revised submission is deemed final by the Board.
11 For the purposes of this paragraph, "with cause" means that the
12 approval of the submission would jeopardize the integrity of
13 gaming. In the event the Board staff has not acted within the
14 timeframe, the submission shall be deemed approved.

15 (c) The Board shall have jurisdiction over and shall
16 supervise all gambling operations governed by this Act. The
17 Board shall have all powers necessary and proper to fully and
18 effectively execute the provisions of this Act, including, but
19 not limited to, the following:

20 (1) To investigate applicants and determine the
21 eligibility of applicants for licenses and to select among
22 competing applicants the applicants which best serve the
23 interests of the citizens of Illinois.

24 (2) To have jurisdiction and supervision over all
25 riverboat gambling operations authorized under this Act ~~in~~
26 ~~this State~~ and all persons in places ~~on riverboats~~ where

1 gambling operations are conducted.

2 (3) To promulgate rules and regulations for the purpose
3 of administering the provisions of this Act and to
4 prescribe rules, regulations and conditions under which
5 all ~~riverboat~~ gambling operations subject to this Act ~~in~~
6 ~~the State~~ shall be conducted. Such rules and regulations
7 are to provide for the prevention of practices detrimental
8 to the public interest and for the best interests of
9 riverboat gambling, including rules and regulations
10 regarding the inspection of organization gaming
11 facilities, casinos, and ~~such~~ riverboats, and the review of
12 any permits or licenses necessary to operate a riverboat,
13 casino, or organization gaming facility under any laws or
14 regulations applicable to riverboats, casinos, or
15 organization gaming facilities and to impose penalties for
16 violations thereof.

17 (4) To enter the office, riverboats, casinos,
18 organization gaming facilities, and other facilities, or
19 other places of business of a licensee, where evidence of
20 the compliance or noncompliance with the provisions of this
21 Act is likely to be found.

22 (5) To investigate alleged violations of this Act or
23 the rules of the Board and to take appropriate disciplinary
24 action against a licensee or a holder of an occupational
25 license for a violation, or institute appropriate legal
26 action for enforcement, or both.

1 (6) To adopt standards for the licensing of all persons
2 and entities under this Act, as well as for electronic or
3 mechanical gambling games, and to establish fees for such
4 licenses.

5 (7) To adopt appropriate standards for all
6 organization gaming facilities, riverboats, casinos, and
7 other facilities authorized under this Act.

8 (8) To require that the records, including financial or
9 other statements of any licensee under this Act, shall be
10 kept in such manner as prescribed by the Board and that any
11 such licensee involved in the ownership or management of
12 gambling operations submit to the Board an annual balance
13 sheet and profit and loss statement, list of the
14 stockholders or other persons having a 1% or greater
15 beneficial interest in the gambling activities of each
16 licensee, and any other information the Board deems
17 necessary in order to effectively administer this Act and
18 all rules, regulations, orders and final decisions
19 promulgated under this Act.

20 (9) To conduct hearings, issue subpoenas for the
21 attendance of witnesses and subpoenas duces tecum for the
22 production of books, records and other pertinent documents
23 in accordance with the Illinois Administrative Procedure
24 Act, and to administer oaths and affirmations to the
25 witnesses, when, in the judgment of the Board, it is
26 necessary to administer or enforce this Act or the Board

1 rules.

2 (10) To prescribe a form to be used by any licensee
3 involved in the ownership or management of gambling
4 operations as an application for employment for their
5 employees.

6 (11) To revoke or suspend licenses, as the Board may
7 see fit and in compliance with applicable laws of the State
8 regarding administrative procedures, and to review
9 applications for the renewal of licenses. The Board may
10 suspend an owners license or an organization gaming
11 license, without notice or hearing upon a determination
12 that the safety or health of patrons or employees is
13 jeopardized by continuing a gambling operation conducted
14 under that license ~~riverboat's operation~~. The suspension
15 may remain in effect until the Board determines that the
16 cause for suspension has been abated. The Board may revoke
17 an the owners license or organization gaming license upon a
18 determination that the licensee ~~owner~~ has not made
19 satisfactory progress toward abating the hazard.

20 (12) To eject or exclude or authorize the ejection or
21 exclusion of, any person from ~~riverboat~~ gambling
22 facilities where that ~~such~~ person is in violation of this
23 Act, rules and regulations thereunder, or final orders of
24 the Board, or where such person's conduct or reputation is
25 such that his or her presence within the ~~riverboat~~ gambling
26 facilities may, in the opinion of the Board, call into

1 question the honesty and integrity of the gambling
2 operations or interfere with the orderly conduct thereof;
3 provided that the propriety of such ejection or exclusion
4 is subject to subsequent hearing by the Board.

5 (13) To require all licensees of gambling operations to
6 utilize a cashless wagering system whereby all players'
7 money is converted to tokens, electronic cards, or chips
8 which shall be used only for wagering in the gambling
9 establishment.

10 (14) (Blank).

11 (15) To suspend, revoke or restrict licenses, to
12 require the removal of a licensee or an employee of a
13 licensee for a violation of this Act or a Board rule or for
14 engaging in a fraudulent practice, and to impose civil
15 penalties of up to \$5,000 against individuals and up to
16 \$10,000 or an amount equal to the daily gross receipts,
17 whichever is larger, against licensees for each violation
18 of any provision of the Act, any rules adopted by the
19 Board, any order of the Board or any other action which, in
20 the Board's discretion, is a detriment or impediment to
21 ~~riverboat~~ gambling operations.

22 (16) To hire employees to gather information, conduct
23 investigations and carry out any other tasks contemplated
24 under this Act.

25 (17) To establish minimum levels of insurance to be
26 maintained by licensees.

1 (18) To authorize a licensee to sell or serve alcoholic
2 liquors, wine or beer as defined in the Liquor Control Act
3 of 1934 on board a riverboat or in a casino and to have
4 exclusive authority to establish the hours for sale and
5 consumption of alcoholic liquor on board a riverboat or in
6 a casino, notwithstanding any provision of the Liquor
7 Control Act of 1934 or any local ordinance, and regardless
8 of whether the riverboat makes excursions. The
9 establishment of the hours for sale and consumption of
10 alcoholic liquor on board a riverboat or in a casino is an
11 exclusive power and function of the State. A home rule unit
12 may not establish the hours for sale and consumption of
13 alcoholic liquor on board a riverboat or in a casino. This
14 subdivision (18) amendatory Act of 1991 is a denial and
15 limitation of home rule powers and functions under
16 subsection (h) of Section 6 of Article VII of the Illinois
17 Constitution.

18 (19) After consultation with the U.S. Army Corps of
19 Engineers, to establish binding emergency orders upon the
20 concurrence of a majority of the members of the Board
21 regarding the navigability of water, relative to
22 excursions, in the event of extreme weather conditions,
23 acts of God or other extreme circumstances.

24 (20) To delegate the execution of any of its powers
25 under this Act for the purpose of administering and
26 enforcing this Act and the its rules adopted by the Board

1 ~~and regulations hereunder.~~

2 (20.5) To approve any contract entered into on its
3 behalf.

4 (20.6) To appoint investigators to conduct
5 investigations, searches, seizures, arrests, and other
6 duties imposed under this Act, as deemed necessary by the
7 Board. These investigators have and may exercise all of the
8 rights and powers of peace officers, provided that these
9 powers shall be limited to offenses or violations occurring
10 or committed in a casino, in an organization gaming
11 facility, or on a riverboat or dock, as defined in
12 subsections (d) and (f) of Section 4, or as otherwise
13 provided by this Act or any other law.

14 (20.7) To contract with the Department of State Police
15 for the use of trained and qualified State police officers
16 and with the Department of Revenue for the use of trained
17 and qualified Department of Revenue investigators to
18 conduct investigations, searches, seizures, arrests, and
19 other duties imposed under this Act and to exercise all of
20 the rights and powers of peace officers, provided that the
21 powers of Department of Revenue investigators under this
22 subdivision (20.7) shall be limited to offenses or
23 violations occurring or committed in a casino, in an
24 organization gaming facility, or on a riverboat or dock, as
25 defined in subsections (d) and (f) of Section 4, or as
26 otherwise provided by this Act or any other law. In the

1 event the Department of State Police or the Department of
2 Revenue is unable to fill contracted police or
3 investigative positions, the Board may appoint
4 investigators to fill those positions pursuant to
5 subdivision (20.6).

6 (21) To adopt rules concerning the conduct of gaming
7 pursuant to an organization gaming license issued under
8 this Act.

9 (22) To have the same jurisdiction and supervision over
10 casinos and organization gaming facilities as the Board has
11 over riverboats, including, but not limited to, the power
12 to (i) investigate, review, and approve contracts as that
13 power is applied to riverboats, (ii) adopt rules for
14 administering the provisions of this Act, (iii) adopt
15 standards for the licensing of all persons involved with a
16 casino or organization gaming facility, (iv) investigate
17 alleged violations of this Act by any person involved with
18 a casino or organization gaming facility, and (v) require
19 that records, including financial or other statements of
20 any casino or organization gaming facility, shall be kept
21 in such manner as prescribed by the Board.

22 (23) ~~(21)~~ To take any other action as may be reasonable
23 or appropriate to enforce this Act and the rules adopted by
24 the Board and ~~regulations hereunder.~~

25 (d) The Board may seek and shall receive the cooperation of
26 the Department of State Police in conducting background

1 investigations of applicants and in fulfilling its
2 responsibilities under this Section. Costs incurred by the
3 Department of State Police as a result of such cooperation
4 shall be paid by the Board in conformance with the requirements
5 of Section 2605-400 of the Department of State Police Law ~~(20~~
6 ~~ILCS 2605/2605-400)~~.

7 (e) The Board must authorize to each investigator and to
8 any other employee of the Board exercising the powers of a
9 peace officer a distinct badge that, on its face, (i) clearly
10 states that the badge is authorized by the Board and (ii)
11 contains a unique identifying number. No other badge shall be
12 authorized by the Board.

13 (Source: P.A. 100-1152, eff. 12-14-18.)

14 (230 ILCS 10/5.1) (from Ch. 120, par. 2405.1)

15 Sec. 5.1. Disclosure of records.

16 (a) Notwithstanding any applicable statutory provision to
17 the contrary, the Board shall, on written request from any
18 person, provide information furnished by an applicant or
19 licensee concerning the applicant or licensee, his products,
20 services or gambling enterprises and his business holdings, as
21 follows:

22 (1) The name, business address and business telephone
23 number of any applicant or licensee.

24 (2) An identification of any applicant or licensee
25 including, if an applicant or licensee is not an

1 individual, the names and addresses of all stockholders and
2 directors, if the entity is a corporation; the names and
3 addresses of all members, if the entity is a limited
4 liability company; the names and addresses of all partners,
5 both general and limited, if the entity is a partnership;
6 and the names and addresses of all beneficiaries, if the
7 entity is a trust ~~the state of incorporation or~~
8 ~~registration, the corporate officers, and the identity of~~
9 ~~all shareholders or participants.~~ If an applicant or
10 licensee has a pending registration statement filed with
11 the Securities and Exchange Commission, only the names of
12 those persons or entities holding interest of 5% or more
13 must be provided.

14 (3) An identification of any business, including, if
15 applicable, the state of incorporation or registration, in
16 which an applicant or licensee or an applicant's or
17 licensee's spouse or children has an equity interest of
18 more than 1%. If an applicant or licensee is a corporation,
19 partnership or other business entity, the applicant or
20 licensee shall identify any other corporation, partnership
21 or business entity in which it has an equity interest of 1%
22 or more, including, if applicable, the state of
23 incorporation or registration. This information need not
24 be provided by a corporation, partnership or other business
25 entity that has a pending registration statement filed with
26 the Securities and Exchange Commission.

1 (4) Whether an applicant or licensee has been indicted,
2 convicted, pleaded guilty or nolo contendere, or forfeited
3 bail concerning any criminal offense under the laws of any
4 jurisdiction, either felony or misdemeanor (except for
5 traffic violations), including the date, the name and
6 location of the court, arresting agency and prosecuting
7 agency, the case number, the offense, the disposition and
8 the location and length of incarceration.

9 (5) Whether an applicant or licensee has had any
10 license or certificate issued by a licensing authority in
11 Illinois or any other jurisdiction denied, restricted,
12 suspended, revoked or not renewed and a statement
13 describing the facts and circumstances concerning the
14 denial, restriction, suspension, revocation or
15 non-renewal, including the licensing authority, the date
16 each such action was taken, and the reason for each such
17 action.

18 (6) Whether an applicant or licensee has ever filed or
19 had filed against it a proceeding in bankruptcy or has ever
20 been involved in any formal process to adjust, defer,
21 suspend or otherwise work out the payment of any debt
22 including the date of filing, the name and location of the
23 court, the case and number of the disposition.

24 (7) Whether an applicant or licensee has filed, or been
25 served with a complaint or other notice filed with any
26 public body, regarding the delinquency in the payment of,

1 or a dispute over the filings concerning the payment of,
2 any tax required under federal, State or local law,
3 including the amount, type of tax, the taxing agency and
4 time periods involved.

5 (8) A statement listing the names and titles of all
6 public officials or officers of any unit of government, and
7 relatives of said public officials or officers who,
8 directly or indirectly, own any financial interest in, have
9 any beneficial interest in, are the creditors of or hold
10 any debt instrument issued by, or hold or have any interest
11 in any contractual or service relationship with, an
12 applicant or licensee.

13 (9) Whether an applicant or licensee has made, directly
14 or indirectly, any political contribution, or any loans,
15 donations or other payments, to any candidate or office
16 holder, within 5 years from the date of filing the
17 application, including the amount and the method of
18 payment.

19 (10) The name and business telephone number of the
20 counsel representing an applicant or licensee in matters
21 before the Board.

22 (11) A description of any proposed or approved gambling
23 ~~riverboat gaming~~ operation, including the type of boat,
24 home dock, or casino or gaming location, expected economic
25 benefit to the community, anticipated or actual number of
26 employees, any statement from an applicant or licensee

1 regarding compliance with federal and State affirmative
2 action guidelines, projected or actual admissions and
3 projected or actual adjusted gross gaming receipts.

4 (12) A description of the product or service to be
5 supplied by an applicant for a supplier's license.

6 (b) Notwithstanding any applicable statutory provision to
7 the contrary, the Board shall, on written request from any
8 person, also provide the following information:

9 (1) The amount of the wagering tax and admission tax
10 paid daily to the State of Illinois by the holder of an
11 owner's license.

12 (2) Whenever the Board finds an applicant for an
13 owner's license unsuitable for licensing, a copy of the
14 written letter outlining the reasons for the denial.

15 (3) Whenever the Board has refused to grant leave for
16 an applicant to withdraw his application, a copy of the
17 letter outlining the reasons for the refusal.

18 (c) Subject to the above provisions, the Board shall not
19 disclose any information which would be barred by:

20 (1) Section 7 of the Freedom of Information Act; or

21 (2) The statutes, rules, regulations or
22 intergovernmental agreements of any jurisdiction.

23 (d) The Board may assess fees for the copying of
24 information in accordance with Section 6 of the Freedom of
25 Information Act.

26 (Source: P.A. 96-1392, eff. 1-1-11.)

1 (230 ILCS 10/5.3 new)

2 Sec. 5.3. Ethical conduct.

3 (a) Officials and employees of the corporate authority of a
4 host community must carry out their duties and responsibilities
5 in such a manner as to promote and preserve public trust and
6 confidence in the integrity and conduct of gaming.

7 (b) Officials and employees of the corporate authority of a
8 host community shall not use or attempt to use his or her
9 official position to secure or attempt to secure any privilege,
10 advantage, favor, or influence for himself or herself or
11 others.

12 (c) Officials and employees of the corporate authority of a
13 host community 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 a riverboat or casino that is located in the host
18 community. This prohibition shall extend to the holding or
19 acquisition of an interest in any entity identified by Board
20 action that, in the Board's judgment, could represent the
21 potential for or the appearance of a financial interest. The
22 holding or acquisition of an interest in such entities through
23 an indirect means, such as through a mutual fund, shall not be
24 prohibited, except that the Board may identify specific
25 investments or funds that, in its judgment, are so influenced

1 by gaming holdings as to represent the potential for or the
2 appearance of a conflict of interest.

3 (d) Officials and employees of the corporate authority of a
4 host community 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 riverboat or casino that is located in the host community.

9 (e) Officials and employees of the corporate authority of a
10 host community shall not, during the period that the person is
11 an official or employee of the corporate authority or for a
12 period of 2 years immediately after leaving such office,
13 knowingly accept employment or receive compensation or fees for
14 services from a person or entity, or its parent or affiliate,
15 that has engaged in business with the riverboat or casino that
16 is located in the host community that resulted in contracts
17 with an aggregate value of at least \$25,000 or if that official
18 or employee has made a decision that directly applied to the
19 person or entity, or its parent or affiliate.

20 (f) A spouse, child, or parent of an official or employee
21 of the corporate authority of a host community may not have a
22 financial interest, directly or indirectly, in his or her own
23 name or in the name of any other person, partnership,
24 association, trust, corporation, or other entity in any
25 contract or subcontract for the performance of any work for a
26 riverboat or casino in the host community. This prohibition

1 shall extend to the holding or acquisition of an interest in
2 any entity identified by Board action that, in the judgment of
3 the Board, could represent the potential for or the appearance
4 of a conflict of interest. The holding or acquisition of an
5 interest in such entities through an indirect means, such as
6 through a mutual fund, shall not be prohibited, except that the
7 Board may identify specific investments or funds that, in its
8 judgment, are so influenced by gaming holdings as to represent
9 the potential for or the appearance of a conflict of interest.

10 (g) A spouse, child, or parent of an official or employee
11 of the corporate authority of a host community may not accept
12 any gift, gratuity, service, compensation, travel, lodging, or
13 thing of value, with the exception of unsolicited items of an
14 incidental nature, from any person, corporation, or entity
15 doing business with the riverboat or casino that is located in
16 the host community.

17 (h) A spouse, child, or parent of an official or employee
18 of the corporate authority of a host community may not, during
19 the period that the person is an official of the corporate
20 authority or for a period of 2 years immediately after leaving
21 such office or employment, knowingly accept employment or
22 receive compensation or fees for services from a person or
23 entity, or its parent or affiliate, that has engaged in
24 business with the riverboat or casino that is located in the
25 host community that resulted in contracts with an aggregate
26 value of at least \$25,000 or if that official or employee has

1 made a decision that directly applied to the person or entity,
2 or its parent or affiliate.

3 (i) Officials and employees of the corporate authority of a
4 host community shall not attempt, in any way, to influence any
5 person or entity doing business with the riverboat or casino
6 that is located in the host community or any officer, agent, or
7 employee thereof to hire or contract with any person or entity
8 for any compensated work.

9 (j) Any communication between an official of the corporate
10 authority of a host community and any applicant for an owners
11 license in the host community, or an officer, director, or
12 employee of a riverboat or casino in the host community,
13 concerning any matter relating in any way to gaming shall be
14 disclosed to the Board. Such disclosure shall be in writing by
15 the official within 30 days after the communication and shall
16 be filed with the Board. Disclosure must consist of the date of
17 the communication, the identity and job title of the person
18 with whom the communication was made, a brief summary of the
19 communication, the action requested or recommended, all
20 responses made, the identity and job title of the person making
21 the response, and any other pertinent information. Public
22 disclosure of the written summary provided to the Board and the
23 Gaming Board shall be subject to the exemptions provided under
24 the Freedom of Information Act.

25 This subsection (j) shall not apply to communications
26 regarding traffic, law enforcement, security, environmental

1 issues, city services, transportation, or other routine
2 matters concerning the ordinary operations of the riverboat or
3 casino. For purposes of this subsection (j), "ordinary
4 operations" means operations relating to the casino or
5 riverboat facility other than the conduct of gambling
6 activities, and "routine matters" includes the application
7 for, issuance of, renewal of, and other processes associated
8 with municipal permits and licenses.

9 (k) Any official or employee who violates any provision of
10 this Section is guilty of a Class 4 felony.

11 (l) For purposes of this Section, "host community" or "host
12 municipality" means a unit of local government that contains a
13 riverboat or casino within its borders.

14 (230 ILCS 10/6) (from Ch. 120, par. 2406)

15 Sec. 6. Application for Owners License.

16 (a) A qualified person may apply to the Board for an owners
17 license to conduct a ~~riverboat~~ gambling operation as provided
18 in this Act. The application shall be made on forms provided by
19 the Board and shall contain such information as the Board
20 prescribes, including but not limited to the identity of the
21 riverboat on which such gambling operation is to be conducted,
22 if applicable, and the exact location where such riverboat or
23 casino will be located ~~docked~~, a certification that the
24 riverboat will be registered under this Act at all times during
25 which gambling operations are conducted on board, detailed

1 information regarding the ownership and management of the
2 applicant, and detailed personal information regarding the
3 applicant. Any application for an owners license to be
4 re-issued on or after June 1, 2003 shall also include the
5 applicant's license bid in a form prescribed by the Board.
6 Information provided on the application shall be used as a
7 basis for a thorough background investigation which the Board
8 shall conduct with respect to each applicant. An incomplete
9 application shall be cause for denial of a license by the
10 Board.

11 (a-5) In addition to any other information required under
12 this Section, each application for an owners license must
13 include the following information:

14 (1) The history and success of the applicant and each
15 person and entity disclosed under subsection (c) of this
16 Section in developing tourism facilities ancillary to
17 gaming, if applicable.

18 (2) The likelihood that granting a license to the
19 applicant will lead to the creation of quality, living wage
20 jobs and permanent, full-time jobs for residents of the
21 State and residents of the unit of local government that is
22 designated as the home dock of the proposed facility where
23 gambling is to be conducted by the applicant.

24 (3) The projected number of jobs that would be created
25 if the license is granted and the projected number of new
26 employees at the proposed facility where gambling is to be

1 conducted by the applicant.

2 (4) The record, if any, of the applicant and its
3 developer in meeting commitments to local agencies,
4 community-based organizations, and employees at other
5 locations where the applicant or its developer has
6 performed similar functions as they would perform if the
7 applicant were granted a license.

8 (5) Identification of adverse effects that might be
9 caused by the proposed facility where gambling is to be
10 conducted by the applicant, including the costs of meeting
11 increased demand for public health care, child care, public
12 transportation, affordable housing, and social services,
13 and a plan to mitigate those adverse effects.

14 (6) The record, if any, of the applicant and its
15 developer regarding compliance with:

16 (A) federal, state, and local discrimination, wage
17 and hour, disability, and occupational and
18 environmental health and safety laws; and

19 (B) state and local labor relations and employment
20 laws.

21 (7) The applicant's record, if any, in dealing with its
22 employees and their representatives at other locations.

23 (8) A plan concerning the utilization of
24 minority-owned and women-owned businesses and concerning
25 the hiring of minorities and women.

26 (9) Evidence the applicant used its best efforts to

1 reach a goal of 25% ownership representation by minority
2 persons and 5% ownership representation by women.

3 (b) Applicants shall submit with their application all
4 documents, resolutions, and letters of support from the
5 governing body that represents the municipality or county
6 wherein the licensee will be located ~~dock~~.

7 (c) Each applicant shall disclose the identity of every
8 person or entity ~~, association, trust or corporation~~ having a
9 greater than 1% direct or indirect pecuniary interest in the
10 ~~riverboat~~ gambling operation with respect to which the license
11 is sought. If the disclosed entity is a trust, the application
12 shall disclose the names and addresses of all ~~the~~
13 beneficiaries; if a corporation, the names and addresses of all
14 stockholders and directors; if a partnership, the names and
15 addresses of all partners, both general and limited.

16 (d) An application shall be filed and considered in
17 accordance with the rules of the Board. Each application shall
18 be accompanied by a nonrefundable ~~An~~ application fee of
19 \$250,000. In addition, a nonrefundable fee of \$50,000 shall be
20 paid at the time of filing to defray the costs associated with
21 the background investigation conducted by the Board. If the
22 costs of the investigation exceed \$50,000, the applicant shall
23 pay the additional amount to the Board within 7 days after
24 requested by the Board. If the costs of the investigation are
25 less than \$50,000, the applicant shall receive a refund of the
26 remaining amount. 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 application for a license or a renewal under this Act
4 shall be privileged, strictly confidential and shall be used
5 only for the purpose of evaluating an applicant for a license
6 or a renewal. Such information, records, interviews, reports,
7 statements, memoranda or other data shall not be admissible as
8 evidence, nor discoverable in any action of any kind in any
9 court or before any tribunal, board, agency or person, except
10 for any action deemed necessary by the Board. The application
11 fee shall be deposited into the State Gaming Fund.

12 (e) The Board shall charge each applicant a fee set by the
13 Department of State Police to defray the costs associated with
14 the search and classification of fingerprints obtained by the
15 Board with respect to the applicant's application. These fees
16 shall be paid into the State Police Services Fund. In order to
17 expedite the application process, the Board may establish rules
18 allowing applicants to acquire criminal background checks and
19 financial integrity reviews as part of the initial application
20 process from a list of vendors approved by the Board.

21 (f) The licensed owner shall be the person primarily
22 responsible for the boat or casino itself. Only one ~~riverboat~~
23 gambling operation may be authorized by the Board on any
24 riverboat or in any casino. The applicant must identify the
25 ~~each~~ riverboat or premises it intends to use and certify that
26 the riverboat or premises: (1) has the authorized capacity

1 required in this Act; (2) is accessible to persons with
2 disabilities; and (3) is fully registered and licensed in
3 accordance with any applicable laws.

4 (g) A person who knowingly makes a false statement on an
5 application is guilty of a Class A misdemeanor.

6 (Source: P.A. 99-143, eff. 7-27-15.)

7 (230 ILCS 10/7) (from Ch. 120, par. 2407)

8 Sec. 7. Owners licenses.

9 (a) The Board shall issue owners licenses to persons or
10 entities that, ~~firms or corporations which~~ apply for such
11 licenses upon payment to the Board of the non-refundable
12 license fee as provided in subsection (e) or (e-5) ~~set by the~~
13 ~~Board, upon payment of a \$25,000 license fee for the first year~~
14 ~~of operation and a \$5,000 license fee for each succeeding year~~
15 and upon a determination by the Board that the applicant is
16 eligible for an owners license pursuant to this Act and the
17 rules of the Board. From the effective date of this amendatory
18 Act of the 95th General Assembly until (i) 3 years after the
19 effective date of this amendatory Act of the 95th General
20 Assembly, (ii) the date any organization licensee begins to
21 operate a slot machine or video game of chance under the
22 Illinois Horse Racing Act of 1975 or this Act, (iii) the date
23 that payments begin under subsection (c-5) of Section 13 of the
24 Act, ~~or~~ (iv) the wagering tax imposed under Section 13 of this
25 Act is increased by law to reflect a tax rate that is at least

1 as stringent or more stringent than the tax rate contained in
2 subsection (a-3) of Section 13, or (v) when an owners licensee
3 holding a license issued pursuant to Section 7.1 of this Act
4 begins conducting gaming, whichever occurs first, as a
5 condition of licensure and as an alternative source of payment
6 for those funds payable under subsection (c-5) of Section 13 of
7 ~~this the Riverboat Gambling Act,~~ any owners licensee that holds
8 or receives its owners license on or after the effective date
9 of this amendatory Act of the 94th General Assembly, other than
10 an owners licensee operating a riverboat with adjusted gross
11 receipts in calendar year 2004 of less than \$200,000,000, must
12 pay into the Horse Racing Equity Trust Fund, in addition to any
13 other payments required under this Act, an amount equal to 3%
14 of the adjusted gross receipts received by the owners licensee.
15 The payments required under this Section shall be made by the
16 owners licensee to the State Treasurer no later than 3:00
17 o'clock p.m. of the day after the day when the adjusted gross
18 receipts were received by the owners licensee. A person, ~~firm~~
19 or entity ~~corporation~~ is ineligible to receive an owners
20 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 1961 or the Criminal
25 Code of 2012, or substantially similar laws of any other
26 jurisdiction;

1 (3) the person has submitted an application for a
2 license under this Act which contains false information;

3 (4) the person is a member of the Board;

4 (5) a person defined in (1), (2), (3) or (4) is an
5 officer, director or managerial employee of the entity ~~firm~~
6 ~~or corporation~~;

7 (6) the entity ~~firm or corporation~~ employs a person
8 defined in (1), (2), (3) or (4) who participates in the
9 management or operation of gambling operations authorized
10 under this Act;

11 (7) (blank); or

12 (8) a license of the person or entity, ~~firm or~~
13 ~~corporation~~ issued under this Act, or a license to own or
14 operate gambling facilities in any other jurisdiction, has
15 been revoked.

16 The Board is expressly prohibited from making changes to
17 the requirement that licensees make payment into the Horse
18 Racing Equity Trust Fund without the express authority of the
19 Illinois General Assembly and making any other rule to
20 implement or interpret this amendatory Act of the 95th General
21 Assembly. For the purposes of this paragraph, "rules" is given
22 the meaning given to that term in Section 1-70 of the Illinois
23 Administrative Procedure Act.

24 (b) In determining whether to grant an owners license to an
25 applicant, the Board shall consider:

26 (1) the character, reputation, experience and

1 financial integrity of the applicants and of any other or
2 separate person that either:

3 (A) controls, directly or indirectly, such
4 applicant, or

5 (B) is controlled, directly or indirectly, by such
6 applicant or by a person which controls, directly or
7 indirectly, such applicant;

8 (2) the facilities or proposed facilities for the
9 conduct of ~~riverboat~~ gambling;

10 (3) the highest prospective total revenue to be derived
11 by the State from the conduct of ~~riverboat~~ gambling;

12 (4) the extent to which the ownership of the applicant
13 reflects the diversity of the State by including minority
14 persons, women, and persons with a disability and the good
15 faith affirmative action plan of each applicant to recruit,
16 train and upgrade minority persons, women, and persons with
17 a disability in all employment classifications; the Board
18 shall further consider granting an owners license and
19 giving preference to an applicant under this Section to
20 applicants in which minority persons and women hold
21 ownership interest of at least 16% and 4%, respectively.

22 (4.5) the extent to which the ownership of the
23 applicant includes veterans of service in the armed forces
24 of the United States, and the good faith affirmative action
25 plan of each applicant to recruit, train, and upgrade
26 veterans of service in the armed forces of the United

1 States in all employment classifications;

2 (5) the financial ability of the applicant to purchase
3 and maintain adequate liability and casualty insurance;

4 (6) whether the applicant has adequate capitalization
5 to provide and maintain, for the duration of a license, a
6 riverboat or casino;

7 (7) the extent to which the applicant exceeds or meets
8 other standards for the issuance of an owners license which
9 the Board may adopt by rule; ~~and~~

10 (8) the ~~The~~ amount of the applicant's license bid; ~~-~~

11 (9) the extent to which the applicant or the proposed
12 host municipality plans to enter into revenue sharing
13 agreements with communities other than the host
14 municipality; and

15 (10) the extent to which the ownership of an applicant
16 includes the most qualified number of minority persons,
17 women, and persons with a disability.

18 (c) Each owners license shall specify the place where the
19 casino ~~riverboats~~ shall operate or the riverboat shall operate
20 and dock.

21 (d) Each applicant shall submit with his application, on
22 forms provided by the Board, 2 sets of his fingerprints.

23 (e) In addition to any licenses authorized under subsection
24 (e-5) of this Section, the ~~The~~ Board may issue up to 10
25 licenses authorizing the holders of such licenses to own
26 riverboats. In the application for an owners license, the

1 applicant shall state the dock at which the riverboat is based
2 and the water on which the riverboat will be located. The Board
3 shall issue 5 licenses to become effective not earlier than
4 January 1, 1991. Three of such licenses shall authorize
5 riverboat gambling on the Mississippi River, or, with approval
6 by the municipality in which the riverboat was docked on August
7 7, 2003 and with Board approval, be authorized to relocate to a
8 new location, in a municipality that (1) borders on the
9 Mississippi River or is within 5 miles of the city limits of a
10 municipality that borders on the Mississippi River and (2), on
11 August 7, 2003, had a riverboat conducting riverboat gambling
12 operations pursuant to a license issued under this Act; one of
13 which shall authorize riverboat gambling from a home dock in
14 the city of East St. Louis; and one of which shall authorize
15 riverboat gambling from a home dock in the City of Alton. One
16 other license shall authorize riverboat gambling on the
17 Illinois River in the City of East Peoria or, with Board
18 approval, shall authorize land-based gambling operations
19 anywhere within the corporate limits of the City of Peoria
20 ~~south of Marshall County~~. The Board shall issue one additional
21 license to become effective not earlier than March 1, 1992,
22 which shall authorize riverboat gambling on the Des Plaines
23 River in Will County. The Board may issue 4 additional licenses
24 to become effective not earlier than March 1, 1992. In
25 determining the water upon which riverboats will operate, the
26 Board shall consider the economic benefit which riverboat

1 gambling confers on the State, and shall seek to assure that
2 all regions of the State share in the economic benefits of
3 riverboat gambling.

4 In granting all licenses, the Board may give favorable
5 consideration to economically depressed areas of the State, to
6 applicants presenting plans which provide for significant
7 economic development over a large geographic area, and to
8 applicants who currently operate non-gambling riverboats in
9 Illinois. The Board shall review all applications for owners
10 licenses, and shall inform each applicant of the Board's
11 decision. The Board may grant an owners license to an applicant
12 that has not submitted the highest license bid, but if it does
13 not select the highest bidder, the Board shall issue a written
14 decision explaining why another applicant was selected and
15 identifying the factors set forth in this Section that favored
16 the winning bidder. The fee for issuance or renewal of a
17 license pursuant to this subsection (e) shall be \$250,000.

18 (e-5) In addition to licenses authorized under subsection
19 (e) of this Section:

20 (1) the Board may issue one owners license authorizing
21 the conduct of casino gambling in the City of Chicago;

22 (2) the Board may issue one owners license authorizing
23 the conduct of riverboat gambling in the City of Danville;

24 (3) the Board may issue one owners license authorizing
25 the conduct of riverboat gambling located in the City of
26 Waukegan;

1 (4) the Board may issue one owners license authorizing
2 the conduct of riverboat gambling in the City of Rockford;

3 (5) the Board may issue one owners license authorizing
4 the conduct of riverboat gambling in a municipality that is
5 wholly or partially located in one of the following
6 townships of Cook County: Bloom, Bremen, Calumet, Rich,
7 Thornton, or Worth Township; and

8 (6) the Board may issue one owners license authorizing
9 the conduct of riverboat gambling in the unincorporated
10 area of Williamson County adjacent to the Big Muddy River.

11 Except for the license authorized under paragraph (1), each
12 application for a license pursuant to this subsection (e-5)
13 shall be submitted to the Board no later than 120 days after
14 the effective date of this amendatory Act of the 101st General
15 Assembly. All applications for a license under this subsection
16 (e-5) shall include the nonrefundable application fee and the
17 nonrefundable background investigation fee as provided in
18 subsection (d) of Section 6 of this Act. In the event that an
19 applicant submits an application for a license pursuant to this
20 subsection (e-5) prior to the effective date of this amendatory
21 Act of the 101st General Assembly, such applicant shall submit
22 the nonrefundable application fee and background investigation
23 fee as provided in subsection (d) of Section 6 of this Act no
24 later than 6 months after the effective date of this amendatory
25 Act of the 101st General Assembly.

26 The Board shall consider issuing a license pursuant to

1 paragraphs (1) through (6) of this subsection only after the
2 corporate authority of the municipality or the county board of
3 the county in which the riverboat or casino shall be located
4 has certified to the Board the following:

5 (i) that the applicant has negotiated with the
6 corporate authority or county board in good faith;

7 (ii) that the applicant and the corporate authority or
8 county board have mutually agreed on the permanent location
9 of the riverboat or casino;

10 (iii) that the applicant and the corporate authority or
11 county board have mutually agreed on the temporary location
12 of the riverboat or casino;

13 (iv) that the applicant and the corporate authority or
14 the county board have mutually agreed on the percentage of
15 revenues that will be shared with the municipality or
16 county, if any;

17 (v) that the applicant and the corporate authority or
18 county board have mutually agreed on any zoning, licensing,
19 public health, or other issues that are within the
20 jurisdiction of the municipality or county; and

21 (vi) that the corporate authority or county board has
22 passed a resolution or ordinance in support of the
23 riverboat or casino in the municipality or county.

24 At least 7 days before the corporate authority of a
25 municipality or county board of the county submits a
26 certification to the Board concerning items (i) through (vi) of

1 this subsection, it shall hold a public hearing to discuss
2 items (i) through (vi), as well as any other details concerning
3 the proposed riverboat or casino in the municipality or county.
4 The corporate authority or county board must subsequently
5 memorialize the details concerning the proposed riverboat or
6 casino in a resolution that must be adopted by a majority of
7 the corporate authority or county board before any
8 certification is sent to the Board. The Board shall not alter,
9 amend, change, or otherwise interfere with any agreement
10 between the applicant and the corporate authority of the
11 municipality or county board of the county regarding the
12 location of any temporary or permanent facility.

13 In addition, within 10 days after the effective date of
14 this amendatory Act of the 101st General Assembly, the Board,
15 with consent and at the expense of the City of Chicago, shall
16 select and retain the services of a nationally recognized
17 casino gaming feasibility consultant. Within 45 days after the
18 effective date of this amendatory Act of the 101st General
19 Assembly, the consultant shall prepare and deliver to the Board
20 a study concerning the feasibility of, and the ability to
21 finance, a casino in the City of Chicago. The feasibility study
22 shall be delivered to the Mayor of the City of Chicago, the
23 Governor, the President of the Senate, and the Speaker of the
24 House of Representatives. Ninety days after receipt of the
25 feasibility study, the Board shall make a determination, based
26 on the results of the feasibility study, whether to recommend

1 to the General Assembly that the terms of the license under
2 paragraph (1) of this subsection (e-5) should be modified. The
3 Board may begin accepting applications for the owners license
4 under paragraph (1) of this subsection (e-5) upon the
5 determination to issue such an owners license.

6 In addition, prior to the Board issuing the owners license
7 authorized under paragraph (4) of subsection (e-5), an impact
8 study shall be completed to determine what location in the city
9 will provide the greater impact to the region, including the
10 creation of jobs and the generation of tax revenue.

11 (e-10) The licenses authorized under subsection (e-5) of
12 this Section shall be issued within 12 months after the date
13 the license application is submitted. If the Board does not
14 issue the licenses within that time period, then the Board
15 shall give a written explanation to the applicant as to why it
16 has not reached a determination and when it reasonably expects
17 to make a determination. The fee for the issuance or renewal of
18 a license issued pursuant to this subsection (e-10) shall be
19 \$250,000. Additionally, a licensee located outside of Cook
20 County shall pay a minimum initial fee of \$17,500 per gaming
21 position, and a licensee located in Cook County shall pay a
22 minimum initial fee of \$30,000 per gaming position. The initial
23 fees payable under this subsection (e-10) shall be deposited
24 into the Rebuild Illinois Projects Fund.

25 (e-15) Each licensee of a license authorized under
26 subsection (e-5) of this Section shall make a reconciliation

1 payment 3 years after the date the licensee begins operating in
2 an amount equal to 75% of the adjusted gross receipts for the
3 most lucrative 12-month period of operations, minus an amount
4 equal to the initial payment per gaming position paid by the
5 specific licensee. Each licensee shall pay a \$15,000,000
6 reconciliation fee upon issuance of an owners license. If this
7 calculation results in a negative amount, then the licensee is
8 not entitled to any reimbursement of fees previously paid. This
9 reconciliation payment may be made in installments over a
10 period of no more than 2 years, subject to Board approval. Any
11 installment payments shall include an annual market interest
12 rate as determined by the Board. All payments by licensees
13 under this subsection (e-15) shall be deposited into the
14 Rebuild Illinois Projects Fund.

15 (e-20) In addition to any other revocation powers granted
16 to the Board under this Act, the Board may revoke the owners
17 license of a licensee which fails to begin conducting gambling
18 within 15 months of receipt of the Board's approval of the
19 application if the Board determines that license revocation is
20 in the best interests of the State.

21 (f) The first 10 owners licenses issued under this Act
22 shall permit the holder to own up to 2 riverboats and equipment
23 thereon for a period of 3 years after the effective date of the
24 license. Holders of the first 10 owners licenses must pay the
25 annual license fee for each of the 3 years during which they
26 are authorized to own riverboats.

1 (g) Upon the termination, expiration, or revocation of each
2 of the first 10 licenses, which shall be issued for a 3 year
3 period, all licenses are renewable annually upon payment of the
4 fee and a determination by the Board that the licensee
5 continues to meet all of the requirements of this Act and the
6 Board's rules. However, for licenses renewed on or after May 1,
7 1998, renewal shall be for a period of 4 years, unless the
8 Board sets a shorter period.

9 (h) An owners license, except for an owners license issued
10 under subsection (e-5) of this Section, shall entitle the
11 licensee to own up to 2 riverboats.

12 An owners licensee of a casino or riverboat that is located
13 in the City of Chicago pursuant to paragraph (1) of subsection
14 (e-5) of this Section shall limit the number of gaming
15 positions to 4,000 for such owner. An owners licensee
16 authorized under subsection (e) or paragraph (2), (3), (4), or
17 (5) of subsection (e-5) of this Section shall limit the number
18 of gaming positions to 2,000 for any such owners license. An
19 owners licensee authorized under paragraph (6) of subsection
20 (e-5) of this Section ~~A licensee~~ shall limit the number of
21 gaming positions ~~gambling participants~~ to 1,200 for ~~any~~ such
22 owner. The initial fee for each gaming position obtained on or
23 after the effective date of this amendatory Act of the 101st
24 General Assembly shall be a minimum of \$17,500 for licensees
25 not located in Cook County and a minimum of \$30,000 for
26 licensees located in Cook County, in addition to the

1 reconciliation payment, as set forth in subsection (e-15) of
2 this Section ~~owners license~~. The fees under this subsection (h)
3 shall be deposited into the Rebuild Illinois Projects Fund. The
4 fees under this subsection (h) that are paid by an owners
5 licensee authorized under subsection (e) shall be paid by July
6 1, 2020.

7 Each owners licensee under subsection (e) of this Section
8 shall reserve its gaming positions within 30 days after the
9 effective date of this amendatory Act of the 101st General
10 Assembly. The Board may grant an extension to this 30-day
11 period, provided that the owners licensee submits a written
12 request and explanation as to why it is unable to reserve its
13 positions within the 30-day period.

14 Each owners licensee under subsection (e-5) of this
15 Section shall reserve its gaming positions within 30 days after
16 issuance of its owners license. The Board may grant an
17 extension to this 30-day period, provided that the owners
18 licensee submits a written request and explanation as to why it
19 is unable to reserve its positions within the 30-day period.

20 A licensee may operate both of its riverboats concurrently,
21 provided that the total number of gaming positions ~~gambling~~
22 ~~participants~~ on both riverboats does not exceed the limit
23 established pursuant to this subsection ~~1,200~~. Riverboats
24 licensed to operate on the Mississippi River and the Illinois
25 River south of Marshall County shall have an authorized
26 capacity of at least 500 persons. Any other riverboat licensed

1 under this Act shall have an authorized capacity of at least
2 400 persons.

3 (h-5) An owners licensee who conducted gambling operations
4 prior to January 1, 2012 and obtains positions pursuant to this
5 amendatory Act of the 101st General Assembly shall make a
6 reconciliation payment 3 years after any additional gaming
7 positions begin operating in an amount equal to 75% of the
8 owners licensee's average gross receipts for the most lucrative
9 12-month period of operations minus an amount equal to the
10 initial fee that the owners licensee paid per additional gaming
11 position. For purposes of this subsection (h-5), "average gross
12 receipts" means (i) the increase in adjusted gross receipts for
13 the most lucrative 12-month period of operations over the
14 adjusted gross receipts for 2019, multiplied by (ii) the
15 percentage derived by dividing the number of additional gaming
16 positions that an owners licensee had obtained by the total
17 number of gaming positions operated by the owners licensee. If
18 this calculation results in a negative amount, then the owners
19 licensee is not entitled to any reimbursement of fees
20 previously paid. This reconciliation payment may be made in
21 installments over a period of no more than 2 years, subject to
22 Board approval. Any installment payments shall include an
23 annual market interest rate as determined by the Board. These
24 reconciliation payments shall be deposited into the Rebuild
25 Illinois Projects Fund.

26 (i) A licensed owner is authorized to apply to the Board

1 for and, if approved therefor, to receive all licenses from the
2 Board necessary for the operation of a riverboat or casino,
3 including a liquor license, a license to prepare and serve food
4 for human consumption, and other necessary licenses. All use,
5 occupation and excise taxes which apply to the sale of food and
6 beverages in this State and all taxes imposed on the sale or
7 use of tangible personal property apply to such sales aboard
8 the riverboat or in the casino.

9 (j) The Board may issue or re-issue a license authorizing a
10 riverboat to dock in a municipality or approve a relocation
11 under Section 11.2 only if, prior to the issuance or
12 re-issuance of the license or approval, the governing body of
13 the municipality in which the riverboat will dock has by a
14 majority vote approved the docking of riverboats in the
15 municipality. The Board may issue or re-issue a license
16 authorizing a riverboat to dock in areas of a county outside
17 any municipality or approve a relocation under Section 11.2
18 only if, prior to the issuance or re-issuance of the license or
19 approval, the governing body of the county has by a majority
20 vote approved of the docking of riverboats within such areas.

21 (k) An owners licensee may conduct land-based gambling
22 operations upon approval by the Board and payment of a fee of
23 \$250,000, which shall be deposited into the State Gaming Fund.

24 (l) An owners licensee may conduct gaming at a temporary
25 facility pending the construction of a permanent facility or
26 the remodeling or relocation of an existing facility to

1 accommodate gaming participants for up to 24 months after the
2 temporary facility begins to conduct gaming. Upon request by an
3 owners licensee and upon a showing of good cause by the owners
4 licensee, the Board shall extend the period during which the
5 licensee may conduct gaming at a temporary facility by up to 12
6 months. The Board shall make rules concerning the conduct of
7 gaming from temporary facilities.

8 (Source: P.A. 100-391, eff. 8-25-17; 100-1152, eff. 12-14-18.)

9 (230 ILCS 10/7.3)

10 Sec. 7.3. State conduct of gambling operations.

11 (a) If, after reviewing each application for a re-issued
12 license, the Board determines that the highest prospective
13 total revenue to the State would be derived from State conduct
14 of the gambling operation in lieu of re-issuing the license,
15 the Board shall inform each applicant of its decision. The
16 Board shall thereafter have the authority, without obtaining an
17 owners license, to conduct casino or riverboat gambling
18 operations as previously authorized by the terminated,
19 expired, revoked, or nonrenewed license through a licensed
20 manager selected pursuant to an open and competitive bidding
21 process as set forth in Section 7.5 and as provided in Section
22 7.4.

23 (b) The Board may locate any casino or riverboat on which a
24 gambling operation is conducted by the State in any home dock
25 or other location authorized by Section 3(c) upon receipt of

1 approval from a majority vote of the governing body of the
2 municipality or county, as the case may be, in which the
3 riverboat will dock.

4 (c) The Board shall have jurisdiction over and shall
5 supervise all gambling operations conducted by the State
6 provided for in this Act and shall have all powers necessary
7 and proper to fully and effectively execute the provisions of
8 this Act relating to gambling operations conducted by the
9 State.

10 (d) The maximum number of owners licenses authorized under
11 Section 7 ~~7(e)~~ shall be reduced by one for each instance in
12 which the Board authorizes the State to conduct a casino or
13 riverboat gambling operation under subsection (a) in lieu of
14 re-issuing a license to an applicant under Section 7.1.

15 (Source: P.A. 93-28, eff. 6-20-03.)

16 (230 ILCS 10/7.5)

17 Sec. 7.5. Competitive Bidding. When the Board determines
18 that (i) it will re-issue an owners license pursuant to an open
19 and competitive bidding process, as set forth in Section 7.1,
20 (ii) ~~or that~~ it will issue a managers license pursuant to an
21 open and competitive bidding process, as set forth in Section
22 7.4, or (iii) it will issue an owners license pursuant to an
23 open and competitive bidding process, as set forth in Section
24 7.12, the open and competitive bidding process shall adhere to
25 the following procedures:

1 (1) The Board shall make applications for owners and
2 managers licenses available to the public and allow a
3 reasonable time for applicants to submit applications to the
4 Board.

5 (2) During the filing period for owners or managers license
6 applications, the Board may retain the services of an
7 investment banking firm to assist the Board in conducting the
8 open and competitive bidding process.

9 (3) After receiving all of the bid proposals, the Board
10 shall open all of the proposals in a public forum and disclose
11 the prospective owners or managers names, venture partners, if
12 any, and, in the case of applicants for owners licenses, the
13 locations of the proposed development sites.

14 (4) The Board shall summarize the terms of the proposals
15 and may make this summary available to the public.

16 (5) The Board shall evaluate the proposals within a
17 reasonable time and select no more than 3 final applicants to
18 make presentations of their proposals to the Board.

19 (6) The final applicants shall make their presentations to
20 the Board on the same day during an open session of the Board.

21 (7) As soon as practicable after the public presentations
22 by the final applicants, the Board, in its discretion, may
23 conduct further negotiations among the 3 final applicants.
24 During such negotiations, each final applicant may increase its
25 license bid or otherwise enhance its bid proposal. At the
26 conclusion of such negotiations, the Board shall select the

1 winning proposal. In the case of negotiations for an owners
2 license, the Board may, at the conclusion of such negotiations,
3 make the determination allowed under Section 7.3(a).

4 (8) Upon selection of a winning bid, the Board shall
5 evaluate the winning bid within a reasonable period of time for
6 licensee suitability in accordance with all applicable
7 statutory and regulatory criteria.

8 (9) If the winning bidder is unable or otherwise fails to
9 consummate the transaction, (including if the Board determines
10 that the winning bidder does not satisfy the suitability
11 requirements), the Board may, on the same criteria, select from
12 the remaining bidders or make the determination allowed under
13 Section 7.3(a).

14 (Source: P.A. 93-28, eff. 6-20-03.)

15 (230 ILCS 10/7.7 new)

16 Sec. 7.7. Organization gaming licenses.

17 (a) The Illinois Gaming Board shall award one organization
18 gaming license to each person or entity having operating
19 control of a racetrack that applies under Section 56 of the
20 Illinois Horse Racing Act of 1975, subject to the application
21 and eligibility requirements of this Section. Within 60 days
22 after the effective date of this amendatory Act of the 101st
23 General Assembly, a person or entity having operating control
24 of a racetrack may submit an application for an organization
25 gaming license. The application shall be made on such forms as

1 provided by the Board and shall contain such information as the
2 Board prescribes, including, but not limited to, the identity
3 of any racetrack at which gaming will be conducted pursuant to
4 an organization gaming license, detailed information regarding
5 the ownership and management of the applicant, and detailed
6 personal information regarding the applicant. The application
7 shall specify the number of gaming positions the applicant
8 intends to use and the place where the organization gaming
9 facility will operate. A person who knowingly makes a false
10 statement on an application is guilty of a Class A misdemeanor.

11 Each applicant shall disclose the identity of every person
12 or entity having a direct or indirect pecuniary interest
13 greater than 1% in any racetrack with respect to which the
14 license is sought. If the disclosed entity is a corporation,
15 the applicant shall disclose the names and addresses of all
16 stockholders and directors. If the disclosed entity is a
17 limited liability company, the applicant shall disclose the
18 names and addresses of all members and managers. If the
19 disclosed entity is a partnership, the applicant shall disclose
20 the names and addresses of all partners, both general and
21 limited. If the disclosed entity is a trust, the applicant
22 shall disclose the names and addresses of all beneficiaries.

23 An application shall be filed and considered in accordance
24 with the rules of the Board. Each application for an
25 organization gaming license shall include a nonrefundable
26 application fee of \$250,000. In addition, a nonrefundable fee

1 of \$50,000 shall be paid at the time of filing to defray the
2 costs associated with background investigations conducted by
3 the Board. If the costs of the background investigation exceed
4 \$50,000, the applicant shall pay the additional amount to the
5 Board within 7 days after a request by the Board. If the costs
6 of the investigation are less than \$50,000, the applicant shall
7 receive a refund of the remaining amount. All information,
8 records, interviews, reports, statements, memoranda, or other
9 data supplied to or used by the Board in the course of this
10 review or investigation of an applicant for an organization
11 gaming license under this Act shall be privileged and strictly
12 confidential and shall be used only for the purpose of
13 evaluating an applicant for an organization gaming license or a
14 renewal. Such information, records, interviews, reports,
15 statements, memoranda, or other data shall not be admissible as
16 evidence nor discoverable in any action of any kind in any
17 court or before any tribunal, board, agency or person, except
18 for any action deemed necessary by the Board. The application
19 fee shall be deposited into the State Gaming Fund.

20 Each applicant shall submit with his or her application, on
21 forms provided by the Board, a set of his or her fingerprints.
22 The Board shall charge each applicant a fee set by the
23 Department of State Police to defray the costs associated with
24 the search and classification of fingerprints obtained by the
25 Board with respect to the applicant's application. This fee
26 shall be paid into the State Police Services Fund.

1 (b) The Board shall determine within 120 days after
2 receiving an application for an organization gaming license
3 whether to grant an organization gaming license to the
4 applicant. If the Board does not make a determination within
5 that time period, then the Board shall give a written
6 explanation to the applicant as to why it has not reached a
7 determination and when it reasonably expects to make a
8 determination.

9 The organization gaming licensee shall purchase up to the
10 amount of gaming positions authorized under this Act within 120
11 days after receiving its organization gaming license. If an
12 organization gaming licensee is prepared to purchase the gaming
13 positions, but is temporarily prohibited from doing so by order
14 of a court of competent jurisdiction or the Board, then the
15 120-day period is tolled until a resolution is reached.

16 An organization gaming license shall authorize its holder
17 to conduct gaming under this Act at its racetracks on the same
18 days of the year and hours of the day that owners licenses are
19 allowed to operate under approval of the Board.

20 An organization gaming license and any renewal of an
21 organization gaming license shall authorize gaming pursuant to
22 this Section for a period of 4 years. The fee for the issuance
23 or renewal of an organization gaming license shall be \$250,000.

24 All payments by licensees under this subsection (b) shall
25 be deposited into the Rebuild Illinois Projects Fund.

26 (c) To be eligible to conduct gaming under this Section, a

1 person or entity having operating control of a racetrack must
2 (i) obtain an organization gaming license, (ii) hold an
3 organization license under the Illinois Horse Racing Act of
4 1975, (iii) hold an inter-track wagering license, (iv) pay an
5 initial fee of \$30,000 per gaming position from organization
6 gaming licensees where gaming is conducted in Cook County and,
7 except as provided in subsection (c-5), \$17,500 for
8 organization gaming licensees where gaming is conducted
9 outside of Cook County before beginning to conduct gaming plus
10 make the reconciliation payment required under subsection (k),
11 (v) conduct live racing in accordance with subsections (e-1),
12 (e-2), and (e-3) of Section 20 of the Illinois Horse Racing Act
13 of 1975, (vi) meet the requirements of subsection (a) of
14 Section 56 of the Illinois Horse Racing Act of 1975, (vii) for
15 organization licensees conducting standardbred race meetings,
16 keep backstretch barns and dormitories open and operational
17 year-round unless a lesser schedule is mutually agreed to by
18 the organization licensee and the horsemen association racing
19 at that organization licensee's race meeting, (viii) for
20 organization licensees conducting thoroughbred race meetings,
21 the organization licensee must maintain accident medical
22 expense liability insurance coverage of \$1,000,000 for
23 jockeys, and (ix) meet all other requirements of this Act that
24 apply to owners licensees.

25 An organization gaming licensee may enter into a joint
26 venture with a licensed owner to own, manage, conduct, or

1 otherwise operate the organization gaming licensee's
2 organization gaming facilities, unless the organization gaming
3 licensee has a parent company or other affiliated company that
4 is, directly or indirectly, wholly owned by a parent company
5 that is also licensed to conduct organization gaming, casino
6 gaming, or their equivalent in another state.

7 All payments by licensees under this subsection (c) shall
8 be deposited into the Rebuild Illinois Projects Fund.

9 (c-5) A person or entity having operating control of a
10 racetrack located in Madison County shall only pay the initial
11 fees specified in subsection (c) for 540 of the gaming
12 positions authorized under the license.

13 (d) A person or entity is ineligible to receive an
14 organization gaming license if:

15 (1) the person or entity has been convicted of a felony
16 under the laws of this State, any other state, or the
17 United States, including a conviction under the Racketeer
18 Influenced and Corrupt Organizations Act;

19 (2) the person or entity has been convicted of any
20 violation of Article 28 of the Criminal Code of 2012, or
21 substantially similar laws of any other jurisdiction;

22 (3) the person or entity has submitted an application
23 for a license under this Act that contains false
24 information;

25 (4) the person is a member of the Board;

26 (5) a person defined in (1), (2), (3), or (4) of this

1 subsection (d) is an officer, director, or managerial
2 employee of the entity;

3 (6) the person or entity employs a person defined in
4 (1), (2), (3), or (4) of this subsection (d) who
5 participates in the management or operation of gambling
6 operations authorized under this Act; or

7 (7) a license of the person or entity issued under this
8 Act or a license to own or operate gambling facilities in
9 any other jurisdiction has been revoked.

10 (e) The Board may approve gaming positions pursuant to an
11 organization gaming license statewide as provided in this
12 Section. The authority to operate gaming positions under this
13 Section shall be allocated as follows: up to 1,200 gaming
14 positions for any organization gaming licensee in Cook County
15 and up to 900 gaming positions for any organization gaming
16 licensee outside of Cook County.

17 (f) Each applicant for an organization gaming license shall
18 specify in its application for licensure the number of gaming
19 positions it will operate, up to the applicable limitation set
20 forth in subsection (e) of this Section. Any unreserved gaming
21 positions that are not specified shall be forfeited and
22 retained by the Board. For the purposes of this subsection (f),
23 an organization gaming licensee that did not conduct live
24 racing in 2010 and is located within 3 miles of the Mississippi
25 River may reserve up to 900 positions and shall not be
26 penalized under this Section for not operating those positions

1 until it meets the requirements of subsection (e) of this
2 Section, but such licensee shall not request unreserved gaming
3 positions under this subsection (f) until its 900 positions are
4 all operational.

5 Thereafter, the Board shall publish the number of
6 unreserved gaming positions and shall accept requests for
7 additional positions from any organization gaming licensee
8 that initially reserved all of the positions that were offered.
9 The Board shall allocate expeditiously the unreserved gaming
10 positions to requesting organization gaming licensees in a
11 manner that maximizes revenue to the State. The Board may
12 allocate any such unused gaming positions pursuant to an open
13 and competitive bidding process, as provided under Section 7.5
14 of this Act. This process shall continue until all unreserved
15 gaming positions have been purchased. All positions obtained
16 pursuant to this process and all positions the organization
17 gaming licensee specified it would operate in its application
18 must be in operation within 18 months after they were obtained
19 or the organization gaming licensee forfeits the right to
20 operate those positions, but is not entitled to a refund of any
21 fees paid. The Board may, after holding a public hearing, grant
22 extensions so long as the organization gaming licensee is
23 working in good faith to make the positions operational. The
24 extension may be for a period of 6 months. If, after the period
25 of the extension, the organization gaming licensee has not made
26 the positions operational, then another public hearing must be

1 held by the Board before it may grant another extension.

2 Unreserved gaming positions retained from and allocated to
3 organization gaming licensees by the Board pursuant to this
4 subsection (f) shall not be allocated to owners licensees under
5 this Act.

6 For the purpose of this subsection (f), the unreserved
7 gaming positions for each organization gaming licensee shall be
8 the applicable limitation set forth in subsection (e) of this
9 Section, less the number of reserved gaming positions by such
10 organization gaming licensee, and the total unreserved gaming
11 positions shall be the aggregate of the unreserved gaming
12 positions for all organization gaming licensees.

13 (g) An organization gaming licensee is authorized to
14 conduct the following at a racetrack:

15 (1) slot machine gambling;

16 (2) video game of chance gambling;

17 (3) gambling with electronic gambling games as defined
18 in this Act or defined by the Illinois Gaming Board; and

19 (4) table games.

20 (h) Subject to the approval of the Illinois Gaming Board,
21 an organization gaming licensee may make modification or
22 additions to any existing buildings and structures to comply
23 with the requirements of this Act. The Illinois Gaming Board
24 shall make its decision after consulting with the Illinois
25 Racing Board. In no case, however, shall the Illinois Gaming
26 Board approve any modification or addition that alters the

1 grounds of the organization licensee such that the act of live
2 racing is an ancillary activity to gaming authorized under this
3 Section. Gaming authorized under this Section may take place in
4 existing structures where inter-track wagering is conducted at
5 the racetrack or a facility within 300 yards of the racetrack
6 in accordance with the provisions of this Act and the Illinois
7 Horse Racing Act of 1975.

8 (i) An organization gaming licensee may conduct gaming at a
9 temporary facility pending the construction of a permanent
10 facility or the remodeling or relocation of an existing
11 facility to accommodate gaming participants for up to 24 months
12 after the temporary facility begins to conduct gaming
13 authorized under this Section. Upon request by an organization
14 gaming licensee and upon a showing of good cause by the
15 organization gaming licensee, the Board shall extend the period
16 during which the licensee may conduct gaming authorized under
17 this Section at a temporary facility by up to 12 months. The
18 Board shall make rules concerning the conduct of gaming
19 authorized under this Section from temporary facilities.

20 The gaming authorized under this Section may take place in
21 existing structures where inter-track wagering is conducted at
22 the racetrack or a facility within 300 yards of the racetrack
23 in accordance with the provisions of this Act and the Illinois
24 Horse Racing Act of 1975.

25 (i-5) Under no circumstances shall an organization gaming
26 licensee conduct gaming at any State or county fair.

1 (j) The Illinois Gaming Board must adopt emergency rules in
2 accordance with Section 5-45 of the Illinois Administrative
3 Procedure Act as necessary to ensure compliance with the
4 provisions of this amendatory Act of the 101st General Assembly
5 concerning the conduct of gaming by an organization gaming
6 licensee. The adoption of emergency rules authorized by this
7 subsection (j) shall be deemed to be necessary for the public
8 interest, safety, and welfare.

9 (k) Each organization gaming licensee who obtains gaming
10 positions must make a reconciliation payment 3 years after the
11 date the organization gaming licensee begins operating the
12 positions in an amount equal to 75% of the difference between
13 its adjusted gross receipts from gaming authorized under this
14 Section and amounts paid to its purse accounts pursuant to item
15 (1) of subsection (b) of Section 56 of the Illinois Horse
16 Racing Act of 1975 for the 12-month period for which such
17 difference was the largest, minus an amount equal to the
18 initial per position fee paid by the organization gaming
19 licensee. If this calculation results in a negative amount,
20 then the organization gaming licensee is not entitled to any
21 reimbursement of fees previously paid. This reconciliation
22 payment may be made in installments over a period of no more
23 than 2 years, subject to Board approval. Any installment
24 payments shall include an annual market interest rate as
25 determined by the Board.

26 All payments by licensees under this subsection (k) shall

1 be deposited into the Rebuild Illinois Projects Fund.

2 (1) As soon as practical after a request is made by the
3 Illinois Gaming Board, to minimize duplicate submissions by the
4 applicant, the Illinois Racing Board must provide information
5 on an applicant for an organization gaming license to the
6 Illinois Gaming Board.

7 (230 ILCS 10/7.8 new)

8 Sec. 7.8. Home rule. The regulation and licensing of
9 organization gaming licensees and gaming conducted pursuant to
10 an organization gaming license are exclusive powers and
11 functions of the State. A home rule unit may not regulate or
12 license such gaming or organization gaming licensees. This
13 Section is a denial and limitation of home rule powers and
14 functions under subsection (h) of Section 6 of Article VII of
15 the Illinois Constitution.

16 (230 ILCS 10/7.10 new)

17 Sec. 7.10. Diversity program.

18 (a) Each owners licensee, organization gaming licensee,
19 and suppliers licensee shall establish and maintain a diversity
20 program to ensure non-discrimination in the award and
21 administration of contracts. The programs shall establish
22 goals of awarding not less than 25% of the annual dollar value
23 of all contracts, purchase orders, or other agreements to
24 minority-owned businesses and 5% of the annual dollar value of

1 all contracts to women-owned businesses.

2 (b) Each owners licensee, organization gaming licensee,
3 and suppliers licensee shall establish and maintain a diversity
4 program designed to promote equal opportunity for employment.
5 The program shall establish hiring goals as the Board and each
6 licensee determines appropriate. The Board shall monitor the
7 progress of the gaming licensee's progress with respect to the
8 program's goals.

9 (c) No later than May 31 of each year, each licensee shall
10 report to the Board (1) the number of respective employees and
11 the number of its respective employees who have designated
12 themselves as members of a minority group and gender and (2)
13 the total goals achieved under subsection (a) of this Section
14 as a percentage of the total contracts awarded by the license.
15 In addition, all licensees shall submit a report with respect
16 to the minority-owned and women-owned businesses program
17 created in this Section to the Board.

18 (d) When considering whether to re-issue or renew a license
19 to an owners licensee, organization gaming licensee, or
20 suppliers licensee, the Board shall take into account the
21 licensee's success in complying with the provisions of this
22 Section. If an owners licensee, organization gaming licensee,
23 or suppliers licensee has not satisfied the goals contained in
24 this Section, the Board shall require a written explanation as
25 to why the licensee is not in compliance and shall require the
26 licensee to file multi-year metrics designed to achieve

1 compliance with the provisions by the next renewal period,
2 consistent with State and federal law.

3 (230 ILCS 10/7.11 new)

4 Sec. 7.11. Annual report on diversity.

5 (a) Each licensee that receives a license under Sections 7,
6 7.1, and 7.7 shall execute and file a report with the Board no
7 later than December 31 of each year that shall contain, but not
8 be limited to, the following information:

9 (i) a good faith affirmative action plan to recruit,
10 train, and upgrade minority persons, women, and persons
11 with a disability in all employment classifications;

12 (ii) the total dollar amount of contracts that were
13 awarded to businesses owned by minority persons, women, and
14 persons with a disability;

15 (iii) the total number of businesses owned by minority
16 persons, women, and persons with a disability that were
17 utilized by the licensee;

18 (iv) the utilization of businesses owned by minority
19 persons, women, and persons with disabilities during the
20 preceding year; and

21 (v) the outreach efforts used by the licensee to
22 attract investors and businesses consisting of minority
23 persons, women, and persons with a disability.

24 (b) The Board shall forward a copy of each licensee's
25 annual reports to the General Assembly no later than February 1

1 of each year. The reports to the General Assembly shall be
2 filed with the Clerk of the House of Representatives and the
3 Secretary of the Senate in electronic form only, in the manner
4 that the Clerk and the Secretary shall direct.

5 (230 ILCS 10/7.12 new)

6 Sec. 7.12. Issuance of new owners licenses.

7 (a) Owners licenses newly authorized pursuant to this
8 amendatory Act of the 101st General Assembly may be issued by
9 the Board to a qualified applicant pursuant to an open and
10 competitive bidding process, as set forth in Section 7.5, and
11 subject to the maximum number of authorized licenses set forth
12 in subsection (e-5) of Section 7 of this Act.

13 (b) To be a qualified applicant, a person or entity may not
14 be ineligible to receive an owners license under subsection (a)
15 of Section 7 of this Act and must submit an application for an
16 owners license that complies with Section 6 of this Act.

17 (c) In determining whether to grant an owners license to an
18 applicant, the Board shall consider all of the factors set
19 forth in subsections (b) and (e-10) of Section 7 of this Act,
20 as well as the amount of the applicant's license bid. The Board
21 may grant the owners license to an applicant that has not
22 submitted the highest license bid, but if it does not select
23 the highest bidder, the Board shall issue a written decision
24 explaining why another applicant was selected and identifying
25 the factors set forth in subsections (b) and (e-10) of Section

1 7 of this Act that favored the winning bidder.

2 (230 ILCS 10/7.13 new)

3 Sec. 7.13. Environmental standards. All permanent
4 casinos, riverboats, and organization gaming facilities shall
5 consist of buildings that are certified as meeting the U.S.
6 Green Building Council's Leadership in Energy and
7 Environmental Design standards. The provisions of this Section
8 apply to a holder of an owners license or organization gaming
9 license that (i) begins operations on or after January 1, 2019
10 or (ii) relocates its facilities on or after the effective date
11 of this amendatory Act of the 101st General Assembly.

12 (230 ILCS 10/7.14 new)

13 Sec. 7.14. Chicago Casino Advisory Committee. An Advisory
14 Committee is established to monitor, review, and report on (1)
15 the utilization of minority-owned business enterprises and
16 women-owned business enterprises by the owners licensee, (2)
17 employment of women, and (3) employment of minorities with
18 regard to the development and construction of the casino as
19 authorized under paragraph (1) of subsection (e-5) of Section 7
20 of the Illinois Gambling Act. The owners licensee under
21 paragraph (1) of subsection (e-5) of Section 7 of the Illinois
22 Gambling Act shall work with the Advisory Committee in
23 accumulating necessary information for the Advisory Committee
24 to submit reports, as necessary, to the General Assembly and to

1 the City of Chicago.

2 The Advisory Committee shall consist of 9 members as
3 provided in this Section. Five members shall be selected by the
4 Governor and 4 members shall be selected by the Mayor of the
5 City of Chicago. The Governor and the Mayor of the City of
6 Chicago shall each appoint at least one current member of the
7 General Assembly. The Advisory Committee shall meet
8 periodically and shall report the information to the Mayor of
9 the City of Chicago and to the General Assembly by December
10 31st of every year.

11 The Advisory Committee shall be dissolved on the date that
12 casino gambling operations are first conducted at a permanent
13 facility under the license authorized under paragraph (1) of
14 subsection (e-5) Section 7 of the Illinois Gambling Act. For
15 the purposes of this Section, the terms "woman" and "minority
16 person" have the meanings provided in Section 2 of the Business
17 Enterprise for Minorities, Women, and Persons with
18 Disabilities Act.

19 (230 ILCS 10/7.15 new)

20 Sec. 7.15. Limitations on gaming at Chicago airports. The
21 Chicago casino may conduct gaming operations in an airport
22 under the administration or control of the Chicago Department
23 of Aviation. Gaming operations may be conducted pursuant to
24 this Section so long as: (i) gaming operations are conducted in
25 a secured area that is beyond the Transportation Security

1 Administration security checkpoints and only available to
2 airline passengers at least 21 years of age who are members of
3 a private club, and not to the general public, (ii) gaming
4 operations are limited to slot machines, as defined in Section
5 4 of the Illinois Gambling Act, and (iii) the combined number
6 of gaming positions operating in the City of Chicago at the
7 airports and at the temporary and permanent casino facility
8 does not exceed the maximum number of gaming positions
9 authorized pursuant to subsection (h) of Section 7 of the
10 Illinois Gambling Act. Gaming operations at an airport are
11 subject to all applicable laws and rules that apply to any
12 other gaming facility under the Illinois Gambling Act.

13 (230 ILCS 10/8) (from Ch. 120, par. 2408)

14 Sec. 8. Suppliers licenses.

15 (a) The Board may issue a suppliers license to such
16 persons, firms or corporations which apply therefor upon the
17 payment of a non-refundable application fee set by the Board,
18 upon a determination by the Board that the applicant is
19 eligible for a suppliers license and upon payment of a \$5,000
20 annual license fee.

21 (b) The holder of a suppliers license is authorized to sell
22 or lease, and to contract to sell or lease, gambling equipment
23 and supplies to any licensee involved in the ownership or
24 management of gambling operations.

25 (c) Gambling supplies and equipment may not be distributed

1 unless supplies and equipment conform to standards adopted by
2 rules of the Board.

3 (d) A person, firm or corporation is ineligible to receive
4 a suppliers license if:

5 (1) the person has been convicted of a felony under the
6 laws of this State, any other state, or the United States;

7 (2) the person has been convicted of any violation of
8 Article 28 of the Criminal Code of 1961 or the Criminal
9 Code of 2012, or substantially similar laws of any other
10 jurisdiction;

11 (3) the person has submitted an application for a
12 license under this Act which contains false information;

13 (4) the person is a member of the Board;

14 (5) the entity ~~firm or corporation~~ is one in which a
15 person defined in (1), (2), (3) or (4), is an officer,
16 director or managerial employee;

17 (6) the firm or corporation employs a person who
18 participates in the management or operation of ~~riverboat~~
19 gambling authorized under this Act;

20 (7) the license of the person, firm or corporation
21 issued under this Act, or a license to own or operate
22 gambling facilities in any other jurisdiction, has been
23 revoked.

24 (e) Any person that supplies any equipment, devices, or
25 supplies to a licensed ~~riverboat~~ gambling operation must first
26 obtain a suppliers license. A supplier shall furnish to the

1 Board a list of all equipment, devices and supplies offered for
2 sale or lease in connection with gambling games authorized
3 under this Act. A supplier shall keep books and records for the
4 furnishing of equipment, devices and supplies to gambling
5 operations separate and distinct from any other business that
6 the supplier might operate. A supplier shall file a quarterly
7 return with the Board listing all sales and leases. A supplier
8 shall permanently affix its name or a distinctive logo or other
9 mark or design element identifying the manufacturer or supplier
10 to all its equipment, devices, and supplies, except gaming
11 chips without a value impressed, engraved, or imprinted on it,
12 for gambling operations. The Board may waive this requirement
13 for any specific product or products if it determines that the
14 requirement is not necessary to protect the integrity of the
15 game. Items purchased from a licensed supplier may continue to
16 be used even though the supplier subsequently changes its name,
17 distinctive logo, or other mark or design element; undergoes a
18 change in ownership; or ceases to be licensed as a supplier for
19 any reason. Any supplier's equipment, devices or supplies which
20 are used by any person in an unauthorized gambling operation
21 shall be forfeited to the State. A holder of an owners license
22 or an organization gaming license ~~A licensed owner~~ may own its
23 own equipment, devices and supplies. Each holder of an owners
24 license or an organization gaming license under the Act shall
25 file an annual report listing its inventories of gambling
26 equipment, devices and supplies.

1 (f) Any person who knowingly makes a false statement on an
2 application is guilty of a Class A misdemeanor.

3 (g) Any gambling equipment, devices and supplies provided
4 by any licensed supplier may either be repaired on the
5 riverboat, in the casino, or at the organization gaming
6 facility or removed from the riverboat, casino, or organization
7 gaming facility to a an on-shore facility owned by the holder
8 of an owners license, organization gaming license, or suppliers
9 license for repair.

10 (Source: P.A. 97-1150, eff. 1-25-13; 98-12, eff. 5-10-13;
11 98-756, eff. 7-16-14.)

12 (230 ILCS 10/9) (from Ch. 120, par. 2409)

13 Sec. 9. Occupational licenses.

14 (a) The Board may issue an occupational license to an
15 applicant upon the payment of a non-refundable fee set by the
16 Board, upon a determination by the Board that the applicant is
17 eligible for an occupational license and upon payment of an
18 annual license fee in an amount to be established. To be
19 eligible for an occupational license, an applicant must:

20 (1) be at least 21 years of age if the applicant will
21 perform any function involved in gaming by patrons. Any
22 applicant seeking an occupational license for a non-gaming
23 function shall be at least 18 years of age;

24 (2) not have been convicted of a felony offense, a
25 violation of Article 28 of the Criminal Code of 1961 or the

1 Criminal Code of 2012, or a similar statute of any other
2 jurisdiction;

3 (2.5) not have been convicted of a crime, other than a
4 crime described in item (2) of this subsection (a),
5 involving dishonesty or moral turpitude, except that the
6 Board may, in its discretion, issue an occupational license
7 to a person who has been convicted of a crime described in
8 this item (2.5) more than 10 years prior to his or her
9 application and has not subsequently been convicted of any
10 other crime;

11 (3) have demonstrated a level of skill or knowledge
12 which the Board determines to be necessary in order to
13 operate gambling aboard a riverboat, in a casino, or at an
14 organization gaming facility; and

15 (4) have met standards for the holding of an
16 occupational license as adopted by rules of the Board. Such
17 rules shall provide that any person or entity seeking an
18 occupational license to manage gambling operations under
19 this Act ~~hereunder~~ shall be subject to background inquiries
20 and further requirements similar to those required of
21 applicants for an owners license. Furthermore, such rules
22 shall provide that each such entity shall be permitted to
23 manage gambling operations for only one licensed owner.

24 (b) Each application for an occupational license shall be
25 on forms prescribed by the Board and shall contain all
26 information required by the Board. The applicant shall set

1 forth in the application: whether he has been issued prior
2 gambling related licenses; whether he has been licensed in any
3 other state under any other name, and, if so, such name and his
4 age; and whether or not a permit or license issued to him in
5 any other state has been suspended, restricted or revoked, and,
6 if so, for what period of time.

7 (c) Each applicant shall submit with his application, on
8 forms provided by the Board, 2 sets of his fingerprints. The
9 Board shall charge each applicant a fee set by the Department
10 of State Police to defray the costs associated with the search
11 and classification of fingerprints obtained by the Board with
12 respect to the applicant's application. These fees shall be
13 paid into the State Police Services Fund.

14 (d) The Board may in its discretion refuse an occupational
15 license to any person: (1) who is unqualified to perform the
16 duties required of such applicant; (2) who fails to disclose or
17 states falsely any information called for in the application;
18 (3) who has been found guilty of a violation of this Act or
19 whose prior gambling related license or application therefor
20 has been suspended, restricted, revoked or denied for just
21 cause in any other state; or (4) for any other just cause.

22 (e) The Board may suspend, revoke or restrict any
23 occupational licensee: (1) for violation of any provision of
24 this Act; (2) for violation of any of the rules and regulations
25 of the Board; (3) for any cause which, if known to the Board,
26 would have disqualified the applicant from receiving such

1 license; or (4) for default in the payment of any obligation or
2 debt due to the State of Illinois; or (5) for any other just
3 cause.

4 (f) A person who knowingly makes a false statement on an
5 application is guilty of a Class A misdemeanor.

6 (g) Any license issued pursuant to this Section shall be
7 valid for a period of one year from the date of issuance.

8 (h) Nothing in this Act shall be interpreted to prohibit a
9 licensed owner or organization gaming licensee from entering
10 into an agreement with a public community college or a school
11 approved under the Private Business and Vocational Schools Act
12 of 2012 for the training of any occupational licensee. Any
13 training offered by such a school shall be in accordance with a
14 written agreement between the licensed owner or organization
15 gaming licensee and the school.

16 (i) Any training provided for occupational licensees may be
17 conducted either at the site of the gambling facility ~~on the~~
18 ~~riverboat~~ or at a school with which a licensed owner or
19 organization gaming licensee has entered into an agreement
20 pursuant to subsection (h).

21 (Source: P.A. 96-1392, eff. 1-1-11; 97-650, eff. 2-1-12;
22 97-1150, eff. 1-25-13.)

23 (230 ILCS 10/11) (from Ch. 120, par. 2411)

24 Sec. 11. Conduct of gambling. Gambling may be conducted by
25 licensed owners or licensed managers on behalf of the State

1 aboard riverboats. Gambling may be conducted by organization
2 gaming licensees at organization gaming facilities. Gambling
3 authorized under this Section is, subject to the following
4 standards:

5 (1) A licensee may conduct riverboat gambling
6 authorized under this Act regardless of whether it conducts
7 excursion cruises. A licensee may permit the continuous
8 ingress and egress of patrons ~~passengers~~ on a riverboat not
9 used for excursion cruises for the purpose of gambling.
10 Excursion cruises shall not exceed 4 hours for a round
11 trip. However, the Board may grant express approval for an
12 extended cruise on a case-by-case basis.

13 (1.5) An owners licensee may conduct gambling
14 operations authorized under this Act 24 hours a day.

15 (2) (Blank).

16 (3) Minimum and maximum wagers on games shall be set by
17 the licensee.

18 (4) Agents of the Board and the Department of State
19 Police may board and inspect any riverboat, enter and
20 inspect any portion of a casino, or enter and inspect any
21 portion of an organization gaming facility at any time for
22 the purpose of determining whether this Act is being
23 complied with. Every riverboat, if under way and being
24 hailed by a law enforcement officer or agent of the Board,
25 must stop immediately and lay to.

26 (5) Employees of the Board shall have the right to be

1 present on the riverboat or in the casino or on adjacent
2 facilities under the control of the licensee and at the
3 organization gaming facility under the control of the
4 organization gaming licensee.

5 (6) Gambling equipment and supplies customarily used
6 in conducting ~~riverboat~~ gambling must be purchased or
7 leased only from suppliers licensed for such purpose under
8 this Act. The Board may approve the transfer, sale, or
9 lease of gambling equipment and supplies by a licensed
10 owner from or to an affiliate of the licensed owner as long
11 as the gambling equipment and supplies were initially
12 acquired from a supplier licensed in Illinois.

13 (7) Persons licensed under this Act shall permit no
14 form of wagering on gambling games except as permitted by
15 this Act.

16 (8) Wagers may be received only from a person present
17 on a licensed riverboat, in a casino, or at an organization
18 gaming facility. No person present on a licensed riverboat,
19 in a casino, or at an organization gaming facility shall
20 place or attempt to place a wager on behalf of another
21 person who is not present on the riverboat, in a casino, or
22 at the organization gaming facility.

23 (9) Wagering, including gaming authorized under
24 Section 7.7, shall not be conducted with money or other
25 negotiable currency.

26 (10) A person under age 21 shall not be permitted on an

1 area of a riverboat or casino where gambling is being
2 conducted or at an organization gaming facility where
3 gambling is being conducted, except for a person at least
4 18 years of age who is an employee of the riverboat or
5 casino gambling operation or gaming operation. No employee
6 under age 21 shall perform any function involved in
7 gambling by the patrons. No person under age 21 shall be
8 permitted to make a wager under this Act, and any winnings
9 that are a result of a wager by a person under age 21,
10 whether or not paid by a licensee, shall be treated as
11 winnings for the privilege tax purposes, confiscated, and
12 forfeited to the State and deposited into the Education
13 Assistance Fund.

14 (11) Gambling excursion cruises are permitted only
15 when the waterway for which the riverboat is licensed is
16 navigable, as determined by the Board in consultation with
17 the U.S. Army Corps of Engineers. This paragraph (11) does
18 not limit the ability of a licensee to conduct gambling
19 authorized under this Act when gambling excursion cruises
20 are not permitted.

21 (12) All tickets ~~tokens~~, chips, or electronic cards
22 used to make wagers must be purchased (i) from a licensed
23 owner or manager, in the case of a riverboat, either aboard
24 a riverboat or at an onshore facility which has been
25 approved by the Board and which is located where the
26 riverboat docks, (ii) in the case of a casino, from a

1 licensed owner at the casino, or (iii) from an organization
2 gaming licensee at the organization gaming facility. The
3 tickets ~~tokens~~, chips, or electronic cards may be purchased
4 by means of an agreement under which the owner or manager
5 extends credit to the patron. Such tickets ~~tokens~~, chips,
6 or electronic cards may be used while aboard the riverboat,
7 in the casino, or at the organization gaming facility only
8 for the purpose of making wagers on gambling games.

9 (13) Notwithstanding any other Section of this Act, in
10 addition to the other licenses authorized under this Act,
11 the Board may issue special event licenses allowing persons
12 who are not otherwise licensed to conduct riverboat
13 gambling to conduct such gambling on a specified date or
14 series of dates. Riverboat gambling under such a license
15 may take place on a riverboat not normally used for
16 riverboat gambling. The Board shall establish standards,
17 fees and fines for, and limitations upon, such licenses,
18 which may differ from the standards, fees, fines and
19 limitations otherwise applicable under this Act. All such
20 fees shall be deposited into the State Gaming Fund. All
21 such fines shall be deposited into the Education Assistance
22 Fund, created by Public Act 86-0018, of the State of
23 Illinois.

24 (14) In addition to the above, gambling must be
25 conducted in accordance with all rules adopted by the
26 Board.

1 (Source: P.A. 96-1392, eff. 1-1-11.)

2 (230 ILCS 10/11.1) (from Ch. 120, par. 2411.1)

3 Sec. 11.1. Collection of amounts owing under credit
4 agreements. Notwithstanding any applicable statutory provision
5 to the contrary, a licensed owner, licensed ~~or~~ manager, or
6 organization gaming licensee who extends credit to a ~~riverboat~~
7 gambling patron pursuant to paragraph (12) of Section 11
8 ~~Section 11 (a) (12)~~ of this Act is expressly authorized to
9 institute a cause of action to collect any amounts due and
10 owing under the extension of credit, as well as the licensed
11 owner's, licensed ~~or~~ manager's, or organization gaming
12 licensee's costs, expenses and reasonable attorney's fees
13 incurred in collection.

14 (Source: P.A. 93-28, eff. 6-20-03.)

15 (230 ILCS 10/12) (from Ch. 120, par. 2412)

16 Sec. 12. Admission tax; fees.

17 (a) A tax is hereby imposed upon admissions to riverboat
18 and casino gambling facilities ~~riverboats~~ operated by licensed
19 owners authorized pursuant to this Act. Until July 1, 2002, the
20 rate is \$2 per person admitted. From July 1, 2002 until July 1,
21 2003, the rate is \$3 per person admitted. From July 1, 2003
22 until August 23, 2005 (the effective date of Public Act
23 94-673), for a licensee that admitted 1,000,000 persons or
24 fewer in the previous calendar year, the rate is \$3 per person

1 admitted; for a licensee that admitted more than 1,000,000 but
2 no more than 2,300,000 persons in the previous calendar year,
3 the rate is \$4 per person admitted; and for a licensee that
4 admitted more than 2,300,000 persons in the previous calendar
5 year, the rate is \$5 per person admitted. Beginning on August
6 23, 2005 (the effective date of Public Act 94-673), for a
7 licensee that admitted 1,000,000 persons or fewer in calendar
8 year 2004, the rate is \$2 per person admitted, and for all
9 other licensees, including licensees that were not conducting
10 gambling operations in 2004, the rate is \$3 per person
11 admitted. This admission tax is imposed upon the licensed owner
12 conducting gambling.

13 (1) The admission tax shall be paid for each admission,
14 except that a person who exits a riverboat gambling
15 facility and reenters that riverboat gambling facility
16 within the same gaming day shall be subject only to the
17 initial admission tax.

18 (2) (Blank).

19 (3) The riverboat licensee may issue tax-free passes to
20 actual and necessary officials and employees of the
21 licensee or other persons actually working on the
22 riverboat.

23 (4) The number and issuance of tax-free passes is
24 subject to the rules of the Board, and a list of all
25 persons to whom the tax-free passes are issued shall be
26 filed with the Board.

1 (a-5) A fee is hereby imposed upon admissions operated by
2 licensed managers on behalf of the State pursuant to Section
3 7.3 at the rates provided in this subsection (a-5). For a
4 licensee that admitted 1,000,000 persons or fewer in the
5 previous calendar year, the rate is \$3 per person admitted; for
6 a licensee that admitted more than 1,000,000 but no more than
7 2,300,000 persons in the previous calendar year, the rate is \$4
8 per person admitted; and for a licensee that admitted more than
9 2,300,000 persons in the previous calendar year, the rate is \$5
10 per person admitted.

11 (1) The admission fee shall be paid for each admission.

12 (2) (Blank).

13 (3) The licensed manager may issue fee-free passes to
14 actual and necessary officials and employees of the manager
15 or other persons actually working on the riverboat.

16 (4) The number and issuance of fee-free passes is
17 subject to the rules of the Board, and a list of all
18 persons to whom the fee-free passes are issued shall be
19 filed with the Board.

20 (b) Except as provided in subsection (b-5), from ~~From~~ the
21 tax imposed under subsection (a) and the fee imposed under
22 subsection (a-5), a municipality shall receive from the State
23 \$1 for each person embarking on a riverboat docked within the
24 municipality or entering a casino located within the
25 municipality, and a county shall receive \$1 for each person
26 entering a casino or embarking on a riverboat docked within the

1 county but outside the boundaries of any municipality. The
2 municipality's or county's share shall be collected by the
3 Board on behalf of the State and remitted quarterly by the
4 State, subject to appropriation, to the treasurer of the unit
5 of local government for deposit in the general fund.

6 (b-5) From the tax imposed under subsection (a) and the fee
7 imposed under subsection (a-5), \$1 for each person embarking on
8 a riverboat designated in paragraph (4) of subsection (e-5) of
9 Section 7 shall be divided as follows: \$0.70 to the City of
10 Rockford, \$0.05 to the City of Loves Park, \$0.05 to the Village
11 of Machesney Park, and \$0.20 to Winnebago County.

12 The municipality's or county's share shall be collected by
13 the Board on behalf of the State and remitted monthly by the
14 State, subject to appropriation, to the treasurer of the unit
15 of local government for deposit in the general fund.

16 (b-10) From the tax imposed under subsection (a) and the
17 fee imposed under subsection (a-5), \$1 for each person
18 embarking on a riverboat or entering a casino designated in
19 paragraph (1) of subsection (e-5) of Section 7 shall be divided
20 as follows: \$0.70 to the City of Chicago, \$0.15 to the Village
21 of Maywood, and \$0.15 to the Village of Summit.

22 The municipality's or county's share shall be collected by
23 the Board on behalf of the State and remitted monthly by the
24 State, subject to appropriation, to the treasurer of the unit
25 of local government for deposit in the general fund.

26 (b-15) From the tax imposed under subsection (a) and the

1 fee imposed under subsection (a-5), \$1 for each person
2 embarking on a riverboat or entering a casino designated in
3 paragraph (2) of subsection (e-5) of Section 7 shall be divided
4 as follows: \$0.70 to the City of Danville and \$0.30 to
5 Vermilion County.

6 The municipality's or county's share shall be collected by
7 the Board on behalf of the State and remitted monthly by the
8 State, subject to appropriation, to the treasurer of the unit
9 of local government for deposit in the general fund.

10 (c) The licensed owner shall pay the entire admission tax
11 to the Board and the licensed manager shall pay the entire
12 admission fee to the Board. Such payments shall be made daily.
13 Accompanying each payment shall be a return on forms provided
14 by the Board which shall include other information regarding
15 admissions as the Board may require. Failure to submit either
16 the payment or the return within the specified time may result
17 in suspension or revocation of the owners or managers license.

18 (c-5) A tax is imposed on admissions to organization gaming
19 facilities at the rate of \$3 per person admitted by an
20 organization gaming licensee. The tax is imposed upon the
21 organization gaming licensee.

22 (1) The admission tax shall be paid for each admission,
23 except that a person who exits an organization gaming
24 facility and reenters that organization gaming facility
25 within the same gaming day, as the term "gaming day" is
26 defined by the Board by rule, shall be subject only to the

1 initial admission tax. The Board shall establish, by rule,
2 a procedure to determine whether a person admitted to an
3 organization gaming facility has paid the admission tax.

4 (2) An organization gaming licensee may issue tax-free
5 passes to actual and necessary officials and employees of
6 the licensee and other persons associated with its gaming
7 operations.

8 (3) The number and issuance of tax-free passes is
9 subject to the rules of the Board, and a list of all
10 persons to whom the tax-free passes are issued shall be
11 filed with the Board.

12 (4) The organization gaming licensee shall pay the
13 entire admission tax to the Board.

14 Such payments shall be made daily. Accompanying each
15 payment shall be a return on forms provided by the Board, which
16 shall include other information regarding admission as the
17 Board may require. Failure to submit either the payment or the
18 return within the specified time may result in suspension or
19 revocation of the organization gaming license.

20 From the tax imposed under this subsection (c-5), a
21 municipality other than the Village of Stickney or the City of
22 Collinsville in which an organization gaming facility is
23 located, or if the organization gaming facility is not located
24 within a municipality, then the county in which the
25 organization gaming facility is located, except as otherwise
26 provided in this Section, shall receive, subject to

1 appropriation, \$1 for each person who enters the organization
2 gaming facility. For each admission to the organization gaming
3 facility in excess of 1,500,000 in a year, from the tax imposed
4 under this subsection (c-5), the county in which the
5 organization gaming facility is located shall receive, subject
6 to appropriation, \$0.30, which shall be in addition to any
7 other moneys paid to the county under this Section.

8 From the tax imposed under this subsection (c-5) on an
9 organization gaming facility located in the Village of
10 Stickney, \$1 for each person who enters the organization gaming
11 facility shall be distributed as follows, subject to
12 appropriation: \$0.24 to the Village of Stickney, \$0.49 to the
13 Town of Cicero, \$0.05 to the City of Berwyn, and \$0.17 to the
14 Stickney Public Health District, and \$0.05 to the City of
15 Bridgeview.

16 From the tax imposed under this subsection (c-5) on an
17 organization gaming facility located in the City of
18 Collinsville, the following shall each receive 10 cents for
19 each person who enters the organization gaming facility,
20 subject to appropriation: the Village of Alorton; the Village
21 of Washington Park; State Park Place; the Village of Fairmont
22 City; the City of Centreville; the Village of Brooklyn; the
23 City of Venice; the City of Madison; the Village of Caseyville;
24 and the Village of Pontoon Beach.

25 On the 25th day of each month, all amounts remaining after
26 payments required under this subsection (c-5) have been made

1 shall be transferred into the Capital Projects Fund.

2 (d) The Board shall administer and collect the admission
3 tax imposed by this Section, to the extent practicable, in a
4 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
5 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9 and 10 of the
6 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
7 Penalty and Interest Act.

8 (Source: P.A. 95-663, eff. 10-11-07; 96-1392, eff. 1-1-11.)

9 (230 ILCS 10/13) (from Ch. 120, par. 2413)

10 Sec. 13. Wagering tax; rate; distribution.

11 (a) Until January 1, 1998, a tax is imposed on the adjusted
12 gross receipts received from gambling games authorized under
13 this Act at the rate of 20%.

14 (a-1) From January 1, 1998 until July 1, 2002, a privilege
15 tax is imposed on persons engaged in the business of conducting
16 riverboat gambling operations, based on the adjusted gross
17 receipts received by a licensed owner from gambling games
18 authorized under this Act at the following rates:

19 15% of annual adjusted gross receipts up to and
20 including \$25,000,000;

21 20% of annual adjusted gross receipts in excess of
22 \$25,000,000 but not exceeding \$50,000,000;

23 25% of annual adjusted gross receipts in excess of
24 \$50,000,000 but not exceeding \$75,000,000;

25 30% of annual adjusted gross receipts in excess of

1 \$75,000,000 but not exceeding \$100,000,000;
2 35% of annual adjusted gross receipts in excess of
3 \$100,000,000.

4 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax
5 is imposed on persons engaged in the business of conducting
6 riverboat gambling operations, other than licensed managers
7 conducting riverboat gambling operations on behalf of the
8 State, based on the adjusted gross receipts received by a
9 licensed owner from gambling games authorized under this Act at
10 the following rates:

11 15% of annual adjusted gross receipts up to and
12 including \$25,000,000;

13 22.5% of annual adjusted gross receipts in excess of
14 \$25,000,000 but not exceeding \$50,000,000;

15 27.5% of annual adjusted gross receipts in excess of
16 \$50,000,000 but not exceeding \$75,000,000;

17 32.5% of annual adjusted gross receipts in excess of
18 \$75,000,000 but not exceeding \$100,000,000;

19 37.5% of annual adjusted gross receipts in excess of
20 \$100,000,000 but not exceeding \$150,000,000;

21 45% of annual adjusted gross receipts in excess of
22 \$150,000,000 but not exceeding \$200,000,000;

23 50% of annual adjusted gross receipts in excess of
24 \$200,000,000.

25 (a-3) Beginning July 1, 2003, a privilege tax is imposed on
26 persons engaged in the business of conducting riverboat

1 gambling operations, other than licensed managers conducting
2 riverboat gambling operations on behalf of the State, based on
3 the adjusted gross receipts received by a licensed owner from
4 gambling games authorized under this Act at the following
5 rates:

6 15% of annual adjusted gross receipts up to and
7 including \$25,000,000;

8 27.5% of annual adjusted gross receipts in excess of
9 \$25,000,000 but not exceeding \$37,500,000;

10 32.5% of annual adjusted gross receipts in excess of
11 \$37,500,000 but not exceeding \$50,000,000;

12 37.5% of annual adjusted gross receipts in excess of
13 \$50,000,000 but not exceeding \$75,000,000;

14 45% of annual adjusted gross receipts in excess of
15 \$75,000,000 but not exceeding \$100,000,000;

16 50% of annual adjusted gross receipts in excess of
17 \$100,000,000 but not exceeding \$250,000,000;

18 70% of annual adjusted gross receipts in excess of
19 \$250,000,000.

20 An amount equal to the amount of wagering taxes collected
21 under this subsection (a-3) that are in addition to the amount
22 of wagering taxes that would have been collected if the
23 wagering tax rates under subsection (a-2) were in effect shall
24 be paid into the Common School Fund.

25 The privilege tax imposed under this subsection (a-3) shall
26 no longer be imposed beginning on the earlier of (i) July 1,

1 2005; (ii) the first date after June 20, 2003 that riverboat
2 gambling operations are conducted pursuant to a dormant
3 license; or (iii) the first day that riverboat gambling
4 operations are conducted under the authority of an owners
5 license that is in addition to the 10 owners licenses initially
6 authorized under this Act. For the purposes of this subsection
7 (a-3), the term "dormant license" means an owners license that
8 is authorized by this Act under which no riverboat gambling
9 operations are being conducted on June 20, 2003.

10 (a-4) Beginning on the first day on which the tax imposed
11 under subsection (a-3) is no longer imposed and ending upon the
12 imposition of the privilege tax under subsection (a-5) of this
13 Section, a privilege tax is imposed on persons engaged in the
14 business of conducting ~~riverboat~~ gambling operations, other
15 than licensed managers conducting riverboat gambling
16 operations on behalf of the State, based on the adjusted gross
17 receipts received by a licensed owner from gambling games
18 authorized under this Act at the following rates:

19 15% of annual adjusted gross receipts up to and
20 including \$25,000,000;

21 22.5% of annual adjusted gross receipts in excess of
22 \$25,000,000 but not exceeding \$50,000,000;

23 27.5% of annual adjusted gross receipts in excess of
24 \$50,000,000 but not exceeding \$75,000,000;

25 32.5% of annual adjusted gross receipts in excess of
26 \$75,000,000 but not exceeding \$100,000,000;

1 37.5% of annual adjusted gross receipts in excess of
2 \$100,000,000 but not exceeding \$150,000,000;

3 45% of annual adjusted gross receipts in excess of
4 \$150,000,000 but not exceeding \$200,000,000;

5 50% of annual adjusted gross receipts in excess of
6 \$200,000,000.

7 For the imposition of the privilege tax in this subsection
8 (a-4), amounts paid pursuant to item (1) of subsection (b) of
9 Section 56 of the Illinois Horse Racing Act of 1975 shall not
10 be included in the determination of adjusted gross receipts.

11 (a-5) Beginning on the first day that an owners licensee
12 under paragraph (1), (2), (3), (4), (5), or (6) of subsection
13 (e-5) of Section 7 conducts gambling operations, either in a
14 temporary facility or a permanent facility, a privilege tax is
15 imposed on persons engaged in the business of conducting
16 gambling operations, other than licensed managers conducting
17 riverboat gambling operations on behalf of the State, based on
18 the adjusted gross receipts received by such licensee from the
19 gambling games authorized under this Act. The privilege tax for
20 all gambling games other than table games, including, but not
21 limited to, slot machines, video game of chance gambling, and
22 electronic gambling games shall be at the following rates:

23 15% of annual adjusted gross receipts up to and
24 including \$25,000,000;

25 22.5% of annual adjusted gross receipts in excess of
26 \$25,000,000 but not exceeding \$50,000,000;

1 27.5% of annual adjusted gross receipts in excess of
2 \$50,000,000 but not exceeding \$75,000,000;

3 32.5% of annual adjusted gross receipts in excess of
4 \$75,000,000 but not exceeding \$100,000,000;

5 37.5% of annual adjusted gross receipts in excess of
6 \$100,000,000 but not exceeding \$150,000,000;

7 45% of annual adjusted gross receipts in excess of
8 \$150,000,000 but not exceeding \$200,000,000;

9 50% of annual adjusted gross receipts in excess of
10 \$200,000,000.

11 The privilege tax for table games shall be at the following
12 rates:

13 15% of annual adjusted gross receipts up to and
14 including \$25,000,000;

15 20% of annual adjusted gross receipts in excess of
16 \$25,000,000.

17 For the imposition of the privilege tax in this subsection
18 (a-5), amounts paid pursuant to item (1) of subsection (b) of
19 Section 56 of the Illinois Horse Racing Act of 1975 shall not
20 be included in the determination of adjusted gross receipts.

21 Notwithstanding the provisions of this subsection (a-5),
22 for the first 10 years that the privilege tax is imposed under
23 this subsection (a-5), the privilege tax shall be imposed on
24 the modified annual adjusted gross receipts of a riverboat or
25 casino conducting gambling operations in the City of East St.
26 Louis, unless:

1 (1) the riverboat or casino fails to employ at least
2 450 people;

3 (2) the riverboat or casino fails to maintain
4 operations in a manner consistent with this Act or is not a
5 viable riverboat or casino subject to the approval of the
6 Board; or

7 (3) the owners licensee is not an entity in which
8 employees participate in an employee stock ownership plan.

9 As used in this subsection (a-5), "modified annual adjusted
10 gross receipts" means:

11 (A) for calendar year 2020, the annual adjusted gross
12 receipts for the current year minus the difference between
13 an amount equal to the average annual adjusted gross
14 receipts from a riverboat or casino conducting gambling
15 operations in the City of East St. Louis for 2014, 2015,
16 2016, 2017, and 2018 and the annual adjusted gross receipts
17 for 2018;

18 (B) for calendar year 2021, the annual adjusted gross
19 receipts for the current year minus the difference between
20 an amount equal to the average annual adjusted gross
21 receipts from a riverboat or casino conducting gambling
22 operations in the City of East St. Louis for 2014, 2015,
23 2016, 2017, and 2018 and the annual adjusted gross receipts
24 for 2019; and

25 (C) for calendar years 2022 through 2029, the annual
26 adjusted gross receipts for the current year minus the

1 difference between an amount equal to the average annual
2 adjusted gross receipts from a riverboat or casino
3 conducting gambling operations in the City of East St.
4 Louis for 3 years preceding the current year and the annual
5 adjusted gross receipts for the immediately preceding
6 year.

7 (a-5.5) In addition to the privilege tax imposed under
8 subsection (a-5), a privilege tax is imposed on the owners
9 licensee under paragraph (1) of subsection (e-5) of Section 7
10 at the rate of one-third of the owners licensee's adjusted
11 gross receipts.

12 For the imposition of the privilege tax in this subsection
13 (a-5.5), amounts paid pursuant to item (1) of subsection (b) of
14 Section 56 of the Illinois Horse Racing Act of 1975 shall not
15 be included in the determination of adjusted gross receipts.

16 (a-6) From the effective date of this amendatory Act of the
17 101st General Assembly until June 30, 2023, an owners licensee
18 that conducted gambling operations prior to January 1, 2011
19 shall receive a dollar-for-dollar credit against the tax
20 imposed under this Section for any renovation or construction
21 costs paid by the owners licensee, but in no event shall the
22 credit exceed \$2,000,000.

23 Additionally, from the effective date of this amendatory
24 Act of the 101st General Assembly until December 31, 2022, an
25 owners licensee that (i) is located within 15 miles of the
26 Missouri border, and (ii) has at least 3 riverboats, casinos,

1 or their equivalent within a 45-mile radius, may be authorized
2 to relocate to a new location with the approval of both the
3 unit of local government designated as the home dock and the
4 Board, so long as the new location is within the same unit of
5 local government and no more than 3 miles away from its
6 original location. Such owners licensee shall receive a credit
7 against the tax imposed under this Section equal to 8% of the
8 total project costs, as approved by the Board, for any
9 renovation or construction costs paid by the owners licensee
10 for the construction of the new facility, provided that the new
11 facility is operational by July 1, 2022. In determining whether
12 or not to approve a relocation, the Board must consider the
13 extent to which the relocation will diminish the gaming
14 revenues received by other Illinois gaming facilities.

15 (a-7) Beginning in the initial adjustment year and through
16 the final adjustment year, if the total obligation imposed
17 pursuant to either subsection (a-5) or (a-6) will result in an
18 owners licensee receiving less after-tax adjusted gross
19 receipts than it received in calendar year 2018, then the total
20 amount of privilege taxes that the owners licensee is required
21 to pay for that calendar year shall be reduced to the extent
22 necessary so that the after-tax adjusted gross receipts in that
23 calendar year equals the after-tax adjusted gross receipts in
24 calendar year 2018, but the privilege tax reduction shall not
25 exceed the annual adjustment cap. If pursuant to this
26 subsection (a-7), the total obligation imposed pursuant to

1 either subsection (a-5) or (a-6) shall be reduced, then the
2 owners licensee shall not receive a refund from the State at
3 the end of the subject calendar year but instead shall be able
4 to apply that amount as a credit against any payments it owes
5 to the State in the following calendar year to satisfy its
6 total obligation under either subsection (a-5) or (a-6). The
7 credit for the final adjustment year shall occur in the
8 calendar year following the final adjustment year.

9 If an owners licensee that conducted gambling operations
10 prior to January 1, 2019 expands its riverboat or casino,
11 including, but not limited to, with respect to its gaming
12 floor, additional non-gaming amenities such as restaurants,
13 bars, and hotels and other additional facilities, and incurs
14 construction and other costs related to such expansion from the
15 effective date of this amendatory Act of the 101st General
16 Assembly until the 5th anniversary of the effective date of
17 this amendatory Act of the 101st General Assembly, then for
18 each \$15,000,000 spent for any such construction or other costs
19 related to expansion paid by the owners licensee, the final
20 adjustment year shall be extended by one year and the annual
21 adjustment cap shall increase by 0.2% of adjusted gross
22 receipts during each calendar year until and including the
23 final adjustment year. No further modifications to the final
24 adjustment year or annual adjustment cap shall be made after
25 \$75,000,000 is incurred in construction or other costs related
26 to expansion so that the final adjustment year shall not extend

1 beyond the 9th calendar year after the initial adjustment year,
2 not including the initial adjustment year, and the annual
3 adjustment cap shall not exceed 4% of adjusted gross receipts
4 in a particular calendar year. Construction and other costs
5 related to expansion shall include all project related costs,
6 including, but not limited to, all hard and soft costs,
7 financing costs, on or off-site ground, road or utility work,
8 cost of gaming equipment and all other personal property,
9 initial fees assessed for each incremental gaming position, and
10 the cost of incremental land acquired for such expansion. Soft
11 costs shall include, but not be limited to, legal fees,
12 architect, engineering and design costs, other consultant
13 costs, insurance cost, permitting costs, and pre-opening costs
14 related to the expansion, including, but not limited to, any of
15 the following: marketing, real estate taxes, personnel,
16 training, travel and out-of-pocket expenses, supply,
17 inventory, and other costs, and any other project related soft
18 costs.

19 To be eligible for the tax credits in subsection (a-6), all
20 construction contracts shall include a requirement that the
21 contractor enter into a project labor agreement with the
22 building and construction trades council with geographic
23 jurisdiction of the location of the proposed gaming facility.

24 Notwithstanding any other provision of this subsection
25 (a-7), this subsection (a-7) does not apply to an owners
26 licensee unless such owners licensee spends at least

1 \$15,000,000 on construction and other costs related to its
2 expansion, excluding the initial fees assessed for each
3 incremental gaming position.

4 This subsection (a-7) does not apply to owners licensees
5 authorized pursuant to subsection (e-5) of Section 7 of this
6 Act.

7 For purposes of this subsection (a-7):

8 "Building and construction trades council" means any
9 organization representing multiple construction entities that
10 are monitoring or attentive to compliance with public or
11 workers' safety laws, wage and hour requirements, or other
12 statutory requirements or that are making or maintaining
13 collective bargaining agreements.

14 "Initial adjustment year" means the year commencing on
15 January 1 of the calendar year immediately following the
16 earlier of the following:

17 (1) the commencement of gambling operations, either in
18 a temporary or permanent facility, with respect to the
19 owners license authorized under paragraph (1) of
20 subsection (e-5) of Section 7 of this Act; or

21 (2) 24 months after the effective date of this
22 amendatory Act of the 101st General Assembly, provided the
23 initial adjustment year shall not commence earlier than 12
24 months after the effective date of this amendatory Act of
25 the 101st General Assembly.

26 "Final adjustment year" means the 2nd calendar year after

1 the initial adjustment year, not including the initial
2 adjustment year, and as may be extended further as described in
3 this subsection (a-7).

4 "Annual adjustment cap" means 3% of adjusted gross receipts
5 in a particular calendar year, and as may be increased further
6 as otherwise described in this subsection (a-7).

7 (a-8) Riverboat gambling operations conducted by a
8 licensed manager on behalf of the State are not subject to the
9 tax imposed under this Section.

10 (a-9) Beginning on January 1, 2020, the calculation of
11 gross receipts or adjusted gross receipts, for the purposes of
12 this Section, for a riverboat, a casino, or an organization
13 gaming facility shall not include the dollar amount of
14 non-cashable vouchers, coupons, and electronic promotions
15 redeemed by wagerers upon the riverboat, in the casino, or in
16 the organization gaming facility up to and including an amount
17 not to exceed 20% of a riverboat's, a casino's, or an
18 organization gaming facility's adjusted gross receipts.

19 The Illinois Gaming Board shall submit to the General
20 Assembly a comprehensive report no later than March 31, 2023
21 detailing, at a minimum, the effect of removing non-cashable
22 vouchers, coupons, and electronic promotions from this
23 calculation on net gaming revenues to the State in calendar
24 years 2020 through 2022, the increase or reduction in wagerers
25 as a result of removing non-cashable vouchers, coupons, and
26 electronic promotions from this calculation, the effect of the

1 tax rates in subsection (a-5) on net gaming revenues to this
2 State, and proposed modifications to the calculation.

3 (a-10) The taxes imposed by this Section shall be paid by
4 the licensed owner or the organization gaming licensee to the
5 Board not later than 5:00 o'clock p.m. of the day after the day
6 when the wagers were made.

7 (a-15) If the privilege tax imposed under subsection (a-3)
8 is no longer imposed pursuant to item (i) of the last paragraph
9 of subsection (a-3), then by June 15 of each year, each owners
10 licensee, other than an owners licensee that admitted 1,000,000
11 persons or fewer in calendar year 2004, must, in addition to
12 the payment of all amounts otherwise due under this Section,
13 pay to the Board a reconciliation payment in the amount, if
14 any, by which the licensed owner's base amount exceeds the
15 amount of net privilege tax paid by the licensed owner to the
16 Board in the then current State fiscal year. A licensed owner's
17 net privilege tax obligation due for the balance of the State
18 fiscal year shall be reduced up to the total of the amount paid
19 by the licensed owner in its June 15 reconciliation payment.
20 The obligation imposed by this subsection (a-15) is binding on
21 any person, firm, corporation, or other entity that acquires an
22 ownership interest in any such owners license. The obligation
23 imposed under this subsection (a-15) terminates on the earliest
24 of: (i) July 1, 2007, (ii) the first day after the effective
25 date of this amendatory Act of the 94th General Assembly that
26 riverboat gambling operations are conducted pursuant to a

1 dormant license, (iii) the first day that riverboat gambling
2 operations are conducted under the authority of an owners
3 license that is in addition to the 10 owners licenses initially
4 authorized under this Act, or (iv) the first day that a
5 licensee under the Illinois Horse Racing Act of 1975 conducts
6 gaming operations with slot machines or other electronic gaming
7 devices. The Board must reduce the obligation imposed under
8 this subsection (a-15) by an amount the Board deems reasonable
9 for any of the following reasons: (A) an act or acts of God,
10 (B) an act of bioterrorism or terrorism or a bioterrorism or
11 terrorism threat that was investigated by a law enforcement
12 agency, or (C) a condition beyond the control of the owners
13 licensee that does not result from any act or omission by the
14 owners licensee or any of its agents and that poses a hazardous
15 threat to the health and safety of patrons. If an owners
16 licensee pays an amount in excess of its liability under this
17 Section, the Board shall apply the overpayment to future
18 payments required under this Section.

19 For purposes of this subsection (a-15):

20 "Act of God" means an incident caused by the operation of
21 an extraordinary force that cannot be foreseen, that cannot be
22 avoided by the exercise of due care, and for which no person
23 can be held liable.

24 "Base amount" means the following:

25 For a riverboat in Alton, \$31,000,000.

26 For a riverboat in East Peoria, \$43,000,000.

- 1 For the Empress riverboat in Joliet, \$86,000,000.
2 For a riverboat in Metropolis, \$45,000,000.
3 For the Harrah's riverboat in Joliet, \$114,000,000.
4 For a riverboat in Aurora, \$86,000,000.
5 For a riverboat in East St. Louis, \$48,500,000.
6 For a riverboat in Elgin, \$198,000,000.

7 "Dormant license" has the meaning ascribed to it in
8 subsection (a-3).

9 "Net privilege tax" means all privilege taxes paid by a
10 licensed owner to the Board under this Section, less all
11 payments made from the State Gaming Fund pursuant to subsection
12 (b) of this Section.

13 The changes made to this subsection (a-15) by Public Act
14 94-839 are intended to restate and clarify the intent of Public
15 Act 94-673 with respect to the amount of the payments required
16 to be made under this subsection by an owners licensee to the
17 Board.

18 (b) ~~From Until January 1, 1998, 25% of the tax revenue~~
19 ~~deposited in the State Gaming Fund under this Section shall be~~
20 ~~paid, subject to appropriation by the General Assembly, to the~~
21 ~~unit of local government which is designated as the home dock~~
22 ~~of the riverboat. Beginning January 1, 1998, from the tax~~
23 revenue from riverboat or casino gambling deposited in the
24 State Gaming Fund under this Section, an amount equal to 5% of
25 adjusted gross receipts generated by a riverboat or a casino,
26 other than a riverboat or casino designated in paragraph (1),

1 (3), or (4) of subsection (e-5) of Section 7, shall be paid
2 monthly, subject to appropriation by the General Assembly, to
3 the unit of local government in which the casino is located or
4 that is designated as the home dock of the riverboat.
5 Notwithstanding anything to the contrary, beginning on the
6 first day that an owners licensee under paragraph (1), (2),
7 (3), (4), (5), or (6) of subsection (e-5) of Section 7 conducts
8 gambling operations, either in a temporary facility or a
9 permanent facility, and for 2 years thereafter, a unit of local
10 government designated as the home dock of a riverboat whose
11 license was issued before January 1, 2019, other than a
12 riverboat conducting gambling operations in the City of East
13 St. Louis, shall not receive less under this subsection (b)
14 than the amount the unit of local government received under
15 this subsection (b) in calendar year 2018. Notwithstanding
16 anything to the contrary and because the City of East St. Louis
17 is a financially distressed city, beginning on the first day
18 that an owners licensee under paragraph (1), (2), (3), (4),
19 (5), or (6) of subsection (e-5) of Section 7 conducts gambling
20 operations, either in a temporary facility or a permanent
21 facility, and for 10 years thereafter, a unit of local
22 government designated as the home dock of a riverboat
23 conducting gambling operations in the City of East St. Louis
24 shall not receive less under this subsection (b) than the
25 amount the unit of local government received under this
26 subsection (b) in calendar year 2018.

1 From the tax revenue deposited in the State Gaming Fund
2 pursuant to riverboat or casino gambling operations conducted
3 by a licensed manager on behalf of the State, an amount equal
4 to 5% of adjusted gross receipts generated pursuant to those
5 riverboat or casino gambling operations shall be paid monthly,
6 subject to appropriation by the General Assembly, to the unit
7 of local government that is designated as the home dock of the
8 riverboat upon which those riverboat gambling operations are
9 conducted or in which the casino is located.

10 From the tax revenue from riverboat or casino gambling
11 deposited in the State Gaming Fund under this Section, an
12 amount equal to 5% of the adjusted gross receipts generated by
13 a riverboat designated in paragraph (3) of subsection (e-5) of
14 Section 7 shall be divided and remitted monthly, subject to
15 appropriation, as follows: 70% to Waukegan, 10% to Park City,
16 15% to North Chicago, and 5% to Lake County.

17 From the tax revenue from riverboat or casino gambling
18 deposited in the State Gaming Fund under this Section, an
19 amount equal to 5% of the adjusted gross receipts generated by
20 a riverboat designated in paragraph (4) of subsection (e-5) of
21 Section 7 shall be remitted monthly, subject to appropriation,
22 as follows: 70% to the City of Rockford, 5% to the City of
23 Loves Park, 5% to the Village of Machesney, and 20% to
24 Winnebago County.

25 From the tax revenue from riverboat or casino gambling
26 deposited in the State Gaming Fund under this Section, an

1 amount equal to 5% of the adjusted gross receipts generated by
2 a riverboat designated in paragraph (5) of subsection (e-5) of
3 Section 7 shall be remitted monthly, subject to appropriation,
4 as follows: 2% to the unit of local government in which the
5 riverboat or casino is located, and 3% shall be distributed:
6 (A) in accordance with a regional capital development plan
7 entered into by the following communities: Village of Beecher,
8 City of Blue Island, Village of Burnham, City of Calumet City,
9 Village of Calumet Park, City of Chicago Heights, City of
10 Country Club Hills, Village of Crestwood, Village of Crete,
11 Village of Dixmoor, Village of Dolton, Village of East Hazel
12 Crest, Village of Flossmoor, Village of Ford Heights, Village
13 of Glenwood, City of Harvey, Village of Hazel Crest, Village of
14 Homewood, Village of Lansing, Village of Lynwood, City of
15 Markham, Village of Matteson, Village of Midlothian, Village of
16 Monee, City of Oak Forest, Village of Olympia Fields, Village
17 of Orland Hills, Village of Orland Park, City of Palos Heights,
18 Village of Park Forest, Village of Phoenix, Village of Posen,
19 Village of Richton Park, Village of Riverdale, Village of
20 Robbins, Village of Sauk Village, Village of South Chicago
21 Heights, Village of South Holland, Village of Steger, Village
22 of Thornton, Village of Tinley Park, Village of University Park
23 and Village of Worth; or (B) if no regional capital development
24 plan exists, equally among the communities listed in item (A)
25 to be used for capital expenditures or public pension payments,
26 or both.

1 Units of local government may refund any portion of the
2 payment that they receive pursuant to this subsection (b) to
3 the riverboat or casino.

4 (b-4) Beginning on the first day the licensee under
5 paragraph (5) of subsection (e-5) of Section 7 conducts
6 gambling operations, either in a temporary facility or a
7 permanent facility, and ending on July 31, 2042, from the tax
8 revenue deposited in the State Gaming Fund under this Section,
9 \$5,000,000 shall be paid annually, subject to appropriation, to
10 the host municipality of that owners licensee of a license
11 issued or re-issued pursuant to Section 7.1 of this Act before
12 January 1, 2012. Payments received by the host municipality
13 pursuant to this subsection (b-4) may not be shared with any
14 other unit of local government.

15 (b-5) Beginning on the effective date of this amendatory
16 Act of the 101st General Assembly, from the tax revenue
17 deposited in the State Gaming Fund under this Section, an
18 amount equal to 3% of adjusted gross receipts generated by each
19 organization gaming facility located outside Madison County
20 shall be paid monthly, subject to appropriation by the General
21 Assembly, to a municipality other than the Village of Stickney
22 in which each organization gaming facility is located or, if
23 the organization gaming facility is not located within a
24 municipality, to the county in which the organization gaming
25 facility is located, except as otherwise provided in this
26 Section. From the tax revenue deposited in the State Gaming

1 Fund under this Section, an amount equal to 3% of adjusted
2 gross receipts generated by an organization gaming facility
3 located in the Village of Stickney shall be paid monthly,
4 subject to appropriation by the General Assembly, as follows:
5 25% to the Village of Stickney, 5% to the City of Berwyn, 50%
6 to the Town of Cicero, and 20% to the Stickney Public Health
7 District.

8 From the tax revenue deposited in the State Gaming Fund
9 under this Section, an amount equal to 5% of adjusted gross
10 receipts generated by an organization gaming facility located
11 in the City of Collinsville shall be paid monthly, subject to
12 appropriation by the General Assembly, as follows: 30% to the
13 City of Alton, 30% to the City of East St. Louis, and 40% to the
14 City of Collinsville.

15 Municipalities and counties may refund any portion of the
16 payment that they receive pursuant to this subsection (b-5) to
17 the organization gaming facility.

18 (b-6) Beginning on the effective date of this amendatory
19 Act of the 101st General Assembly, from the tax revenue
20 deposited in the State Gaming Fund under this Section, an
21 amount equal to 2% of adjusted gross receipts generated by an
22 organization gaming facility located outside Madison County
23 shall be paid monthly, subject to appropriation by the General
24 Assembly, to the county in which the organization gaming
25 facility is located for the purposes of its criminal justice
26 system or health care system.

1 Counties may refund any portion of the payment that they
2 receive pursuant to this subsection (b-6) to the organization
3 gaming facility.

4 (b-7) From the tax revenue from the organization gaming
5 licensee located in one of the following townships of Cook
6 County: Bloom, Bremen, Calumet, Orland, Rich, Thornton, or
7 Worth, an amount equal to 5% of the adjusted gross receipts
8 generated by that organization gaming licensee shall be
9 remitted monthly, subject to appropriation, as follows: 2% to
10 the unit of local government in which the organization gaming
11 licensee is located, and 3% shall be distributed: (A) in
12 accordance with a regional capital development plan entered
13 into by the following communities: Village of Beecher, City of
14 Blue Island, Village of Burnham, City of Calumet City, Village
15 of Calumet Park, City of Chicago Heights, City of Country Club
16 Hills, Village of Crestwood, Village of Crete, Village of
17 Dixmoor, Village of Dolton, Village of East Hazel Crest,
18 Village of Flossmoor, Village of Ford Heights, Village of
19 Glenwood, City of Harvey, Village of Hazel Crest, Village of
20 Homewood, Village of Lansing, Village of Lynwood, City of
21 Markham, Village of Matteson, Village of Midlothian, Village of
22 Monee, City of Oak Forest, Village of Olympia Fields, Village
23 of Orland Hills, Village of Orland Park, City of Palos Heights,
24 Village of Park Forest, Village of Phoenix, Village of Posen,
25 Village of Richton Park, Village of Riverdale, Village of
26 Robbins, Village of Sauk Village, Village of South Chicago

1 Heights, Village of South Holland, Village of Steger, Village
2 of Thornton, Village of Tinley Park, Village of University
3 Park, and Village of Worth; or (B) if no regional capital
4 development plan exists, equally among the communities listed
5 in item (A) to be used for capital expenditures or public
6 pension payments, or both.

7 (b-8) In lieu of the payments under subsection (b) of this
8 Section, the tax revenue from the privilege tax imposed by
9 subsection (a-5.5) shall be paid monthly, subject to
10 appropriation by the General Assembly, to the City of Chicago
11 and shall be expended or obligated by the City of Chicago for
12 pension payments in accordance with Public Act 99-506.

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 and the Video Gaming
16 Act, (ii) for distribution to the Department of State Police
17 and to the Department of Revenue for the enforcement of this
18 Act, and the Video Gaming Act, and (iii) to the Department of
19 Human Services for the administration of programs to treat
20 problem gambling. The Board's annual appropriations request
21 must separately state its funding needs for the regulation of
22 gaming authorized under Section 7.7, riverboat gaming, casino
23 gaming, video gaming, and sports wagering.

24 (c-2) An amount equal to 2% of the adjusted gross receipts
25 generated by an organization gaming facility located within a
26 home rule county with a population of over 3,000,000

1 inhabitants shall be paid, subject to appropriation from the
2 General Assembly, from the State Gaming Fund to the home rule
3 county in which the organization gaming licensee is located for
4 the purpose of enhancing the county's criminal justice system.

5 (c-3) Appropriations, as approved by the General Assembly,
6 may be made from the tax revenue deposited into the State
7 Gaming Fund from organization gaming licensees pursuant to this
8 Section for the administration and enforcement of this Act.

9 (c-4) After payments required under subsections (b),
10 (b-5), (b-6), (b-7), (c), (c-2), and (c-3) have been made from
11 the tax revenue from organization gaming licensees deposited
12 into the State Gaming Fund under this Section, all remaining
13 amounts from organization gaming licensees shall be
14 transferred into the Capital Projects Fund.

15 (c-5) (Blank). Before May 26, 2006 (the effective date of
16 Public Act 94-804) and beginning on the effective date of this
17 amendatory Act of the 95th General Assembly, unless any
18 organization licensee under the Illinois Horse Racing Act of
19 1975 begins to operate a slot machine or video game of chance
20 under the Illinois Horse Racing Act of 1975 or this Act, after
21 the payments required under subsections (b) and (c) have been
22 made, an amount equal to 15% of the adjusted gross receipts of
23 (1) an owners licensee that relocates pursuant to Section 11.2,
24 (2) an owners licensee conducting riverboat gambling
25 operations pursuant to an owners license that is initially
26 issued after June 25, 1999, or (3) the first riverboat gambling

1 ~~operations conducted by a licensed manager on behalf of the~~
2 ~~State under Section 7.3, whichever comes first, shall be paid~~
3 ~~from the State Gaming Fund into the Horse Racing Equity Fund.~~

4 (c-10) Each year the General Assembly shall appropriate
5 from the General Revenue Fund to the Education Assistance Fund
6 an amount equal to the amount paid into the Horse Racing Equity
7 Fund pursuant to subsection (c-5) in the prior calendar year.

8 (c-15) After the payments required under subsections (b),
9 (c), and (c-5) have been made, an amount equal to 2% of the
10 adjusted gross receipts of (1) an owners licensee that
11 relocates pursuant to Section 11.2, (2) an owners licensee
12 conducting riverboat gambling operations pursuant to an owners
13 license that is initially issued after June 25, 1999, or (3)
14 the first riverboat gambling operations conducted by a licensed
15 manager on behalf of the State under Section 7.3, whichever
16 comes first, shall be paid, subject to appropriation from the
17 General Assembly, from the State Gaming Fund to each home rule
18 county with a population of over 3,000,000 inhabitants for the
19 purpose of enhancing the county's criminal justice system.

20 (c-20) Each year the General Assembly shall appropriate
21 from the General Revenue Fund to the Education Assistance Fund
22 an amount equal to the amount paid to each home rule county
23 with a population of over 3,000,000 inhabitants pursuant to
24 subsection (c-15) in the prior calendar year.

25 (c-21) After the payments required under subsections (b),
26 (b-4), (b-5), (b-6), (b-7), (b-8), (c), (c-3), and (c-4) have

1 been made, an amount equal to 2% of the adjusted gross receipts
2 generated by the owners licensee under paragraph (1) of
3 subsection (e-5) of Section 7 shall be paid, subject to
4 appropriation from the General Assembly, from the State Gaming
5 Fund to the home rule county in which the owners licensee is
6 located for the purpose of enhancing the county's criminal
7 justice system.

8 (c-22) After the payments required under subsections (b),
9 (b-4), (b-5), (b-6), (b-7), (b-8), (c), (c-3), (c-4), and
10 (c-21) have been made, an amount equal to 2% of the adjusted
11 gross receipts generated by the owners licensee under paragraph
12 (5) of subsection (e-5) of Section 7 shall be paid, subject to
13 appropriation from the General Assembly, from the State Gaming
14 Fund to the home rule county in which the owners licensee is
15 located for the purpose of enhancing the county's criminal
16 justice system.

17 (c-25) From ~~On~~ July 1, 2013 and each July 1
18 thereafter through July 1, 2019, \$1,600,000 shall be
19 transferred from the State Gaming Fund to the Chicago State
20 University Education Improvement Fund.

21 On July 1, 2020 and each July 1 thereafter, \$3,000,000
22 shall be transferred from the State Gaming Fund to the Chicago
23 State University Education Improvement Fund.

24 (c-30) On July 1, 2013 or as soon as possible thereafter,
25 \$92,000,000 shall be transferred from the State Gaming Fund to
26 the School Infrastructure Fund and \$23,000,000 shall be

1 transferred from the State Gaming Fund to the Horse Racing
2 Equity Fund.

3 (c-35) Beginning on July 1, 2013, in addition to any amount
4 transferred under subsection (c-30) of this Section,
5 \$5,530,000 shall be transferred monthly from the State Gaming
6 Fund to the School Infrastructure Fund.

7 (d) From time to time, the Board shall transfer the
8 remainder of the funds generated by this Act into the Education
9 Assistance Fund, created by Public Act 86-0018, of the State of
10 Illinois.

11 (e) Nothing in this Act shall prohibit the unit of local
12 government designated as the home dock of the riverboat from
13 entering into agreements with other units of local government
14 in this State or in other states to share its portion of the
15 tax revenue.

16 (f) To the extent practicable, the Board shall administer
17 and collect the wagering taxes imposed by this Section in a
18 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
19 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
20 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
21 Penalty and Interest Act.

22 (Source: P.A. 98-18, eff. 6-7-13.)

23 (230 ILCS 10/14) (from Ch. 120, par. 2414)

24 Sec. 14. Licensees - Records - Reports - Supervision.

25 (a) Licensed owners and organization gaming licensees A

1 ~~licensed owner~~ shall keep ~~his~~ books and records so as to
2 clearly show the following:

3 (1) The amount received daily from admission fees.

4 (2) The total amount of gross receipts.

5 (3) The total amount of the adjusted gross receipts.

6 (b) Licensed owners and organization gaming licensees ~~The~~
7 ~~licensed owner~~ shall furnish to the Board reports and
8 information as the Board may require with respect to its
9 activities on forms designed and supplied for such purpose by
10 the Board.

11 (c) The books and records kept by a licensed owner as
12 provided by this Section are public records and the
13 examination, publication, and dissemination of the books and
14 records are governed by the provisions of The Freedom of
15 Information Act.

16 (Source: P.A. 86-1029.)

17 (230 ILCS 10/15) (from Ch. 120, par. 2415)

18 Sec. 15. Audit of Licensee Operations. Annually, the
19 licensed owner, ~~or~~ manager, or organization gaming licensee
20 shall transmit to the Board an audit of the financial
21 transactions and condition of the licensee's or manager's total
22 operations. Additionally, within 90 days after the end of each
23 quarter of each fiscal year, the licensed owner, ~~or~~ manager, or
24 organization gaming licensee shall transmit to the Board a
25 compliance report on engagement procedures determined by the

1 Board. All audits and compliance engagements shall be conducted
2 by certified public accountants selected by the Board. Each
3 certified public accountant must be registered in the State of
4 Illinois under the Illinois Public Accounting Act. The
5 compensation for each certified public accountant shall be paid
6 directly by the licensed owner, ~~or~~ manager, or organization
7 gaming licensee to the certified public accountant.

8 (Source: P.A. 96-1392, eff. 1-1-11.)

9 (230 ILCS 10/17) (from Ch. 120, par. 2417)

10 Sec. 17. Administrative Procedures. The Illinois
11 Administrative Procedure Act shall apply to all administrative
12 rules and procedures of the Board under this Act and ~~or~~ the
13 Video Gaming Act, except that: (1) subsection (b) of Section
14 5-10 of the Illinois Administrative Procedure Act does not
15 apply to final orders, decisions and opinions of the Board; (2)
16 subsection (a) of Section 5-10 of the Illinois Administrative
17 Procedure Act does not apply to forms established by the Board
18 for use under this Act and or the Video Gaming Act; (3) the
19 provisions of Section 10-45 of the Illinois Administrative
20 Procedure Act regarding proposals for decision are excluded
21 under this Act and ~~or~~ the Video Gaming Act; and (4) the
22 provisions of subsection (d) of Section 10-65 of the Illinois
23 Administrative Procedure Act do not apply so as to prevent
24 summary suspension of any license pending revocation or other
25 action, which suspension shall remain in effect unless modified

1 by the Board or unless the Board's decision is reversed on the
2 merits upon judicial review.

3 (Source: P.A. 96-34, eff. 7-13-09.)

4 (230 ILCS 10/17.1) (from Ch. 120, par. 2417.1)

5 Sec. 17.1. Judicial Review.

6 (a) Jurisdiction and venue for the judicial review of a
7 final order of the Board relating to licensed owners,
8 suppliers, organization gaming licensees, and ~~or~~ special event
9 licenses is vested in the Appellate Court of the judicial
10 district in which Sangamon County is located. A petition for
11 judicial review of a final order of the Board must be filed in
12 the Appellate Court, within 35 days from the date that a copy
13 of the decision sought to be reviewed was served upon the party
14 affected by the decision.

15 (b) Judicial review of all other final orders of the Board
16 shall be conducted in accordance with the Administrative Review
17 Law.

18 (Source: P.A. 88-1.)

19 (230 ILCS 10/18) (from Ch. 120, par. 2418)

20 Sec. 18. Prohibited Activities - Penalty.

21 (a) A person is guilty of a Class A misdemeanor for doing
22 any of the following:

23 (1) Conducting gambling where wagering is used or to be
24 used without a license issued by the Board.

1 (2) Conducting gambling where wagering is permitted
2 other than in the manner specified by Section 11.

3 (b) A person is guilty of a Class B misdemeanor for doing
4 any of the following:

5 (1) permitting a person under 21 years to make a wager;
6 or

7 (2) violating paragraph (12) of subsection (a) of
8 Section 11 of this Act.

9 (c) A person wagering or accepting a wager at any location
10 outside the riverboat, casino, or organization gaming facility
11 in violation of paragraph ~~is subject to the penalties in~~
12 ~~paragraphs~~ (1) or (2) of subsection (a) of Section 28-1 of the
13 Criminal Code of 2012 is subject to the penalties provided in
14 that Section.

15 (d) A person commits a Class 4 felony and, in addition,
16 shall be barred for life from gambling operations ~~riverboats~~
17 under the jurisdiction of the Board, if the person does any of
18 the following:

19 (1) Offers, promises, or gives anything of value or
20 benefit to a person who is connected with a riverboat or
21 casino owner or organization gaming licensee, including,
22 but not limited to, an officer or employee of a licensed
23 owner, organization gaming licensee, or holder of an
24 occupational license pursuant to an agreement or
25 arrangement or with the intent that the promise or thing of
26 value or benefit will influence the actions of the person

1 to whom the offer, promise, or gift was made in order to
2 affect or attempt to affect the outcome of a gambling game,
3 or to influence official action of a member of the Board.

4 (2) Solicits or knowingly accepts or receives a promise
5 of anything of value or benefit while the person is
6 connected with a riverboat, casino, or organization gaming
7 facility, including, but not limited to, an officer or
8 employee of a licensed owner or organization gaming
9 licensee, or the holder of an occupational license,
10 pursuant to an understanding or arrangement or with the
11 intent that the promise or thing of value or benefit will
12 influence the actions of the person to affect or attempt to
13 affect the outcome of a gambling game, or to influence
14 official action of a member of the Board.

15 (3) Uses or possesses with the intent to use a device
16 to assist:

17 (i) In projecting the outcome of the game.

18 (ii) In keeping track of the cards played.

19 (iii) In analyzing the probability of the
20 occurrence of an event relating to the gambling game.

21 (iv) In analyzing the strategy for playing or
22 betting to be used in the game except as permitted by
23 the Board.

24 (4) Cheats at a gambling game.

25 (5) Manufactures, sells, or distributes any cards,
26 chips, dice, game or device which is intended to be used to

1 violate any provision of this Act.

2 (6) Alters or misrepresents the outcome of a gambling
3 game on which wagers have been made after the outcome is
4 made sure but before it is revealed to the players.

5 (7) Places a bet after acquiring knowledge, not
6 available to all players, of the outcome of the gambling
7 game which is subject of the bet or to aid a person in
8 acquiring the knowledge for the purpose of placing a bet
9 contingent on that outcome.

10 (8) Claims, collects, or takes, or attempts to claim,
11 collect, or take, money or anything of value in or from the
12 gambling games, with intent to defraud, without having made
13 a wager contingent on winning a gambling game, or claims,
14 collects, or takes an amount of money or thing of value of
15 greater value than the amount won.

16 (9) Uses counterfeit chips or tokens in a gambling
17 game.

18 (10) Possesses any key or device designed for the
19 purpose of opening, entering, or affecting the operation of
20 a gambling game, drop box, or an electronic or mechanical
21 device connected with the gambling game or for removing
22 coins, tokens, chips or other contents of a gambling game.
23 This paragraph (10) does not apply to a gambling licensee
24 or employee of a gambling licensee acting in furtherance of
25 the employee's employment.

26 (e) The possession of more than one of the devices

1 described in subsection (d), paragraphs (3), (5), or (10)
2 permits a rebuttable presumption that the possessor intended to
3 use the devices for cheating.

4 (f) A person under the age of 21 who, except as authorized
5 under paragraph (10) of Section 11, enters upon a riverboat or
6 in a casino or organization gaming facility commits a petty
7 offense and is subject to a fine of not less than \$100 or more
8 than \$250 for a first offense and of not less than \$200 or more
9 than \$500 for a second or subsequent offense.

10 An action to prosecute any crime occurring on a riverboat
11 shall be tried in the county of the dock at which the riverboat
12 is based. An action to prosecute any crime occurring in a
13 casino or organization gaming facility shall be tried in the
14 county in which the casino or organization gaming facility is
15 located.

16 (Source: P.A. 96-1392, eff. 1-1-11; 97-1150, eff. 1-25-13.)

17 (230 ILCS 10/18.1)

18 Sec. 18.1. Distribution of certain fines. If a fine is
19 imposed on an owners ~~owner~~ licensee or an organization gaming
20 licensee for knowingly sending marketing or promotional
21 materials to any person placed on the self-exclusion list, then
22 the Board shall distribute an amount equal to 15% of the fine
23 imposed to the unit of local government in which the casino,
24 riverboat, or organization gaming facility is located for the
25 purpose of awarding grants to non-profit entities that assist

1 gambling addicts.

2 (Source: P.A. 96-224, eff. 8-11-09.)

3 (230 ILCS 10/19) (from Ch. 120, par. 2419)

4 Sec. 19. Forfeiture of property.

5 (a) Except as provided in subsection (b), any riverboat,
6 casino, or organization gaming facility used for the conduct of
7 gambling games in violation of this Act shall be considered a
8 gambling place in violation of Section 28-3 of the Criminal
9 Code of 2012. Every gambling device found on a riverboat, in a
10 casino, or at an organization gaming facility operating
11 gambling games in violation of this Act and every slot machine
12 and video game of chance found at an organization gaming
13 facility operating gambling games in violation of this Act
14 shall be subject to seizure, confiscation and destruction as
15 provided in Section 28-5 of the Criminal Code of 2012.

16 (b) It is not a violation of this Act for a riverboat or
17 other watercraft which is licensed for gaming by a contiguous
18 state to dock on the shores of this State if the municipality
19 having jurisdiction of the shores, or the county in the case of
20 unincorporated areas, has granted permission for docking and no
21 gaming is conducted on the riverboat or other watercraft while
22 it is docked on the shores of this State. No gambling device
23 shall be subject to seizure, confiscation or destruction if the
24 gambling device is located on a riverboat or other watercraft
25 which is licensed for gaming by a contiguous state and which is

1 docked on the shores of this State if the municipality having
2 jurisdiction of the shores, or the county in the case of
3 unincorporated areas, has granted permission for docking and no
4 gaming is conducted on the riverboat or other watercraft while
5 it is docked on the shores of this State.

6 (Source: P.A. 97-1150, eff. 1-25-13.)

7 (230 ILCS 10/20) (from Ch. 120, par. 2420)

8 Sec. 20. Prohibited activities - civil penalties. Any
9 person who conducts a gambling operation without first
10 obtaining a license to do so, or who continues to conduct such
11 games after revocation of his license, or any licensee who
12 conducts or allows to be conducted any unauthorized gambling
13 games on a riverboat, in a casino, or at an organization gaming
14 facility where it is authorized to conduct its ~~riverboat~~
15 gambling operation, in addition to other penalties provided,
16 shall be subject to a civil penalty equal to the amount of
17 gross receipts derived from wagering on the gambling games,
18 whether unauthorized or authorized, conducted on that day as
19 well as confiscation and forfeiture of all gambling game
20 equipment used in the conduct of unauthorized gambling games.

21 (Source: P.A. 86-1029.)

22 (230 ILCS 10/24)

23 Sec. 24. Applicability of this ~~Illinois Riverboat Gambling~~
24 Act. The provisions of this ~~the Illinois Riverboat Gambling~~

1 Act, and all rules promulgated thereunder, shall apply to the
2 Video Gaming Act, except where there is a conflict between the
3 ~~2~~ Acts. In the event of a conflict between this Act and the
4 Video Gaming Act, the terms of this Act shall prevail.

5 (Source: P.A. 96-37, eff. 7-13-09.)

6 Section 35-60. The Video Gaming Act is amended by changing
7 Sections 5, 15, 20, 25, 30, 35, 45, 55, 58, 60, 79, and 80 as
8 follows:

9 (230 ILCS 40/5)

10 Sec. 5. Definitions. As used in this Act:

11 "Board" means the Illinois Gaming Board.

12 "Credit" means one, 5, 10, or 25 cents either won or
13 purchased by a player.

14 "Distributor" means an individual, partnership,
15 corporation, or limited liability company licensed under this
16 Act to buy, sell, lease, or distribute video gaming terminals
17 or major components or parts of video gaming terminals to or
18 from terminal operators.

19 "Electronic card" means a card purchased from a licensed
20 establishment, licensed fraternal establishment, licensed
21 veterans establishment, ~~or~~ licensed truck stop establishment,
22 or licensed large truck stop establishment for use in that
23 establishment as a substitute for cash in the conduct of gaming
24 on a video gaming terminal.

1 "Electronic voucher" means a voucher printed by an
2 electronic video game machine that is redeemable in the
3 licensed establishment for which it was issued.

4 "In-location bonus jackpot" means one or more video gaming
5 terminals at a single licensed establishment that allows for
6 wagers placed on such video gaming terminals to contribute to a
7 cumulative maximum jackpot of up to \$10,000.

8 "Terminal operator" means an individual, partnership,
9 corporation, or limited liability company that is licensed
10 under this Act and that owns, services, and maintains video
11 gaming terminals for placement in licensed establishments,
12 licensed truck stop establishments, licensed large truck stop
13 establishments, licensed fraternal establishments, or licensed
14 veterans establishments.

15 "Licensed technician" means an individual who is licensed
16 under this Act to repair, service, and maintain video gaming
17 terminals.

18 "Licensed terminal handler" means a person, including but
19 not limited to an employee or independent contractor working
20 for a manufacturer, distributor, supplier, technician, or
21 terminal operator, who is licensed under this Act to possess or
22 control a video gaming terminal or to have access to the inner
23 workings of a video gaming terminal. A licensed terminal
24 handler does not include an individual, partnership,
25 corporation, or limited liability company defined as a
26 manufacturer, distributor, supplier, technician, or terminal

1 operator under this Act.

2 "Manufacturer" means an individual, partnership,
3 corporation, or limited liability company that is licensed
4 under this Act and that manufactures or assembles video gaming
5 terminals.

6 "Supplier" means an individual, partnership, corporation,
7 or limited liability company that is licensed under this Act to
8 supply major components or parts to video gaming terminals to
9 licensed terminal operators.

10 "Net terminal income" means money put into a video gaming
11 terminal minus credits paid out to players.

12 "Video gaming terminal" means any electronic video game
13 machine that, upon insertion of cash, electronic cards or
14 vouchers, or any combination thereof, is available to play or
15 simulate the play of a video game, including but not limited to
16 video poker, line up, and blackjack, as authorized by the Board
17 utilizing a video display and microprocessors in which the
18 player may receive free games or credits that can be redeemed
19 for cash. The term does not include a machine that directly
20 dispenses coins, cash, or tokens or is for amusement purposes
21 only.

22 "Licensed establishment" means any licensed retail
23 establishment where alcoholic liquor is drawn, poured, mixed,
24 or otherwise served for consumption on the premises, whether
25 the establishment operates on a nonprofit or for-profit basis.

26 "Licensed establishment" includes any such establishment that

1 has a contractual relationship with an inter-track wagering
2 location licensee licensed under the Illinois Horse Racing Act
3 of 1975, provided any contractual relationship shall not
4 include any transfer or offer of revenue from the operation of
5 video gaming under this Act to any licensee licensed under the
6 Illinois Horse Racing Act of 1975. Provided, however, that the
7 licensed establishment that has such a contractual
8 relationship with an inter-track wagering location licensee
9 may not, itself, be (i) an inter-track wagering location
10 licensee, (ii) the corporate parent or subsidiary of any
11 licensee licensed under the Illinois Horse Racing Act of 1975,
12 or (iii) the corporate subsidiary of a corporation that is also
13 the corporate parent or subsidiary of any licensee licensed
14 under the Illinois Horse Racing Act of 1975. "Licensed
15 establishment" does not include a facility operated by an
16 organization licensee, an inter-track wagering licensee, or an
17 inter-track wagering location licensee licensed under the
18 Illinois Horse Racing Act of 1975 or a riverboat licensed under
19 the Illinois Riverboat Gambling Act, except as provided in this
20 paragraph. The changes made to this definition by Public Act
21 98-587 are declarative of existing law.

22 "Licensed fraternal establishment" means the location
23 where a qualified fraternal organization that derives its
24 charter from a national fraternal organization regularly
25 meets.

26 "Licensed veterans establishment" means the location where

1 a qualified veterans organization that derives its charter from
2 a national veterans organization regularly meets.

3 "Licensed truck stop establishment" means a facility (i)
4 that is at least a 3-acre facility with a convenience store,
5 (ii) with separate diesel islands for fueling commercial motor
6 vehicles, (iii) that sells at retail more than 10,000 gallons
7 of diesel or biodiesel fuel per month, and (iv) with parking
8 spaces for commercial motor vehicles. "Commercial motor
9 vehicles" has the same meaning as defined in Section 18b-101 of
10 the Illinois Vehicle Code. The requirement of item (iii) of
11 this paragraph may be met by showing that estimated future
12 sales or past sales average at least 10,000 gallons per month.

13 "Licensed large truck stop establishment" means a facility
14 located within 3 road miles from a freeway interchange, as
15 measured in accordance with the Department of Transportation's
16 rules regarding the criteria for the installation of business
17 signs: (i) that is at least a 3-acre facility with a
18 convenience store, (ii) with separate diesel islands for
19 fueling commercial motor vehicles, (iii) that sells at retail
20 more than 50,000 gallons of diesel or biodiesel fuel per month,
21 and (iv) with parking spaces for commercial motor vehicles.
22 "Commercial motor vehicles" has the same meaning as defined in
23 Section 18b-101 of the Illinois Vehicle Code. The requirement
24 of item (iii) of this paragraph may be met by showing that
25 estimated future sales or past sales average at least 50,000
26 gallons per month.

1 (Source: P.A. 97-333, eff. 8-12-11; 98-31, eff. 6-24-13;
2 98-582, eff. 8-27-13; 98-587, eff. 8-27-13; 98-756, eff.
3 7-16-14.)

4 (230 ILCS 40/15)

5 Sec. 15. Minimum requirements for licensing and
6 registration. Every video gaming terminal offered for play
7 shall first be tested and approved pursuant to the rules of the
8 Board, and each video gaming terminal offered in this State for
9 play shall conform to an approved model. For the examination of
10 video gaming machines and associated equipment as required by
11 this Section, the Board shall ~~may~~ utilize the services of ~~one~~
12 ~~or more~~ independent outside testing laboratories that have been
13 accredited in accordance with ISO/IEC 17025 by an accreditation
14 body that is a signatory to the International Laboratory
15 Accreditation Cooperation Mutual Recognition Agreement
16 signifying they are qualified to ~~by a national accreditation~~
17 ~~body and that, in the judgment of the Board, are qualified to~~
18 perform such examinations. Notwithstanding any law to the
19 contrary, the Board shall consider the licensing of independent
20 outside testing laboratory applicants in accordance with
21 procedures established by the Board by rule. The Board shall
22 not withhold its approval of an independent outside testing
23 laboratory license applicant that has been accredited as
24 required by this Section and is licensed in gaming
25 jurisdictions comparable to Illinois. Upon the finalization of

1 required rules, the Board shall license independent testing
2 laboratories and accept the test reports of any licensed
3 testing laboratory of the video gaming machine's or associated
4 equipment manufacturer's choice, notwithstanding the existence
5 of contracts between the Board and any independent testing
6 laboratory. Every video gaming terminal offered in this State
7 for play must meet minimum standards ~~set by an independent~~
8 ~~outside testing laboratory~~ approved by the Board. Each approved
9 model shall, at a minimum, meet the following criteria:

10 (1) It must conform to all requirements of federal law
11 and regulations, including FCC Class A Emissions
12 Standards.

13 (2) It must theoretically pay out a mathematically
14 demonstrable percentage during the expected lifetime of
15 the machine of all amounts played, which must not be less
16 than 80%. The Board shall establish a maximum payout
17 percentage for approved models by rule. Video gaming
18 terminals that may be affected by skill must meet this
19 standard when using a method of play that will provide the
20 greatest return to the player over a period of continuous
21 play.

22 (3) It must use a random selection process to determine
23 the outcome of each play of a game. The random selection
24 process must meet 99% confidence limits using a standard
25 chi-squared test for (randomness) goodness of fit.

26 (4) It must display an accurate representation of the

1 game outcome.

2 (5) It must not automatically alter pay tables or any
3 function of the video gaming terminal based on internal
4 computation of hold percentage or have any means of
5 manipulation that affects the random selection process or
6 probabilities of winning a game.

7 (6) It must not be adversely affected by static
8 discharge or other electromagnetic interference.

9 (7) It must be capable of detecting and displaying the
10 following conditions during idle states or on demand: power
11 reset; door open; and door just closed.

12 (8) It must have the capacity to display complete play
13 history (outcome, intermediate play steps, credits
14 available, bets placed, credits paid, and credits cashed
15 out) for the most recent game played and 10 games prior
16 thereto.

17 (9) The theoretical payback percentage of a video
18 gaming terminal must not be capable of being changed
19 without making a hardware or software change in the video
20 gaming terminal, either on site or via the central
21 communications system.

22 (10) Video gaming terminals must be designed so that
23 replacement of parts or modules required for normal
24 maintenance does not necessitate replacement of the
25 electromechanical meters.

26 (11) It must have nonresettable meters housed in a

1 locked area of the terminal that keep a permanent record of
2 all cash inserted into the machine, all winnings made by
3 the terminal printer, credits played in for video gaming
4 terminals, and credits won by video gaming players. The
5 video gaming terminal must provide the means for on-demand
6 display of stored information as determined by the Board.

7 (12) Electronically stored meter information required
8 by this Section must be preserved for a minimum of 180 days
9 after a power loss to the service.

10 (13) It must have one or more mechanisms that accept
11 cash in the form of bills. The mechanisms shall be designed
12 to prevent obtaining credits without paying by stringing,
13 slamming, drilling, or other means. If such attempts at
14 physical tampering are made, the video gaming terminal
15 shall suspend itself from operating until reset.

16 (14) It shall have accounting software that keeps an
17 electronic record which includes, but is not limited to,
18 the following: total cash inserted into the video gaming
19 terminal; the value of winning tickets claimed by players;
20 the total credits played; the total credits awarded by a
21 video gaming terminal; and pay back percentage credited to
22 players of each video game.

23 (15) It shall be linked by a central communications
24 system to provide auditing program information as approved
25 by the Board. The central communications system shall use a
26 standard industry protocol, as defined by the Gaming

1 Standards Association, and shall have the functionality to
2 enable the Board or its designee to activate or deactivate
3 individual gaming devices from the central communications
4 system. In no event may the communications system approved
5 by the Board limit participation to only one manufacturer
6 of video gaming terminals by either the cost in
7 implementing the necessary program modifications to
8 communicate or the inability to communicate with the
9 central communications system.

10 (16) The Board, in its discretion, may require video
11 gaming terminals to display Amber Alert messages if the
12 Board makes a finding that it would be economically and
13 technically feasible and pose no risk to the integrity and
14 security of the central communications system and video
15 gaming terminals.

16 Licensed terminal handlers shall have access to video
17 gaming terminals, including, but not limited to, logic door
18 access, without the physical presence or supervision of the
19 Board or its agent to perform, in coordination with and with
20 project approval from the central communication system
21 provider:

22 (i) the clearing of the random access memory and
23 reprogramming of the video gaming terminal;

24 (ii) the installation of new video gaming terminal
25 software and software upgrades that have been approved by
26 the Board;

1 (iii) the placement, connection to the central
2 communication system, and go-live operation of video
3 gaming terminals at a licensed establishment, licensed
4 truck stop establishment, licensed large truck stop
5 establishment, licensed fraternal establishment, or
6 licensed veterans establishment;

7 (iv) the repair and maintenance of a video gaming
8 terminal located at a licensed establishment, licensed
9 truck stop establishment, licensed large truck stop
10 establishment, licensed fraternal establishment, or
11 licensed veterans establishment, including, but not
12 limited to, the replacement of the video gaming terminal
13 with a new video gaming terminal;

14 (v) the temporary movement, disconnection,
15 replacement, and reconnection of video gaming terminals to
16 allow for physical improvements and repairs at a licensed
17 establishment, licensed truck stop establishment, licensed
18 large truck stop establishment, licensed fraternal
19 establishment, or licensed veterans establishment, such as
20 replacement of flooring, interior repairs, and other
21 similar activities; and

22 (vi) such other functions as the Board may otherwise
23 authorize.

24 The Board shall, at a licensed terminal operator's expense,
25 cause all keys and other required devices to be provided to a
26 terminal operator necessary to allow the licensed terminal

1 handler access to the logic door to the terminal operator's
2 video gaming terminals.

3 The Board may adopt rules to establish additional criteria
4 to preserve the integrity and security of video gaming in this
5 State. The central communications system vendor may be licensed
6 as a video gaming terminal manufacturer or a video gaming
7 terminal distributor, or both, but in no event shall the
8 central communications system vendor be licensed as a video
9 gaming terminal operator.

10 The Board shall not permit the development of information
11 or the use by any licensee of gaming device or individual game
12 performance data. Nothing in this Act shall inhibit or prohibit
13 the Board from the use of gaming device or individual game
14 performance data in its regulatory duties. The Board shall
15 adopt rules to ensure that all licensees are treated and all
16 licensees act in a non-discriminatory manner and develop
17 processes and penalties to enforce those rules.

18 (Source: P.A. 98-31, eff. 6-24-13; 98-377, eff. 1-1-14; 98-582,
19 eff. 8-27-13; 98-756, eff. 7-16-14.)

20 (230 ILCS 40/20)

21 Sec. 20. Video gaming terminal payouts ~~Direct dispensing of~~
22 ~~receipt tickets only.~~

23 (a) A video gaming terminal may not directly dispense
24 coins, cash, tokens, or any other article of exchange or value
25 except for receipt tickets. Tickets shall be dispensed by

1 pressing the ticket dispensing button on the video gaming
2 terminal at the end of one's turn or play. The ticket shall
3 indicate the total amount of credits and the cash award, the
4 time of day in a 24-hour format showing hours and minutes, the
5 date, the terminal serial number, the sequential number of the
6 ticket, and an encrypted validation number from which the
7 validity of the prize may be determined. The player shall turn
8 in this ticket to the appropriate person at the licensed
9 establishment, licensed truck stop establishment, licensed
10 large truck stop establishment, licensed fraternal
11 establishment, or licensed veterans establishment to receive
12 the cash award.

13 (b) The cost of the credit shall be one cent, 5 cents, 10
14 cents, ~~or~~ 25 cents, or \$1, and the maximum wager played per
15 hand shall not exceed \$4 ~~\$2~~. No cash award for the maximum
16 wager on any individual hand shall exceed \$1,199 ~~\$500~~. No cash
17 award for the maximum wager on a jackpot, progressive or
18 otherwise, shall exceed \$10,000.

19 (c) In-location bonus jackpot games are hereby authorized.
20 The Board shall adopt emergency rules pursuant to Section 5-45
21 of the Illinois Administrative Procedure Act to implement this
22 subsection (c) within 90 days after the effective date of this
23 amendatory Act of the 101st General Assembly. Jackpot winnings
24 from in-location progressive games shall be paid by the
25 terminal operator to the player not later than 3 days after
26 winning such a jackpot.

1 (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

2 (230 ILCS 40/25)

3 Sec. 25. Restriction of licensees.

4 (a) Manufacturer. A person may not be licensed as a
5 manufacturer of a video gaming terminal in Illinois unless the
6 person has a valid manufacturer's license issued under this
7 Act. A manufacturer may only sell video gaming terminals for
8 use in Illinois to persons having a valid distributor's
9 license.

10 (b) Distributor. A person may not sell, distribute, or
11 lease or market a video gaming terminal in Illinois unless the
12 person has a valid distributor's license issued under this Act.
13 A distributor may only sell video gaming terminals for use in
14 Illinois to persons having a valid distributor's or terminal
15 operator's license.

16 (c) Terminal operator. A person may not own, maintain, or
17 place a video gaming terminal unless he has a valid terminal
18 operator's license issued under this Act. A terminal operator
19 may only place video gaming terminals for use in Illinois in
20 licensed establishments, licensed truck stop establishments,
21 licensed large truck stop establishments, licensed fraternal
22 establishments, and licensed veterans establishments. No
23 terminal operator may give anything of value, including but not
24 limited to a loan or financing arrangement, to a licensed
25 establishment, licensed truck stop establishment, licensed

1 large truck stop establishment, licensed fraternal
2 establishment, or licensed veterans establishment as any
3 incentive or inducement to locate video terminals in that
4 establishment. Of the after-tax profits from a video gaming
5 terminal, 50% shall be paid to the terminal operator and 50%
6 shall be paid to the licensed establishment, licensed truck
7 stop establishment, licensed large truck stop establishment,
8 licensed fraternal establishment, or licensed veterans
9 establishment, notwithstanding any agreement to the contrary.
10 A video terminal operator that violates one or more
11 requirements of this subsection is guilty of a Class 4 felony
12 and is subject to termination of his or her license by the
13 Board.

14 (d) Licensed technician. A person may not service,
15 maintain, or repair a video gaming terminal in this State
16 unless he or she (1) has a valid technician's license issued
17 under this Act, (2) is a terminal operator, or (3) is employed
18 by a terminal operator, distributor, or manufacturer.

19 (d-5) Licensed terminal handler. No person, including, but
20 not limited to, an employee or independent contractor working
21 for a manufacturer, distributor, supplier, technician, or
22 terminal operator licensed pursuant to this Act, shall have
23 possession or control of a video gaming terminal, or access to
24 the inner workings of a video gaming terminal, unless that
25 person possesses a valid terminal handler's license issued
26 under this Act.

1 (e) Licensed establishment. No video gaming terminal may be
2 placed in any licensed establishment, licensed veterans
3 establishment, licensed truck stop establishment, licensed
4 large truck stop establishment, or licensed fraternal
5 establishment unless the owner or agent of the owner of the
6 licensed establishment, licensed veterans establishment,
7 licensed truck stop establishment, licensed large truck stop
8 establishment, or licensed fraternal establishment has entered
9 into a written use agreement with the terminal operator for
10 placement of the terminals. A copy of the use agreement shall
11 be on file in the terminal operator's place of business and
12 available for inspection by individuals authorized by the
13 Board. A licensed establishment, licensed truck stop
14 establishment, licensed veterans establishment, or licensed
15 fraternal establishment may operate up to 6 ~~5~~ video gaming
16 terminals on its premises at any time. A licensed large truck
17 stop establishment may operate up to 10 video gaming terminals
18 on its premises at any time.

19 (f) (Blank).

20 (g) Financial interest restrictions. As used in this Act,
21 "substantial interest" in a partnership, a corporation, an
22 organization, an association, a business, or a limited
23 liability company means:

24 (A) When, with respect to a sole proprietorship, an
25 individual or his or her spouse owns, operates, manages, or
26 conducts, directly or indirectly, the organization,

1 association, or business, or any part thereof; or

2 (B) When, with respect to a partnership, the individual
3 or his or her spouse shares in any of the profits, or
4 potential profits, of the partnership activities; or

5 (C) When, with respect to a corporation, an individual
6 or his or her spouse is an officer or director, or the
7 individual or his or her spouse is a holder, directly or
8 beneficially, of 5% or more of any class of stock of the
9 corporation; or

10 (D) When, with respect to an organization not covered
11 in (A), (B) or (C) above, an individual or his or her
12 spouse is an officer or manages the business affairs, or
13 the individual or his or her spouse is the owner of or
14 otherwise controls 10% or more of the assets of the
15 organization; or

16 (E) When an individual or his or her spouse furnishes
17 5% or more of the capital, whether in cash, goods, or
18 services, for the operation of any business, association,
19 or organization during any calendar year; or

20 (F) When, with respect to a limited liability company,
21 an individual or his or her spouse is a member, or the
22 individual or his or her spouse is a holder, directly or
23 beneficially, of 5% or more of the membership interest of
24 the limited liability company.

25 For purposes of this subsection (g), "individual" includes
26 all individuals or their spouses whose combined interest would

1 qualify as a substantial interest under this subsection (g) and
2 whose activities with respect to an organization, association,
3 or business are so closely aligned or coordinated as to
4 constitute the activities of a single entity.

5 (h) Location restriction. A licensed establishment,
6 licensed truck stop establishment, licensed large truck stop
7 establishment, licensed fraternal establishment, or licensed
8 veterans establishment that is (i) located within 1,000 feet of
9 a facility operated by an organization licensee licensed under
10 the Illinois Horse Racing Act of 1975 or the home dock of a
11 riverboat licensed under the Illinois Riverboat ~~Riverboat~~ Gambling Act or
12 (ii) located within 100 feet of a school or a place of worship
13 under the Religious Corporation Act, is ineligible to operate a
14 video gaming terminal. The location restrictions in this
15 subsection (h) do not apply if (A) a facility operated by an
16 organization licensee, a school, or a place of worship moves to
17 or is established within the restricted area after a licensed
18 establishment, licensed truck stop establishment, licensed
19 large truck stop establishment, licensed fraternal
20 establishment, or licensed veterans establishment becomes
21 licensed under this Act or (B) a school or place of worship
22 moves to or is established within the restricted area after a
23 licensed establishment, licensed truck stop establishment,
24 licensed large truck stop establishment, licensed fraternal
25 establishment, or licensed veterans establishment obtains its
26 original liquor license. For the purpose of this subsection,

1 "school" means an elementary or secondary public school, or an
2 elementary or secondary private school registered with or
3 recognized by the State Board of Education.

4 Notwithstanding the provisions of this subsection (h), the
5 Board may waive the requirement that a licensed establishment,
6 licensed truck stop establishment, licensed large truck stop
7 establishment, licensed fraternal establishment, or licensed
8 veterans establishment not be located within 1,000 feet from a
9 facility operated by an organization licensee licensed under
10 the Illinois Horse Racing Act of 1975 or the home dock of a
11 riverboat licensed under the Illinois ~~Riverboat~~ Gambling Act.
12 The Board shall not grant such waiver if there is any common
13 ownership or control, shared business activity, or contractual
14 arrangement of any type between the establishment and the
15 organization licensee or owners licensee of a riverboat. The
16 Board shall adopt rules to implement the provisions of this
17 paragraph.

18 (h-5) Restrictions on licenses in malls. The Board shall
19 not grant an application to become a licensed video gaming
20 location if the Board determines that granting the application
21 would more likely than not cause a terminal operator,
22 individually or in combination with other terminal operators,
23 licensed video gaming location, or other person or entity, to
24 operate the video gaming terminals in 2 or more licensed video
25 gaming locations as a single video gaming operation.

26 (1) In making determinations under this subsection

1 (h-5), factors to be considered by the Board shall include,
2 but not be limited to, the following:

3 (A) the physical aspects of the location;

4 (B) the ownership, control, or management of the
5 location;

6 (C) any arrangements, understandings, or
7 agreements, written or otherwise, among or involving
8 any persons or entities that involve the conducting of
9 any video gaming business or the sharing of costs or
10 revenues; and

11 (D) the manner in which any terminal operator or
12 other related entity markets, advertises, or otherwise
13 describes any location or locations to any other person
14 or entity or to the public.

15 (2) The Board shall presume, subject to rebuttal, that
16 the granting of an application to become a licensed video
17 gaming location within a mall will cause a terminal
18 operator, individually or in combination with other
19 persons or entities, to operate the video gaming terminals
20 in 2 or more licensed video gaming locations as a single
21 video gaming operation if the Board determines that
22 granting the license would create a local concentration of
23 licensed video gaming locations.

24 For the purposes of this subsection (h-5):

25 "Mall" means a building, or adjoining or connected
26 buildings, containing 4 or more separate locations.

1 "Video gaming operation" means the conducting of video
2 gaming and all related activities.

3 "Location" means a space within a mall containing a
4 separate business, a place for a separate business, or a place
5 subject to a separate leasing arrangement by the mall owner.

6 "Licensed video gaming location" means a licensed
7 establishment, licensed fraternal establishment, licensed
8 veterans establishment, licensed truck stop establishment, or
9 licensed large truck stop.

10 "Local concentration of licensed video gaming locations"
11 means that the combined number of licensed video gaming
12 locations within a mall exceed half of the separate locations
13 within the mall.

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 40/30)

19 Sec. 30. Multiple types of licenses prohibited. A video
20 gaming terminal manufacturer may not be licensed as a video
21 gaming terminal operator or own, manage, or control a licensed
22 establishment, licensed truck stop establishment, licensed
23 large truck stop establishment, licensed fraternal
24 establishment, or licensed veterans establishment, and shall
25 be licensed to sell only to persons having a valid

1 distributor's license or, if the manufacturer also holds a
2 valid distributor's license, to sell, distribute, lease, or
3 market to persons having a valid terminal operator's license. A
4 video gaming terminal distributor may not be licensed as a
5 video gaming terminal operator or own, manage, or control a
6 licensed establishment, licensed truck stop establishment,
7 licensed large truck stop establishment, licensed fraternal
8 establishment, or licensed veterans establishment, and shall
9 only contract with a licensed terminal operator. A video gaming
10 terminal operator may not be licensed as a video gaming
11 terminal manufacturer or distributor or own, manage, or control
12 a licensed establishment, licensed truck stop establishment,
13 licensed large truck stop establishment, licensed fraternal
14 establishment, or licensed veterans establishment, and shall
15 be licensed only to contract with licensed distributors and
16 licensed establishments, licensed truck stop establishments,
17 licensed large truck stop establishments, licensed fraternal
18 establishments, and licensed veterans establishments. An owner
19 or manager of a licensed establishment, licensed truck stop
20 establishment, licensed large truck stop establishment,
21 licensed fraternal establishment, or licensed veterans
22 establishment may not be licensed as a video gaming terminal
23 manufacturer, distributor, or operator, and shall only
24 contract with a licensed operator to place and service this
25 equipment.

26 (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10.)

1 (230 ILCS 40/35)

2 Sec. 35. Display of license; confiscation; violation as
3 felony.

4 (a) Each video gaming terminal shall be licensed by the
5 Board before placement or operation on the premises of a
6 licensed establishment, licensed truck stop establishment,
7 licensed large truck stop establishment, licensed fraternal
8 establishment, or licensed veterans establishment. The license
9 of each video gaming terminal shall be maintained at the
10 location where the video gaming terminal is operated. Failure
11 to do so is a petty offense with a fine not to exceed \$100. Any
12 licensed establishment, licensed truck stop establishment,
13 licensed large truck stop establishment, licensed fraternal
14 establishment, or licensed veterans establishment used for the
15 conduct of gambling games in violation of this Act shall be
16 considered a gambling place in violation of Section 28-3 of the
17 Criminal Code of 2012. Every gambling device found in a
18 licensed establishment, licensed truck stop establishment,
19 licensed large truck stop establishment, licensed fraternal
20 establishment, or licensed veterans establishment operating
21 gambling games in violation of this Act shall be subject to
22 seizure, confiscation, and destruction as provided in Section
23 28-5 of the Criminal Code of 2012. Any license issued under the
24 Liquor Control Act of 1934 to any owner or operator of a
25 licensed establishment, licensed truck stop establishment,

1 licensed large truck stop establishment, licensed fraternal
2 establishment, or licensed veterans establishment that
3 operates or permits the operation of a video gaming terminal
4 within its establishment in violation of this Act shall be
5 immediately revoked. No person may own, operate, have in his or
6 her possession or custody or under his or her control, or
7 permit to be kept in any place under his or her possession or
8 control, any device that awards credits and contains a circuit,
9 meter, or switch capable of removing and recording the removal
10 of credits when the award of credits is dependent upon chance.

11 Nothing in this Section shall be deemed to prohibit the use
12 of a game device only if the game device is used in an activity
13 that is not gambling under subsection (b) of Section 28-1 of
14 the Criminal Code of 2012.

15 A violation of this Section is a Class 4 felony. All
16 devices that are owned, operated, or possessed in violation of
17 this Section are hereby declared to be public nuisances and
18 shall be subject to seizure, confiscation, and destruction as
19 provided in Section 28-5 of the Criminal Code of 2012.

20 The provisions of this Section do not apply to devices or
21 electronic video game terminals licensed pursuant to this Act.
22 A video gaming terminal operated for amusement only and bearing
23 a valid amusement tax sticker shall not be subject to this
24 Section until 30 days after the Board establishes that the
25 central communications system is functional.

26 (b) (1) The odds of winning each video game shall be posted

1 on or near each video gaming terminal. The manner in which the
2 odds are calculated and how they are posted shall be determined
3 by the Board by rule.

4 (2) No video gaming terminal licensed under this Act may be
5 played except during the legal hours of operation allowed for
6 the consumption of alcoholic beverages at the licensed
7 establishment, licensed fraternal establishment, or licensed
8 veterans establishment. A licensed establishment, licensed
9 fraternal establishment, or licensed veterans establishment
10 that violates this subsection is subject to termination of its
11 license by the Board.

12 (Source: P.A. 97-1150, eff. 1-25-13; 98-111, eff. 1-1-14.)

13 (230 ILCS 40/45)

14 Sec. 45. Issuance of license.

15 (a) The burden is upon each applicant to demonstrate his
16 suitability for licensure. Each video gaming terminal
17 manufacturer, distributor, supplier, operator, handler,
18 licensed establishment, licensed truck stop establishment,
19 licensed large truck stop establishment, licensed fraternal
20 establishment, and licensed veterans establishment shall be
21 licensed by the Board. The Board may issue or deny a license
22 under this Act to any person pursuant to the same criteria set
23 forth in Section 9 of the Illinois Riverboat ~~Riverboat~~ Gambling Act.

24 (a-5) The Board shall not grant a license to a person who
25 has facilitated, enabled, or participated in the use of

1 coin-operated devices for gambling purposes or who is under the
2 significant influence or control of such a person. For the
3 purposes of this Act, "facilitated, enabled, or participated in
4 the use of coin-operated amusement devices for gambling
5 purposes" means that the person has been convicted of any
6 violation of Article 28 of the Criminal Code of 1961 or the
7 Criminal Code of 2012. If there is pending legal action against
8 a person for any such violation, then the Board shall delay the
9 licensure of that person until the legal action is resolved.

10 (b) Each person seeking and possessing a license as a video
11 gaming terminal manufacturer, distributor, supplier, operator,
12 handler, licensed establishment, licensed truck stop
13 establishment, licensed large truck stop establishment,
14 licensed fraternal establishment, or licensed veterans
15 establishment shall submit to a background investigation
16 conducted by the Board with the assistance of the State Police
17 or other law enforcement. To the extent that the corporate
18 structure of the applicant allows, the background
19 investigation shall include any or all of the following as the
20 Board deems appropriate or as provided by rule for each
21 category of licensure: (i) each beneficiary of a trust, (ii)
22 each partner of a partnership, (iii) each member of a limited
23 liability company, (iv) each director and officer of a publicly
24 or non-publicly held corporation, (v) each stockholder of a
25 non-publicly held corporation, (vi) each stockholder of 5% or
26 more of a publicly held corporation, or (vii) each stockholder

1 of 5% or more in a parent or subsidiary corporation.

2 (c) Each person seeking and possessing a license as a video
3 gaming terminal manufacturer, distributor, supplier, operator,
4 handler, licensed establishment, licensed truck stop
5 establishment, licensed large truck stop establishment,
6 licensed fraternal establishment, or licensed veterans
7 establishment shall disclose the identity of every person,
8 association, trust, corporation, or limited liability company
9 having a greater than 1% direct or indirect pecuniary interest
10 in the video gaming terminal operation for which the license is
11 sought. If the disclosed entity is a trust, the application
12 shall disclose the names and addresses of the beneficiaries; if
13 a corporation, the names and addresses of all stockholders and
14 directors; if a limited liability company, the names and
15 addresses of all members; or if a partnership, the names and
16 addresses of all partners, both general and limited.

17 (d) No person may be licensed as a video gaming terminal
18 manufacturer, distributor, supplier, operator, handler,
19 licensed establishment, licensed truck stop establishment,
20 licensed large truck stop establishment, licensed fraternal
21 establishment, or licensed veterans establishment if that
22 person has been found by the Board to:

23 (1) have a background, including a criminal record,
24 reputation, habits, social or business associations, or
25 prior activities that pose a threat to the public interests
26 of the State or to the security and integrity of video

1 gaming;

2 (2) create or enhance the dangers of unsuitable,
3 unfair, or illegal practices, methods, and activities in
4 the conduct of video gaming; or

5 (3) present questionable business practices and
6 financial arrangements incidental to the conduct of video
7 gaming activities.

8 (e) Any applicant for any license under this Act has the
9 burden of proving his or her qualifications to the satisfaction
10 of the Board. The Board may adopt rules to establish additional
11 qualifications and requirements to preserve the integrity and
12 security of video gaming in this State.

13 (f) A non-refundable application fee shall be paid at the
14 time an application for a license is filed with the Board in
15 the following amounts:

- 16 (1) Manufacturer \$5,000
- 17 (2) Distributor..... \$5,000
- 18 (3) Terminal operator..... \$5,000
- 19 (4) Supplier \$2,500
- 20 (5) Technician \$100
- 21 (6) Terminal Handler \$100
- 22 (7) Licensed establishment, licensed truck stop
23 establishment, licensed large truck stop establishment,
24 licensed fraternal establishment, or licensed
25 veterans establishment \$100

26 (g) The Board shall establish an annual fee for each

1 license not to exceed the following:

- 2 (1) Manufacturer \$10,000
- 3 (2) Distributor..... \$10,000
- 4 (3) Terminal operator..... \$5,000
- 5 (4) Supplier \$2,000
- 6 (5) Technician \$100
- 7 (6) Licensed establishment, licensed truck stop
- 8 establishment, licensed large truck stop establishment,
- 9 licensed fraternal establishment, or licensed
- 10 veterans establishment \$100
- 11 (7) Video gaming terminal..... \$100
- 12 (8) Terminal Handler \$100

13 (h) A terminal operator and a licensed establishment,
 14 licensed truck stop establishment, licensed large truck stop
 15 establishment, licensed fraternal establishment, or licensed
 16 veterans establishment shall equally split the fees specified
 17 in item (7) of subsection (g).

18 (Source: P.A. 100-1152, eff. 12-14-18.)

19 (230 ILCS 40/55)

20 Sec. 55. Precondition for licensed location. In all cases
 21 of application for a licensed location, to operate a video
 22 gaming terminal, each licensed establishment, licensed
 23 fraternal establishment, or licensed veterans establishment
 24 shall possess a valid liquor license issued by the Illinois
 25 Liquor Control Commission in effect at the time of application

1 and at all times thereafter during which a video gaming
2 terminal is made available to the public for play at that
3 location. Video gaming terminals in a licensed location shall
4 be operated only during the same hours of operation generally
5 permitted to holders of a license under the Liquor Control Act
6 of 1934 within the unit of local government in which they are
7 located. A licensed truck stop establishment or licensed large
8 truck stop establishment that does not hold a liquor license
9 may operate video gaming terminals on a continuous basis. A
10 licensed fraternal establishment or licensed veterans
11 establishment that does not hold a liquor license may operate
12 video gaming terminals if (i) the establishment is located in a
13 county with a population between 6,500 and 7,000, based on the
14 2000 U.S. Census, (ii) the county prohibits by ordinance the
15 sale of alcohol, and (iii) the establishment is in a portion of
16 the county where the sale of alcohol is prohibited. A licensed
17 fraternal establishment or licensed veterans establishment
18 that does not hold a liquor license may operate video gaming
19 terminals if (i) the establishment is located in a municipality
20 within a county with a population between 8,500 and 9,000 based
21 on the 2000 U.S. Census and (ii) the municipality or county
22 prohibits or limits the sale of alcohol by ordinance in a way
23 that prohibits the establishment from selling alcohol.

24 (Source: P.A. 96-34, eff. 7-13-09; 96-1410, eff. 7-30-10;
25 97-594, eff. 8-26-11.)

1 (230 ILCS 40/58)

2 Sec. 58. Location of terminals. Video gaming terminals
3 must be located in an area restricted to persons over 21 years
4 of age the entrance to which is within the view of at least one
5 employee, who is over 21 years of age, of the establishment in
6 which they are located. The placement of video gaming terminals
7 in licensed establishments, licensed truck stop
8 establishments, licensed large truck stop establishments,
9 licensed fraternal establishments, and licensed veterans
10 establishments shall be subject to the rules promulgated by the
11 Board pursuant to the Illinois Administrative Procedure Act.
12 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

13 (230 ILCS 40/60)

14 Sec. 60. Imposition and distribution of tax.

15 (a) A tax of 30% is imposed on net terminal income and
16 shall be collected by the Board.

17 ~~(b)~~ Of the tax collected under this subsection (a) ~~Section,~~
18 five-sixths shall be deposited into the Capital Projects Fund
19 and one-sixth shall be deposited into the Local Government
20 Video Gaming Distributive Fund.

21 (b) Beginning on July 1, 2019, an additional tax of 3% is
22 imposed on net terminal income and shall be collected by the
23 Board.

24 Beginning on July 1, 2020, an additional tax of 1% is
25 imposed on net terminal income and shall be collected by the

1 Board.

2 The tax collected under this subsection (b) shall be
3 deposited into the Capital Projects Fund.

4 (c) Revenues generated from the play of video gaming
5 terminals shall be deposited by the terminal operator, who is
6 responsible for tax payments, in a specially created, separate
7 bank account maintained by the video gaming terminal operator
8 to allow for electronic fund transfers of moneys for tax
9 payment.

10 (d) Each licensed establishment, licensed truck stop
11 establishment, licensed large truck stop establishment,
12 licensed fraternal establishment, and licensed veterans
13 establishment shall maintain an adequate video gaming fund,
14 with the amount to be determined by the Board.

15 (e) The State's percentage of net terminal income shall be
16 reported and remitted to the Board within 15 days after the
17 15th day of each month and within 15 days after the end of each
18 month by the video terminal operator. A video terminal operator
19 who falsely reports or fails to report the amount due required
20 by this Section is guilty of a Class 4 felony and is subject to
21 termination of his or her license by the Board. Each video
22 terminal operator shall keep a record of net terminal income in
23 such form as the Board may require. All payments not remitted
24 when due shall be paid together with a penalty assessment on
25 the unpaid balance at a rate of 1.5% per month.

26 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09.)

1 (230 ILCS 40/79)

2 Sec. 79. Investigators. Investigators appointed by the
3 Board pursuant to the powers conferred upon the Board by
4 paragraph (20.6) of subsection (c) of Section 5 of the Illinois
5 ~~Riverboat~~ Gambling Act and Section 80 of this Act shall have
6 authority to conduct investigations, searches, seizures,
7 arrests, and other duties imposed under this Act and the
8 Illinois ~~Riverboat~~ Gambling Act, as deemed necessary by the
9 Board. These investigators have and may exercise all of the
10 rights and powers of peace officers, provided that these powers
11 shall be (1) limited to offenses or violations occurring or
12 committed in connection with conduct subject to this Act,
13 including, but not limited to, the manufacture, distribution,
14 supply, operation, placement, service, maintenance, or play of
15 video gaming terminals and the distribution of profits and
16 collection of revenues resulting from such play, and (2)
17 exercised, to the fullest extent practicable, in cooperation
18 with the local police department of the applicable municipality
19 or, if these powers are exercised outside the boundaries of an
20 incorporated municipality or within a municipality that does
21 not have its own police department, in cooperation with the
22 police department whose jurisdiction encompasses the
23 applicable locality.

24 (Source: P.A. 97-809, eff. 7-13-12.)

1 (230 ILCS 40/80)

2 Sec. 80. Applicability of Illinois ~~Riverboat~~ Gambling Act.

3 The provisions of the Illinois ~~Riverboat~~ Gambling Act, and all
4 rules promulgated thereunder, shall apply to the Video Gaming
5 Act, except where there is a conflict between the 2 Acts. In
6 the event of a conflict between the 2 Acts, the provisions of
7 the Illinois Gambling Act shall prevail. All current supplier
8 licensees under the Illinois ~~Riverboat~~ Gambling Act shall be
9 entitled to licensure under the Video Gaming Act as
10 manufacturers, distributors, or suppliers without additional
11 Board investigation or approval, except by vote of the Board;
12 however, they are required to pay application and annual fees
13 under this Act. All provisions of the Uniform Penalty and
14 Interest Act shall apply, as far as practicable, to the subject
15 matter of this Act to the same extent as if such provisions
16 were included herein.

17 (Source: P.A. 100-1152, eff. 12-14-18.)

18 Section 35-65. The Liquor Control Act of 1934 is amended by
19 changing Sections 5-1 and 6-30 as follows:

20 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

21 Sec. 5-1. Licenses issued by the Illinois Liquor Control
22 Commission shall be of the following classes:

23 (a) Manufacturer's license - Class 1. Distiller, Class 2.
24 Rectifier, Class 3. Brewer, Class 4. First Class Wine

1 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.
2 First Class Winemaker, Class 7. Second Class Winemaker, Class
3 8. Limited Wine Manufacturer, Class 9. Craft Distiller, Class
4 10. Class 1 Brewer, Class 11. Class 2 Brewer,

5 (b) Distributor's license,

6 (c) Importing Distributor's license,

7 (d) Retailer's license,

8 (e) Special Event Retailer's license (not-for-profit),

9 (f) Railroad license,

10 (g) Boat license,

11 (h) Non-Beverage User's license,

12 (i) Wine-maker's premises license,

13 (j) Airplane license,

14 (k) Foreign importer's license,

15 (l) Broker's license,

16 (m) Non-resident dealer's license,

17 (n) Brew Pub license,

18 (o) Auction liquor license,

19 (p) Caterer retailer license,

20 (q) Special use permit license,

21 (r) Winery shipper's license,

22 (s) Craft distiller tasting permit,

23 (t) Brewer warehouse permit.

24 No person, firm, partnership, corporation, or other legal
25 business entity that is engaged in the manufacturing of wine
26 may concurrently obtain and hold a wine-maker's license and a

1 wine manufacturer's license.

2 (a) A manufacturer's license shall allow the manufacture,
3 importation in bulk, storage, distribution and sale of
4 alcoholic liquor to persons without the State, as may be
5 permitted by law and to licensees in this State as follows:

6 Class 1. A Distiller may make sales and deliveries of
7 alcoholic liquor to distillers, rectifiers, importing
8 distributors, distributors and non-beverage users and to no
9 other licensees.

10 Class 2. A Rectifier, who is not a distiller, as defined
11 herein, may make sales and deliveries of alcoholic liquor to
12 rectifiers, importing distributors, distributors, retailers
13 and non-beverage users and to no other licensees.

14 Class 3. A Brewer may make sales and deliveries of beer to
15 importing distributors and distributors and may make sales as
16 authorized under subsection (e) of Section 6-4 of this Act.

17 Class 4. A first class wine-manufacturer may make sales and
18 deliveries of up to 50,000 gallons of wine to manufacturers,
19 importing distributors and distributors, and to no other
20 licensees.

21 Class 5. A second class Wine manufacturer may make sales
22 and deliveries of more than 50,000 gallons of wine to
23 manufacturers, importing distributors and distributors and to
24 no other licensees.

25 Class 6. A first-class wine-maker's license shall allow the
26 manufacture of up to 50,000 gallons of wine per year, and the

1 storage and sale of such wine to distributors in the State and
2 to persons without the State, as may be permitted by law. A
3 person who, prior to June 1, 2008 (the effective date of Public
4 Act 95-634), is a holder of a first-class wine-maker's license
5 and annually produces more than 25,000 gallons of its own wine
6 and who distributes its wine to licensed retailers shall cease
7 this practice on or before July 1, 2008 in compliance with
8 Public Act 95-634.

9 Class 7. A second-class wine-maker's license shall allow
10 the manufacture of between 50,000 and 150,000 gallons of wine
11 per year, and the storage and sale of such wine to distributors
12 in this State and to persons without the State, as may be
13 permitted by law. A person who, prior to June 1, 2008 (the
14 effective date of Public Act 95-634), is a holder of a
15 second-class wine-maker's license and annually produces more
16 than 25,000 gallons of its own wine and who distributes its
17 wine to licensed retailers shall cease this practice on or
18 before July 1, 2008 in compliance with Public Act 95-634.

19 Class 8. A limited wine-manufacturer may make sales and
20 deliveries not to exceed 40,000 gallons of wine per year to
21 distributors, and to non-licensees in accordance with the
22 provisions of this Act.

23 Class 9. A craft distiller license shall allow the
24 manufacture of up to 100,000 gallons of spirits by distillation
25 per year and the storage of such spirits. If a craft distiller
26 licensee, including a craft distiller licensee who holds more

1 than one craft distiller license, is not affiliated with any
2 other manufacturer of spirits, then the craft distiller
3 licensee may sell such spirits to distributors in this State
4 and up to 2,500 gallons of such spirits to non-licensees to the
5 extent permitted by any exemption approved by the Commission
6 pursuant to Section 6-4 of this Act. A craft distiller license
7 holder may store such spirits at a non-contiguous licensed
8 location, but at no time shall a craft distiller license holder
9 directly or indirectly produce in the aggregate more than
10 100,000 gallons of spirits per year.

11 A craft distiller licensee may hold more than one craft
12 distiller's license. However, a craft distiller that holds more
13 than one craft distiller license shall not manufacture, in the
14 aggregate, more than 100,000 gallons of spirits by distillation
15 per year and shall not sell, in the aggregate, more than 2,500
16 gallons of such spirits to non-licensees in accordance with an
17 exemption approved by the State Commission pursuant to Section
18 6-4 of this Act.

19 Any craft distiller licensed under this Act who on July 28,
20 2010 (the effective date of Public Act 96-1367) was licensed as
21 a distiller and manufactured no more spirits than permitted by
22 this Section shall not be required to pay the initial licensing
23 fee.

24 Class 10. A class 1 brewer license, which may only be
25 issued to a licensed brewer or licensed non-resident dealer,
26 shall allow the manufacture of up to 930,000 gallons of beer

1 per year provided that the class 1 brewer licensee does not
2 manufacture more than a combined 930,000 gallons of beer per
3 year and is not a member of or affiliated with, directly or
4 indirectly, a manufacturer that produces more than 930,000
5 gallons of beer per year or any other alcoholic liquor. A class
6 1 brewer licensee may make sales and deliveries to importing
7 distributors and distributors and to retail licensees in
8 accordance with the conditions set forth in paragraph (18) of
9 subsection (a) of Section 3-12 of this Act. If the State
10 Commission provides prior approval, a class 1 brewer may
11 annually transfer up to 930,000 gallons of beer manufactured by
12 that class 1 brewer to the premises of a licensed class 1
13 brewer wholly owned and operated by the same licensee.

14 Class 11. A class 2 brewer license, which may only be
15 issued to a licensed brewer or licensed non-resident dealer,
16 shall allow the manufacture of up to 3,720,000 gallons of beer
17 per year provided that the class 2 brewer licensee does not
18 manufacture more than a combined 3,720,000 gallons of beer per
19 year and is not a member of or affiliated with, directly or
20 indirectly, a manufacturer that produces more than 3,720,000
21 gallons of beer per year or any other alcoholic liquor. A class
22 2 brewer licensee may make sales and deliveries to importing
23 distributors and distributors, but shall not make sales or
24 deliveries to any other licensee. If the State Commission
25 provides prior approval, a class 2 brewer licensee may annually
26 transfer up to 3,720,000 gallons of beer manufactured by that

1 class 2 brewer licensee to the premises of a licensed class 2
2 brewer wholly owned and operated by the same licensee.

3 A class 2 brewer may transfer beer to a brew pub wholly
4 owned and operated by the class 2 brewer subject to the
5 following limitations and restrictions: (i) the transfer shall
6 not annually exceed more than 31,000 gallons; (ii) the annual
7 amount transferred shall reduce the brew pub's annual permitted
8 production limit; (iii) all beer transferred shall be subject
9 to Article VIII of this Act; (iv) a written record shall be
10 maintained by the brewer and brew pub specifying the amount,
11 date of delivery, and receipt of the product by the brew pub;
12 and (v) the brew pub shall be located no farther than 80 miles
13 from the class 2 brewer's licensed location.

14 A class 2 brewer shall, prior to transferring beer to a
15 brew pub wholly owned by the class 2 brewer, furnish a written
16 notice to the State Commission of intent to transfer beer
17 setting forth the name and address of the brew pub and shall
18 annually submit to the State Commission a verified report
19 identifying the total gallons of beer transferred to the brew
20 pub wholly owned by the class 2 brewer.

21 (a-1) A manufacturer which is licensed in this State to
22 make sales or deliveries of alcoholic liquor to licensed
23 distributors or importing distributors and which enlists
24 agents, representatives, or individuals acting on its behalf
25 who contact licensed retailers on a regular and continual basis
26 in this State must register those agents, representatives, or

1 persons acting on its behalf with the State Commission.

2 Registration of agents, representatives, or persons acting
3 on behalf of a manufacturer is fulfilled by submitting a form
4 to the Commission. The form shall be developed by the
5 Commission and shall include the name and address of the
6 applicant, the name and address of the manufacturer he or she
7 represents, the territory or areas assigned to sell to or
8 discuss pricing terms of alcoholic liquor, and any other
9 questions deemed appropriate and necessary. All statements in
10 the forms required to be made by law or by rule shall be deemed
11 material, and any person who knowingly misstates any material
12 fact under oath in an application is guilty of a Class B
13 misdemeanor. Fraud, misrepresentation, false statements,
14 misleading statements, evasions, or suppression of material
15 facts in the securing of a registration are grounds for
16 suspension or revocation of the registration. The State
17 Commission shall post a list of registered agents on the
18 Commission's website.

19 (b) A distributor's license shall allow the wholesale
20 purchase and storage of alcoholic liquors and sale of alcoholic
21 liquors to licensees in this State and to persons without the
22 State, as may be permitted by law, and the sale of beer, cider,
23 or both beer and cider to brewers, class 1 brewers, and class 2
24 brewers that, pursuant to subsection (e) of Section 6-4 of this
25 Act, sell beer, cider, or both beer and cider to non-licensees
26 at their breweries. No person licensed as a distributor shall

1 be granted a non-resident dealer's license.

2 (c) An importing distributor's license may be issued to and
3 held by those only who are duly licensed distributors, upon the
4 filing of an application by a duly licensed distributor, with
5 the Commission and the Commission shall, without the payment of
6 any fee, immediately issue such importing distributor's
7 license to the applicant, which shall allow the importation of
8 alcoholic liquor by the licensee into this State from any point
9 in the United States outside this State, and the purchase of
10 alcoholic liquor in barrels, casks or other bulk containers and
11 the bottling of such alcoholic liquors before resale thereof,
12 but all bottles or containers so filled shall be sealed,
13 labeled, stamped and otherwise made to comply with all
14 provisions, rules and regulations governing manufacturers in
15 the preparation and bottling of alcoholic liquors. The
16 importing distributor's license shall permit such licensee to
17 purchase alcoholic liquor from Illinois licensed non-resident
18 dealers and foreign importers only. No person licensed as an
19 importing distributor shall be granted a non-resident dealer's
20 license.

21 (d) A retailer's license shall allow the licensee to sell
22 and offer for sale at retail, only in the premises specified in
23 the license, alcoholic liquor for use or consumption, but not
24 for resale in any form. Nothing in Public Act 95-634 shall
25 deny, limit, remove, or restrict the ability of a holder of a
26 retailer's license to transfer, deliver, or ship alcoholic

1 liquor to the purchaser for use or consumption subject to any
2 applicable local law or ordinance. Any retail license issued to
3 a manufacturer shall only permit the manufacturer to sell beer
4 at retail on the premises actually occupied by the
5 manufacturer. For the purpose of further describing the type of
6 business conducted at a retail licensed premises, a retailer's
7 licensee may be designated by the State Commission as (i) an on
8 premise consumption retailer, (ii) an off premise sale
9 retailer, or (iii) a combined on premise consumption and off
10 premise sale retailer.

11 Notwithstanding any other provision of this subsection
12 (d), a retail licensee may sell alcoholic liquors to a special
13 event retailer licensee for resale to the extent permitted
14 under subsection (e).

15 (e) A special event retailer's license (not-for-profit)
16 shall permit the licensee to purchase alcoholic liquors from an
17 Illinois licensed distributor (unless the licensee purchases
18 less than \$500 of alcoholic liquors for the special event, in
19 which case the licensee may purchase the alcoholic liquors from
20 a licensed retailer) and shall allow the licensee to sell and
21 offer for sale, at retail, alcoholic liquors for use or
22 consumption, but not for resale in any form and only at the
23 location and on the specific dates designated for the special
24 event in the license. An applicant for a special event retailer
25 license must (i) furnish with the application: (A) a resale
26 number issued under Section 2c of the Retailers' Occupation Tax

1 Act or evidence that the applicant is registered under Section
2 2a of the Retailers' Occupation Tax Act, (B) a current, valid
3 exemption identification number issued under Section 1g of the
4 Retailers' Occupation Tax Act, and a certification to the
5 Commission that the purchase of alcoholic liquors will be a
6 tax-exempt purchase, or (C) a statement that the applicant is
7 not registered under Section 2a of the Retailers' Occupation
8 Tax Act, does not hold a resale number under Section 2c of the
9 Retailers' Occupation Tax Act, and does not hold an exemption
10 number under Section 1g of the Retailers' Occupation Tax Act,
11 in which event the Commission shall set forth on the special
12 event retailer's license a statement to that effect; (ii)
13 submit with the application proof satisfactory to the State
14 Commission that the applicant will provide dram shop liability
15 insurance in the maximum limits; and (iii) show proof
16 satisfactory to the State Commission that the applicant has
17 obtained local authority approval.

18 Nothing in this Act prohibits an Illinois licensed
19 distributor from offering credit or a refund for unused,
20 salable alcoholic liquors to a holder of a special event
21 retailer's license or ~~from~~ the special event retailer's
22 licensee from accepting the credit or refund of alcoholic
23 liquors at the conclusion of the event specified in the
24 license.

25 (f) A railroad license shall permit the licensee to import
26 alcoholic liquors into this State from any point in the United

1 States outside this State and to store such alcoholic liquors
2 in this State; to make wholesale purchases of alcoholic liquors
3 directly from manufacturers, foreign importers, distributors
4 and importing distributors from within or outside this State;
5 and to store such alcoholic liquors in this State; provided
6 that the above powers may be exercised only in connection with
7 the importation, purchase or storage of alcoholic liquors to be
8 sold or dispensed on a club, buffet, lounge or dining car
9 operated on an electric, gas or steam railway in this State;
10 and provided further, that railroad licensees exercising the
11 above powers shall be subject to all provisions of Article VIII
12 of this Act as applied to importing distributors. A railroad
13 license shall also permit the licensee to sell or dispense
14 alcoholic liquors on any club, buffet, lounge or dining car
15 operated on an electric, gas or steam railway regularly
16 operated by a common carrier in this State, but shall not
17 permit the sale for resale of any alcoholic liquors to any
18 licensee within this State. A license shall be obtained for
19 each car in which such sales are made.

20 (g) A boat license shall allow the sale of alcoholic liquor
21 in individual drinks, on any passenger boat regularly operated
22 as a common carrier on navigable waters in this State or on any
23 riverboat operated under the Illinois Riverboat ~~Riverboat~~ Gambling Act,
24 which boat or riverboat maintains a public dining room or
25 restaurant thereon.

26 (h) A non-beverage user's license shall allow the licensee

1 to purchase alcoholic liquor from a licensed manufacturer or
 2 importing distributor, without the imposition of any tax upon
 3 the business of such licensed manufacturer or importing
 4 distributor as to such alcoholic liquor to be used by such
 5 licensee solely for the non-beverage purposes set forth in
 6 subsection (a) of Section 8-1 of this Act, and such licenses
 7 shall be divided and classified and shall permit the purchase,
 8 possession and use of limited and stated quantities of
 9 alcoholic liquor as follows:

- 10 Class 1, not to exceed 500 gallons
- 11 Class 2, not to exceed 1,000 gallons
- 12 Class 3, not to exceed 5,000 gallons
- 13 Class 4, not to exceed 10,000 gallons
- 14 Class 5, not to exceed 50,000 gallons

15 (i) A wine-maker's premises license shall allow a licensee
 16 that concurrently holds a first-class wine-maker's license to
 17 sell and offer for sale at retail in the premises specified in
 18 such license not more than 50,000 gallons of the first-class
 19 wine-maker's wine that is made at the first-class wine-maker's
 20 licensed premises per year for use or consumption, but not for
 21 resale in any form. A wine-maker's premises license shall allow
 22 a licensee who concurrently holds a second-class wine-maker's
 23 license to sell and offer for sale at retail in the premises
 24 specified in such license up to 100,000 gallons of the
 25 second-class wine-maker's wine that is made at the second-class
 26 wine-maker's licensed premises per year for use or consumption

1 but not for resale in any form. A wine-maker's premises license
2 shall allow a licensee that concurrently holds a first-class
3 wine-maker's license or a second-class wine-maker's license to
4 sell and offer for sale at retail at the premises specified in
5 the wine-maker's premises license, for use or consumption but
6 not for resale in any form, any beer, wine, and spirits
7 purchased from a licensed distributor. Upon approval from the
8 State Commission, a wine-maker's premises license shall allow
9 the licensee to sell and offer for sale at (i) the wine-maker's
10 licensed premises and (ii) at up to 2 additional locations for
11 use and consumption and not for resale. Each location shall
12 require additional licensing per location as specified in
13 Section 5-3 of this Act. A wine-maker's premises licensee shall
14 secure liquor liability insurance coverage in an amount at
15 least equal to the maximum liability amounts set forth in
16 subsection (a) of Section 6-21 of this Act.

17 (j) An airplane license shall permit the licensee to import
18 alcoholic liquors into this State from any point in the United
19 States outside this State and to store such alcoholic liquors
20 in this State; to make wholesale purchases of alcoholic liquors
21 directly from manufacturers, foreign importers, distributors
22 and importing distributors from within or outside this State;
23 and to store such alcoholic liquors in this State; provided
24 that the above powers may be exercised only in connection with
25 the importation, purchase or storage of alcoholic liquors to be
26 sold or dispensed on an airplane; and provided further, that

1 airplane licensees exercising the above powers shall be subject
2 to all provisions of Article VIII of this Act as applied to
3 importing distributors. An airplane licensee shall also permit
4 the sale or dispensing of alcoholic liquors on any passenger
5 airplane regularly operated by a common carrier in this State,
6 but shall not permit the sale for resale of any alcoholic
7 liquors to any licensee within this State. A single airplane
8 license shall be required of an airline company if liquor
9 service is provided on board aircraft in this State. The annual
10 fee for such license shall be as determined in Section 5-3.

11 (k) A foreign importer's license shall permit such licensee
12 to purchase alcoholic liquor from Illinois licensed
13 non-resident dealers only, and to import alcoholic liquor other
14 than in bulk from any point outside the United States and to
15 sell such alcoholic liquor to Illinois licensed importing
16 distributors and to no one else in Illinois; provided that (i)
17 the foreign importer registers with the State Commission every
18 brand of alcoholic liquor that it proposes to sell to Illinois
19 licensees during the license period, (ii) the foreign importer
20 complies with all of the provisions of Section 6-9 of this Act
21 with respect to registration of such Illinois licensees as may
22 be granted the right to sell such brands at wholesale, and
23 (iii) the foreign importer complies with the provisions of
24 Sections 6-5 and 6-6 of this Act to the same extent that these
25 provisions apply to manufacturers.

26 (l) (i) A broker's license shall be required of all persons

1 who solicit orders for, offer to sell or offer to supply
2 alcoholic liquor to retailers in the State of Illinois, or who
3 offer to retailers to ship or cause to be shipped or to make
4 contact with distillers, rectifiers, brewers or manufacturers
5 or any other party within or without the State of Illinois in
6 order that alcoholic liquors be shipped to a distributor,
7 importing distributor or foreign importer, whether such
8 solicitation or offer is consummated within or without the
9 State of Illinois.

10 No holder of a retailer's license issued by the Illinois
11 Liquor Control Commission shall purchase or receive any
12 alcoholic liquor, the order for which was solicited or offered
13 for sale to such retailer by a broker unless the broker is the
14 holder of a valid broker's license.

15 The broker shall, upon the acceptance by a retailer of the
16 broker's solicitation of an order or offer to sell or supply or
17 deliver or have delivered alcoholic liquors, promptly forward
18 to the Illinois Liquor Control Commission a notification of
19 said transaction in such form as the Commission may by
20 regulations prescribe.

21 (ii) A broker's license shall be required of a person
22 within this State, other than a retail licensee, who, for a fee
23 or commission, promotes, solicits, or accepts orders for
24 alcoholic liquor, for use or consumption and not for resale, to
25 be shipped from this State and delivered to residents outside
26 of this State by an express company, common carrier, or

1 contract carrier. This Section does not apply to any person who
2 promotes, solicits, or accepts orders for wine as specifically
3 authorized in Section 6-29 of this Act.

4 A broker's license under this subsection (1) shall not
5 entitle the holder to buy or sell any alcoholic liquors for his
6 own account or to take or deliver title to such alcoholic
7 liquors.

8 This subsection (1) shall not apply to distributors,
9 employees of distributors, or employees of a manufacturer who
10 has registered the trademark, brand or name of the alcoholic
11 liquor pursuant to Section 6-9 of this Act, and who regularly
12 sells such alcoholic liquor in the State of Illinois only to
13 its registrants thereunder.

14 Any agent, representative, or person subject to
15 registration pursuant to subsection (a-1) of this Section shall
16 not be eligible to receive a broker's license.

17 (m) A non-resident dealer's license shall permit such
18 licensee to ship into and warehouse alcoholic liquor into this
19 State from any point outside of this State, and to sell such
20 alcoholic liquor to Illinois licensed foreign importers and
21 importing distributors and to no one else in this State;
22 provided that (i) said non-resident dealer shall register with
23 the Illinois Liquor Control Commission each and every brand of
24 alcoholic liquor which it proposes to sell to Illinois
25 licensees during the license period, (ii) it shall comply with
26 all of the provisions of Section 6-9 hereof with respect to

1 registration of such Illinois licensees as may be granted the
2 right to sell such brands at wholesale by duly filing such
3 registration statement, thereby authorizing the non-resident
4 dealer to proceed to sell such brands at wholesale, and (iii)
5 the 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 period. An applicant for the
26 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 and upon
4 request by the State Commission or the Department of Revenue,
5 file with the State Commission a statement detailing each
6 shipment made to an Illinois resident. The statement shall
7 include the name and address of the third-party provider filing
8 the statement, the time period covered by the statement, and
9 the following information:

10 (1) the name, address, and license number of the winery
11 shipper on whose behalf the shipment was made;

12 (2) the quantity of the products delivered; and

13 (3) the date and address of the shipment.

14 If the Department of Revenue or the State Commission requests a
15 statement under this paragraph, the third-party provider must
16 provide that statement no later than 30 days after the request
17 is made. Any books, records, supporting papers, and documents
18 containing information and data relating to a statement under
19 this paragraph shall be kept and preserved for a period of 3
20 years, unless their destruction sooner is authorized, in
21 writing, by the Director of Revenue, and shall be open and
22 available to inspection by the Director of Revenue or the State
23 Commission or any duly authorized officer, agent, or employee
24 of the State Commission or the Department of Revenue, at all
25 times during business hours of the day. Any person who violates
26 any provision of this paragraph or any rule of the State

1 Commission for the administration and enforcement of the
2 provisions of this paragraph is guilty of a Class C
3 misdemeanor. In case of a continuing violation, each day's
4 continuance thereof shall be a separate and distinct offense.

5 The State Commission shall adopt rules as soon as
6 practicable to implement the requirements of Public Act 99-904
7 and shall adopt rules prohibiting any such third-party
8 appointment of a third-party provider, except for a common
9 carrier, that has been deemed by the State Commission to have
10 violated the provisions of this Act with regard to any winery
11 shipper licensee.

12 A winery shipper licensee must pay to the Department of
13 Revenue the State liquor gallonage tax under Section 8-1 for
14 all wine that is sold by the licensee and shipped to a person
15 in this State. For the purposes of Section 8-1, a winery
16 shipper licensee shall be taxed in the same manner as a
17 manufacturer of wine. A licensee who is not otherwise required
18 to register under the Retailers' Occupation Tax Act must
19 register under the Use Tax Act to collect and remit use tax to
20 the Department of Revenue for all gallons of wine that are sold
21 by the licensee and shipped to persons in this State. If a
22 licensee fails to remit the tax imposed under this Act in
23 accordance with the provisions of Article VIII of this Act, the
24 winery shipper's license shall be revoked in accordance with
25 the provisions of Article VII of this Act. If a licensee fails
26 to properly register and remit tax under the Use Tax Act or the

1 Retailers' Occupation Tax Act for all wine that is sold by the
2 winery shipper and shipped to persons in this State, the winery
3 shipper's license shall be revoked in accordance with the
4 provisions of Article VII of this Act.

5 A winery shipper licensee must collect, maintain, and
6 submit to the Commission on a semi-annual basis the total
7 number of cases per resident of wine shipped to residents of
8 this State. A winery shipper licensed under this subsection (r)
9 must comply with the requirements of Section 6-29 of this Act.

10 Pursuant to paragraph (5.1) or (5.3) of subsection (a) of
11 Section 3-12, the State Commission may receive, respond to, and
12 investigate any complaint and impose any of the remedies
13 specified in paragraph (1) of subsection (a) of Section 3-12.

14 As used in this subsection, "third-party provider" means
15 any entity that provides fulfillment house services, including
16 warehousing, packaging, distribution, order processing, or
17 shipment of wine, but not the sale of wine, on behalf of a
18 licensed winery shipper.

19 (s) A craft distiller tasting permit license shall allow an
20 Illinois licensed craft distiller to transfer a portion of its
21 alcoholic liquor inventory from its craft distiller licensed
22 premises to the premises specified in the license hereby
23 created and to conduct a sampling, only in the premises
24 specified in the license hereby created, of the transferred
25 alcoholic liquor in accordance with subsection (c) of Section
26 6-31 of this Act. The transferred alcoholic liquor may not be

1 sold or resold in any form. An applicant for the craft
2 distiller tasting permit license must also submit with the
3 application proof satisfactory to the State Commission that the
4 applicant will provide dram shop liability insurance to the
5 maximum limits and have local authority approval.

6 A brewer warehouse permit may be issued to the holder of a
7 class 1 brewer license or a class 2 brewer license. If the
8 holder of the permit is a class 1 brewer licensee, the brewer
9 warehouse permit shall allow the holder to store or warehouse
10 up to 930,000 gallons of tax-determined beer manufactured by
11 the holder of the permit at the premises specified on the
12 permit. If the holder of the permit is a class 2 brewer
13 licensee, the brewer warehouse permit shall allow the holder to
14 store or warehouse up to 3,720,000 gallons of tax-determined
15 beer manufactured by the holder of the permit at the premises
16 specified on the permit. Sales to non-licensees are prohibited
17 at the premises specified in the brewer warehouse permit.

18 (Source: P.A. 99-448, eff. 8-24-15; 99-642, eff. 7-28-16;
19 99-800, eff. 8-12-16; 99-902, eff. 8-26-16; 99-904, eff.
20 1-1-17; 100-17, eff. 6-30-17; 100-201, eff. 8-18-17; 100-816,
21 eff. 8-13-18; 100-885, eff. 8-14-18; 100-1050, eff. 8-23-18;
22 revised 10-2-18.)

23 (235 ILCS 5/6-30) (from Ch. 43, par. 144f)

24 Sec. 6-30. Notwithstanding any other provision of this Act,
25 the Illinois Gaming Board shall have exclusive authority to

1 establish the hours for sale and consumption of alcoholic
2 liquor on board a riverboat during riverboat gambling
3 excursions and in a casino conducted in accordance with the
4 Illinois Riverboat Gambling Act.

5 (Source: P.A. 87-826.)

6 Section 35-70. The Illinois Public Aid Code is amended by
7 changing Section 10-17.15 as follows:

8 (305 ILCS 5/10-17.15)

9 Sec. 10-17.15. Certification of information to State
10 gaming licensees.

11 (a) For purposes of this Section, "State gaming licensee"
12 means, as applicable, an organization licensee or advance
13 deposit wagering licensee licensed under the Illinois Horse
14 Racing Act of 1975, an owners licensee licensed under the
15 Illinois Riverboat Gambling Act, or a licensee that operates,
16 under any law of this State, one or more facilities or gaming
17 locations at which lawful gambling is authorized and licensed
18 as provided in the Illinois Riverboat Gambling Act.

19 (b) The Department may provide, by rule, for certification
20 to any State gaming licensee of past due child support owed by
21 a responsible relative under a support order entered by a court
22 or administrative body of this or any other State on behalf of
23 a resident or non-resident receiving child support services
24 under this Article in accordance with the requirements of Title

1 IV-D, Part D, of the Social Security Act. The State gaming
2 licensee shall have the ability to withhold from winnings
3 required to be reported to the Internal Revenue Service on Form
4 W-2G, up to the full amount of winnings necessary to pay the
5 winner's past due child support. The rule shall provide for
6 notice to and an opportunity to be heard by each responsible
7 relative affected and any final administrative decision
8 rendered by the Department shall be reviewed only under and in
9 accordance with the Administrative Review Law.

10 (c) For withholding of winnings, the State gaming licensee
11 shall be entitled to an administrative fee not to exceed the
12 lesser of 4% of the total amount of cash winnings paid to the
13 gambling winner or \$150.

14 (d) In no event may the total amount withheld from the cash
15 payout, including the administrative fee, exceed the total cash
16 winnings claimed by the obligor. If the cash payout claimed is
17 greater than the amount sufficient to satisfy the obligor's
18 delinquent child support payments, the State gaming licensee
19 shall pay the obligor the remaining balance of the payout, less
20 the administrative fee authorized by subsection (c) of this
21 Section, at the time it is claimed.

22 (e) A State gaming licensee who in good faith complies with
23 the requirements of this Section shall not be liable to the
24 gaming winner or any other individual or entity.

25 (Source: P.A. 98-318, eff. 8-12-13.)

1 Section 35-75. The Firearm Concealed Carry Act is amended
2 by changing Section 65 as follows:

3 (430 ILCS 66/65)

4 Sec. 65. Prohibited areas.

5 (a) A licensee under this Act shall not knowingly carry a
6 firearm on or into:

7 (1) Any building, real property, and parking area under
8 the control of a public or private elementary or secondary
9 school.

10 (2) Any building, real property, and parking area under
11 the control of a pre-school or child care facility,
12 including any room or portion of a building under the
13 control of a pre-school or child care facility. Nothing in
14 this paragraph shall prevent the operator of a child care
15 facility in a family home from owning or possessing a
16 firearm in the home or license under this Act, if no child
17 under child care at the home is present in the home or the
18 firearm in the home is stored in a locked container when a
19 child under child care at the home is present in the home.

20 (3) Any building, parking area, or portion of a
21 building under the control of an officer of the executive
22 or legislative branch of government, provided that nothing
23 in this paragraph shall prohibit a licensee from carrying a
24 concealed firearm onto the real property, bikeway, or trail
25 in a park regulated by the Department of Natural Resources

1 or any other designated public hunting area or building
2 where firearm possession is permitted as established by the
3 Department of Natural Resources under Section 1.8 of the
4 Wildlife Code.

5 (4) Any building designated for matters before a
6 circuit court, appellate court, or the Supreme Court, or
7 any building or portion of a building under the control of
8 the Supreme Court.

9 (5) Any building or portion of a building under the
10 control of a unit of local government.

11 (6) Any building, real property, and parking area under
12 the control of an adult or juvenile detention or
13 correctional institution, prison, or jail.

14 (7) Any building, real property, and parking area under
15 the control of a public or private hospital or hospital
16 affiliate, mental health facility, or nursing home.

17 (8) Any bus, train, or form of transportation paid for
18 in whole or in part with public funds, and any building,
19 real property, and parking area under the control of a
20 public transportation facility paid for in whole or in part
21 with public funds.

22 (9) Any building, real property, and parking area under
23 the control of an establishment that serves alcohol on its
24 premises, if more than 50% of the establishment's gross
25 receipts within the prior 3 months is from the sale of
26 alcohol. The owner of an establishment who knowingly fails

1 to prohibit concealed firearms on its premises as provided
2 in this paragraph or who knowingly makes a false statement
3 or record to avoid the prohibition on concealed firearms
4 under this paragraph is subject to the penalty under
5 subsection (c-5) of Section 10-1 of the Liquor Control Act
6 of 1934.

7 (10) Any public gathering or special event conducted on
8 property open to the public that requires the issuance of a
9 permit from the unit of local government, provided this
10 prohibition shall not apply to a licensee who must walk
11 through a public gathering in order to access his or her
12 residence, place of business, or vehicle.

13 (11) Any building or real property that has been issued
14 a Special Event Retailer's license as defined in Section
15 1-3.17.1 of the Liquor Control Act during the time
16 designated for the sale of alcohol by the Special Event
17 Retailer's license, or a Special use permit license as
18 defined in subsection (q) of Section 5-1 of the Liquor
19 Control Act during the time designated for the sale of
20 alcohol by the Special use permit license.

21 (12) Any public playground.

22 (13) Any public park, athletic area, or athletic
23 facility under the control of a municipality or park
24 district, provided nothing in this Section shall prohibit a
25 licensee from carrying a concealed firearm while on a trail
26 or bikeway if only a portion of the trail or bikeway

1 includes a public park.

2 (14) Any real property under the control of the Cook
3 County Forest Preserve District.

4 (15) Any building, classroom, laboratory, medical
5 clinic, hospital, artistic venue, athletic venue,
6 entertainment venue, officially recognized
7 university-related organization property, whether owned or
8 leased, and any real property, including parking areas,
9 sidewalks, and common areas under the control of a public
10 or private community college, college, or university.

11 (16) Any building, real property, or parking area under
12 the control of a gaming facility licensed under the
13 Illinois Riverboat ~~Riverboat~~ Gambling Act or the Illinois Horse
14 Racing Act of 1975, including an inter-track wagering
15 location licensee.

16 (17) Any stadium, arena, or the real property or
17 parking area under the control of a stadium, arena, or any
18 collegiate or professional sporting event.

19 (18) Any building, real property, or parking area under
20 the control of a public library.

21 (19) Any building, real property, or parking area under
22 the control of an airport.

23 (20) Any building, real property, or parking area under
24 the control of an amusement park.

25 (21) Any building, real property, or parking area under
26 the control of a zoo or museum.

1 (22) Any street, driveway, parking area, property,
2 building, or facility, owned, leased, controlled, or used
3 by a nuclear energy, storage, weapons, or development site
4 or facility regulated by the federal Nuclear Regulatory
5 Commission. The licensee shall not under any circumstance
6 store a firearm or ammunition in his or her vehicle or in a
7 compartment or container within a vehicle located anywhere
8 in or on the street, driveway, parking area, property,
9 building, or facility described in this paragraph.

10 (23) Any area where firearms are prohibited under
11 federal law.

12 (a-5) Nothing in this Act shall prohibit a public or
13 private community college, college, or university from:

14 (1) prohibiting persons from carrying a firearm within
15 a vehicle owned, leased, or controlled by the college or
16 university;

17 (2) developing resolutions, regulations, or policies
18 regarding student, employee, or visitor misconduct and
19 discipline, including suspension and expulsion;

20 (3) developing resolutions, regulations, or policies
21 regarding the storage or maintenance of firearms, which
22 must include designated areas where persons can park
23 vehicles that carry firearms; and

24 (4) permitting the carrying or use of firearms for the
25 purpose of instruction and curriculum of officially
26 recognized programs, including but not limited to military

1 science and law enforcement training programs, or in any
2 designated area used for hunting purposes or target
3 shooting.

4 (a-10) The owner of private real property of any type may
5 prohibit the carrying of concealed firearms on the property
6 under his or her control. The owner must post a sign in
7 accordance with subsection (d) of this Section indicating that
8 firearms are prohibited on the property, unless the property is
9 a private residence.

10 (b) Notwithstanding subsections (a), (a-5), and (a-10) of
11 this Section except under paragraph (22) or (23) of subsection
12 (a), any licensee prohibited from carrying a concealed firearm
13 into the parking area of a prohibited location specified in
14 subsection (a), (a-5), or (a-10) of this Section shall be
15 permitted to carry a concealed firearm on or about his or her
16 person within a vehicle into the parking area and may store a
17 firearm or ammunition concealed in a case within a locked
18 vehicle or locked container out of plain view within the
19 vehicle in the parking area. A licensee may carry a concealed
20 firearm in the immediate area surrounding his or her vehicle
21 within a prohibited parking lot area only for the limited
22 purpose of storing or retrieving a firearm within the vehicle's
23 trunk. For purposes of this subsection, "case" includes a glove
24 compartment or console that completely encloses the concealed
25 firearm or ammunition, the trunk of the vehicle, or a firearm
26 carrying box, shipping box, or other container.

1 (c) A licensee shall not be in violation of this Section
2 while he or she is traveling along a public right of way that
3 touches or crosses any of the premises under subsection (a),
4 (a-5), or (a-10) of this Section if the concealed firearm is
5 carried on his or her person in accordance with the provisions
6 of this Act or is being transported in a vehicle by the
7 licensee in accordance with all other applicable provisions of
8 law.

9 (d) Signs stating that the carrying of firearms is
10 prohibited shall be clearly and conspicuously posted at the
11 entrance of a building, premises, or real property specified in
12 this Section as a prohibited area, unless the building or
13 premises is a private residence. Signs shall be of a uniform
14 design as established by the Department and shall be 4 inches
15 by 6 inches in size. The Department shall adopt rules for
16 standardized signs to be used under this subsection.

17 (Source: P.A. 98-63, eff. 7-9-13; 99-29, eff. 7-10-15.)

18 Section 35-80. The Criminal Code of 2012 is amended by
19 changing Sections 28-1, 28-1.1, 28-2, 28-3, 28-5, and 28-7 as
20 follows:

21 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

22 Sec. 28-1. Gambling.

23 (a) A person commits gambling when he or she:

24 (1) knowingly plays a game of chance or skill for money

1 or other thing of value, unless excepted in subsection (b)
2 of this Section;

3 (2) knowingly makes a wager upon the result of any
4 game, contest, or any political nomination, appointment or
5 election;

6 (3) knowingly operates, keeps, owns, uses, purchases,
7 exhibits, rents, sells, bargains for the sale or lease of,
8 manufactures or distributes any gambling device;

9 (4) contracts to have or give himself or herself or
10 another the option to buy or sell, or contracts to buy or
11 sell, at a future time, any grain or other commodity
12 whatsoever, or any stock or security of any company, where
13 it is at the time of making such contract intended by both
14 parties thereto that the contract to buy or sell, or the
15 option, whenever exercised, or the contract resulting
16 therefrom, shall be settled, not by the receipt or delivery
17 of such property, but by the payment only of differences in
18 prices thereof; however, the issuance, purchase, sale,
19 exercise, endorsement or guarantee, by or through a person
20 registered with the Secretary of State pursuant to Section
21 8 of the Illinois Securities Law of 1953, or by or through
22 a person exempt from such registration under said Section
23 8, of a put, call, or other option to buy or sell
24 securities which have been registered with the Secretary of
25 State or which are exempt from such registration under
26 Section 3 of the Illinois Securities Law of 1953 is not

1 gambling within the meaning of this paragraph (4);

2 (5) knowingly owns or possesses any book, instrument or
3 apparatus by means of which bets or wagers have been, or
4 are, recorded or registered, or knowingly possesses any
5 money which he has received in the course of a bet or
6 wager;

7 (6) knowingly sells pools upon the result of any game
8 or contest of skill or chance, political nomination,
9 appointment or election;

10 (7) knowingly sets up or promotes any lottery or sells,
11 offers to sell or transfers any ticket or share for any
12 lottery;

13 (8) knowingly sets up or promotes any policy game or
14 sells, offers to sell or knowingly possesses or transfers
15 any policy ticket, slip, record, document or other similar
16 device;

17 (9) knowingly drafts, prints or publishes any lottery
18 ticket or share, or any policy ticket, slip, record,
19 document or similar device, except for such activity
20 related to lotteries, bingo games and raffles authorized by
21 and conducted in accordance with the laws of Illinois or
22 any other state or foreign government;

23 (10) knowingly advertises any lottery or policy game,
24 except for such activity related to lotteries, bingo games
25 and raffles authorized by and conducted in accordance with
26 the laws of Illinois or any other state;

1 (11) knowingly transmits information as to wagers,
2 betting odds, or changes in betting odds by telephone,
3 telegraph, radio, semaphore or similar means; or knowingly
4 installs or maintains equipment for the transmission or
5 receipt of such information; except that nothing in this
6 subdivision (11) prohibits transmission or receipt of such
7 information for use in news reporting of sporting events or
8 contests; or

9 (12) knowingly establishes, maintains, or operates an
10 Internet site that permits a person to play a game of
11 chance or skill for money or other thing of value by means
12 of the Internet or to make a wager upon the result of any
13 game, contest, political nomination, appointment, or
14 election by means of the Internet. This item (12) does not
15 apply to activities referenced in items (6) and (6.1) of
16 subsection (b) of this Section.

17 (b) Participants in any of the following activities shall
18 not be convicted of gambling:

19 (1) Agreements to compensate for loss caused by the
20 happening of chance including without limitation contracts
21 of indemnity or guaranty and life or health or accident
22 insurance.

23 (2) Offers of prizes, award or compensation to the
24 actual contestants in any bona fide contest for the
25 determination of skill, speed, strength or endurance or to
26 the owners of animals or vehicles entered in such contest.

1 (3) Pari-mutuel betting as authorized by the law of
2 this State.

3 (4) Manufacture of gambling devices, including the
4 acquisition of essential parts therefor and the assembly
5 thereof, for transportation in interstate or foreign
6 commerce to any place outside this State when such
7 transportation is not prohibited by any applicable Federal
8 law; or the manufacture, distribution, or possession of
9 video gaming terminals, as defined in the Video Gaming Act,
10 by manufacturers, distributors, and terminal operators
11 licensed to do so under the Video Gaming Act.

12 (5) The game commonly known as "bingo", when conducted
13 in accordance with the Bingo License and Tax Act.

14 (6) Lotteries when conducted by the State of Illinois
15 in accordance with the Illinois Lottery Law. This exemption
16 includes any activity conducted by the Department of
17 Revenue to sell lottery tickets pursuant to the provisions
18 of the Illinois Lottery Law and its rules.

19 (6.1) The purchase of lottery tickets through the
20 Internet for a lottery conducted by the State of Illinois
21 under the program established in Section 7.12 of the
22 Illinois Lottery Law.

23 (7) Possession of an antique slot machine that is
24 neither used nor intended to be used in the operation or
25 promotion of any unlawful gambling activity or enterprise.
26 For the purpose of this subparagraph (b) (7), an antique

1 slot machine is one manufactured 25 years ago or earlier.

2 (8) Raffles and poker runs when conducted in accordance
3 with the Raffles and Poker Runs Act.

4 (9) Charitable games when conducted in accordance with
5 the Charitable Games Act.

6 (10) Pull tabs and jar games when conducted under the
7 Illinois Pull Tabs and Jar Games Act.

8 (11) Gambling games ~~conducted on riverboats~~ when
9 authorized by the Illinois Riverboat Gambling Act.

10 (12) Video gaming terminal games at a licensed
11 establishment, licensed truck stop establishment, licensed
12 large truck stop establishment, licensed fraternal
13 establishment, or licensed veterans establishment when
14 conducted in accordance with the Video Gaming Act.

15 (13) Games of skill or chance where money or other
16 things of value can be won but no payment or purchase is
17 required to participate.

18 (14) Savings promotion raffles authorized under
19 Section 5g of the Illinois Banking Act, Section 7008 of the
20 Savings Bank Act, Section 42.7 of the Illinois Credit Union
21 Act, Section 5136B of the National Bank Act (12 U.S.C.
22 25a), or Section 4 of the Home Owners' Loan Act (12 U.S.C.
23 1463).

24 (c) Sentence.

25 Gambling is a Class A misdemeanor. A second or subsequent
26 conviction under subsections (a) (3) through (a) (12), is a Class

1 4 felony.

2 (d) Circumstantial evidence.

3 In prosecutions under this Section circumstantial evidence
4 shall have the same validity and weight as in any criminal
5 prosecution.

6 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

7 (720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

8 Sec. 28-1.1. Syndicated gambling.

9 (a) Declaration of Purpose. Recognizing the close
10 relationship between professional gambling and other organized
11 crime, it is declared to be the policy of the legislature to
12 restrain persons from engaging in the business of gambling for
13 profit in this State. This Section shall be liberally construed
14 and administered with a view to carrying out this policy.

15 (b) A person commits syndicated gambling when he or she
16 operates a "policy game" or engages in the business of
17 bookmaking.

18 (c) A person "operates a policy game" when he or she
19 knowingly uses any premises or property for the purpose of
20 receiving or knowingly does receive from what is commonly
21 called "policy":

22 (1) money from a person other than the bettor or player
23 whose bets or plays are represented by the money; or

24 (2) written "policy game" records, made or used over
25 any period of time, from a person other than the bettor or

1 player whose bets or plays are represented by the written
2 record.

3 (d) A person engages in bookmaking when he or she knowingly
4 receives or accepts more than five bets or wagers upon the
5 result of any trials or contests of skill, speed or power of
6 endurance or upon any lot, chance, casualty, unknown or
7 contingent event whatsoever, which bets or wagers shall be of
8 such size that the total of the amounts of money paid or
9 promised to be paid to the bookmaker on account thereof shall
10 exceed \$2,000. Bookmaking is the receiving or accepting of bets
11 or wagers regardless of the form or manner in which the
12 bookmaker records them.

13 (e) Participants in any of the following activities shall
14 not be convicted of syndicated gambling:

15 (1) Agreements to compensate for loss caused by the
16 happening of chance including without limitation contracts
17 of indemnity or guaranty and life or health or accident
18 insurance;

19 (2) Offers of prizes, award or compensation to the
20 actual contestants in any bona fide contest for the
21 determination of skill, speed, strength or endurance or to
22 the owners of animals or vehicles entered in the contest;

23 (3) Pari-mutuel betting as authorized by law of this
24 State;

25 (4) Manufacture of gambling devices, including the
26 acquisition of essential parts therefor and the assembly

1 thereof, for transportation in interstate or foreign
2 commerce to any place outside this State when the
3 transportation is not prohibited by any applicable Federal
4 law;

5 (5) Raffles and poker runs when conducted in accordance
6 with the Raffles and Poker Runs Act;

7 (6) Gambling games conducted on riverboats, in
8 casinos, or at organization gaming facilities when
9 authorized by the Illinois Riverboat Gambling Act;

10 (7) Video gaming terminal games at a licensed
11 establishment, licensed truck stop establishment, licensed
12 large truck stop establishment, licensed fraternal
13 establishment, or licensed veterans establishment when
14 conducted in accordance with the Video Gaming Act; and

15 (8) Savings promotion raffles authorized under Section
16 5g of the Illinois Banking Act, Section 7008 of the Savings
17 Bank Act, Section 42.7 of the Illinois Credit Union Act,
18 Section 5136B of the National Bank Act (12 U.S.C. 25a), or
19 Section 4 of the Home Owners' Loan Act (12 U.S.C. 1463).

20 (f) Sentence. Syndicated gambling is a Class 3 felony.

21 (Source: P.A. 98-644, eff. 6-10-14; 99-149, eff. 1-1-16.)

22 (720 ILCS 5/28-2) (from Ch. 38, par. 28-2)

23 Sec. 28-2. Definitions.

24 (a) A "gambling device" is any clock, tape machine, slot
25 machine or other machines or device for the reception of money

1 or other thing of value on chance or skill or upon the action
2 of which money or other thing of value is staked, hazarded,
3 bet, won or lost; or any mechanism, furniture, fixture,
4 equipment or other device designed primarily for use in a
5 gambling place. A "gambling device" does not include:

6 (1) A coin-in-the-slot operated mechanical device
7 played for amusement which rewards the player with the
8 right to replay such mechanical device, which device is so
9 constructed or devised as to make such result of the
10 operation thereof depend in part upon the skill of the
11 player and which returns to the player thereof no money,
12 property or right to receive money or property.

13 (2) Vending machines by which full and adequate return
14 is made for the money invested and in which there is no
15 element of chance or hazard.

16 (3) A crane game. For the purposes of this paragraph
17 (3), a "crane game" is an amusement device involving skill,
18 if it rewards the player exclusively with merchandise
19 contained within the amusement device proper and limited to
20 toys, novelties and prizes other than currency, each having
21 a wholesale value which is not more than \$25.

22 (4) A redemption machine. For the purposes of this
23 paragraph (4), a "redemption machine" is a single-player or
24 multi-player amusement device involving a game, the object
25 of which is throwing, rolling, bowling, shooting, placing,
26 or propelling a ball or other object that is either

1 physical or computer generated on a display or with lights
2 into, upon, or against a hole or other target that is
3 either physical or computer generated on a display or with
4 lights, or stopping, by physical, mechanical, or
5 electronic means, a moving object that is either physical
6 or computer generated on a display or with lights into,
7 upon, or against a hole or other target that is either
8 physical or computer generated on a display or with lights,
9 provided that all of the following conditions are met:

10 (A) The outcome of the game is predominantly
11 determined by the skill of the player.

12 (B) The award of the prize is based solely upon the
13 player's achieving the object of the game or otherwise
14 upon the player's score.

15 (C) Only merchandise prizes are awarded.

16 (D) The wholesale value of prizes awarded in lieu
17 of tickets or tokens for single play of the device does
18 not exceed \$25.

19 (E) The redemption value of tickets, tokens, and
20 other representations of value, which may be
21 accumulated by players to redeem prizes of greater
22 value, for a single play of the device does not exceed
23 \$25.

24 (5) Video gaming terminals at a licensed
25 establishment, licensed truck stop establishment, licensed
26 large truck stop establishment, licensed fraternal

1 establishment, or licensed veterans establishment licensed
2 in accordance with the Video Gaming Act.

3 (a-5) "Internet" means an interactive computer service or
4 system or an information service, system, or access software
5 provider that provides or enables computer access by multiple
6 users to a computer server, and includes, but is not limited
7 to, an information service, system, or access software provider
8 that provides access to a network system commonly known as the
9 Internet, or any comparable system or service and also
10 includes, but is not limited to, a World Wide Web page,
11 newsgroup, message board, mailing list, or chat area on any
12 interactive computer service or system or other online service.

13 (a-6) "Access" and "computer" have the meanings ascribed to
14 them in Section 16D-2 of this Code.

15 (b) A "lottery" is any scheme or procedure whereby one or
16 more prizes are distributed by chance among persons who have
17 paid or promised consideration for a chance to win such prizes,
18 whether such scheme or procedure is called a lottery, raffle,
19 gift, sale or some other name, excluding savings promotion
20 raffles authorized under Section 5g of the Illinois Banking
21 Act, Section 7008 of the Savings Bank Act, Section 42.7 of the
22 Illinois Credit Union Act, Section 5136B of the National Bank
23 Act (12 U.S.C. 25a), or Section 4 of the Home Owners' Loan Act
24 (12 U.S.C. 1463).

25 (c) A "policy game" is any scheme or procedure whereby a
26 person promises or guarantees by any instrument, bill,

1 certificate, writing, token or other device that any particular
2 number, character, ticket or certificate shall in the event of
3 any contingency in the nature of a lottery entitle the
4 purchaser or holder to receive money, property or evidence of
5 debt.

6 (Source: P.A. 98-31, eff. 6-24-13; 99-149, eff. 1-1-16.)

7 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

8 Sec. 28-3. Keeping a Gambling Place. A "gambling place" is
9 any real estate, vehicle, boat or any other property whatsoever
10 used for the purposes of gambling other than gambling conducted
11 in the manner authorized by the Illinois Riverboat ~~Riverboat~~ Gambling Act
12 or the Video Gaming Act. Any person who knowingly permits any
13 premises or property owned or occupied by him or under his
14 control to be used as a gambling place commits a Class A
15 misdemeanor. Each subsequent offense is a Class 4 felony. When
16 any premises is determined by the circuit court to be a
17 gambling place:

18 (a) Such premises is a public nuisance and may be proceeded
19 against as such, and

20 (b) All licenses, permits or certificates issued by the
21 State of Illinois or any subdivision or public agency thereof
22 authorizing the serving of food or liquor on such premises
23 shall be void; and no license, permit or certificate so
24 cancelled shall be reissued for such premises for a period of
25 60 days thereafter; nor shall any person convicted of keeping a

1 gambling place be reissued such license for one year from his
2 conviction and, after a second conviction of keeping a gambling
3 place, any such person shall not be reissued such license, and

4 (c) Such premises of any person who knowingly permits
5 thereon a violation of any Section of this Article shall be
6 held liable for, and may be sold to pay any unsatisfied
7 judgment that may be recovered and any unsatisfied fine that
8 may be levied under any Section of this Article.

9 (Source: P.A. 96-34, eff. 7-13-09.)

10 (720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

11 Sec. 28-5. Seizure of gambling devices and gambling funds.

12 (a) Every device designed for gambling which is incapable
13 of lawful use or every device used unlawfully for gambling
14 shall be considered a "gambling device", and shall be subject
15 to seizure, confiscation and destruction by the Department of
16 State Police or by any municipal, or other local authority,
17 within whose jurisdiction the same may be found. As used in
18 this Section, a "gambling device" includes any slot machine,
19 and includes any machine or device constructed for the
20 reception of money or other thing of value and so constructed
21 as to return, or to cause someone to return, on chance to the
22 player thereof money, property or a right to receive money or
23 property. With the exception of any device designed for
24 gambling which is incapable of lawful use, no gambling device
25 shall be forfeited or destroyed unless an individual with a

1 property interest in said device knows of the unlawful use of
2 the device.

3 (b) Every gambling device shall be seized and forfeited to
4 the county wherein such seizure occurs. Any money or other
5 thing of value integrally related to acts of gambling shall be
6 seized and forfeited to the county wherein such seizure occurs.

7 (c) If, within 60 days after any seizure pursuant to
8 subparagraph (b) of this Section, a person having any property
9 interest in the seized property is charged with an offense, the
10 court which renders judgment upon such charge shall, within 30
11 days after such judgment, conduct a forfeiture hearing to
12 determine whether such property was a gambling device at the
13 time of seizure. Such hearing shall be commenced by a written
14 petition by the State, including material allegations of fact,
15 the name and address of every person determined by the State to
16 have any property interest in the seized property, a
17 representation that written notice of the date, time and place
18 of such hearing has been mailed to every such person by
19 certified mail at least 10 days before such date, and a request
20 for forfeiture. Every such person may appear as a party and
21 present evidence at such hearing. The quantum of proof required
22 shall be a preponderance of the evidence, and the burden of
23 proof shall be on the State. If the court determines that the
24 seized property was a gambling device at the time of seizure,
25 an order of forfeiture and disposition of the seized property
26 shall be entered: a gambling device shall be received by the

1 State's Attorney, who shall effect its destruction, except that
2 valuable parts thereof may be liquidated and the resultant
3 money shall be deposited in the general fund of the county
4 wherein such seizure occurred; money and other things of value
5 shall be received by the State's Attorney and, upon
6 liquidation, shall be deposited in the general fund of the
7 county wherein such seizure occurred. However, in the event
8 that a defendant raises the defense that the seized slot
9 machine is an antique slot machine described in subparagraph
10 (b) (7) of Section 28-1 of this Code and therefore he is exempt
11 from the charge of a gambling activity participant, the seized
12 antique slot machine shall not be destroyed or otherwise
13 altered until a final determination is made by the Court as to
14 whether it is such an antique slot machine. Upon a final
15 determination by the Court of this question in favor of the
16 defendant, such slot machine shall be immediately returned to
17 the defendant. Such order of forfeiture and disposition shall,
18 for the purposes of appeal, be a final order and judgment in a
19 civil proceeding.

20 (d) If a seizure pursuant to subparagraph (b) of this
21 Section is not followed by a charge pursuant to subparagraph
22 (c) of this Section, or if the prosecution of such charge is
23 permanently terminated or indefinitely discontinued without
24 any judgment of conviction or acquittal (1) the State's
25 Attorney shall commence an in rem proceeding for the forfeiture
26 and destruction of a gambling device, or for the forfeiture and

1 deposit in the general fund of the county of any seized money
2 or other things of value, or both, in the circuit court and (2)
3 any person having any property interest in such seized gambling
4 device, money or other thing of value may commence separate
5 civil proceedings in the manner provided by law.

6 (e) Any gambling device displayed for sale to a riverboat
7 gambling operation, casino gambling operation, or organization
8 gaming facility or used to train occupational licensees of a
9 riverboat gambling operation, casino gambling operation, or
10 organization gaming facility as authorized under the Illinois
11 ~~Riverboat~~ Gambling Act is exempt from seizure under this
12 Section.

13 (f) Any gambling equipment, devices, and supplies provided
14 by a licensed supplier in accordance with the Illinois
15 ~~Riverboat~~ Gambling Act which are removed from a the riverboat,
16 casino, or organization gaming facility for repair are exempt
17 from seizure under this Section.

18 (g) The following video gaming terminals are exempt from
19 seizure under this Section:

20 (1) Video gaming terminals for sale to a licensed
21 distributor or operator under the Video Gaming Act.

22 (2) Video gaming terminals used to train licensed
23 technicians or licensed terminal handlers.

24 (3) Video gaming terminals that are removed from a
25 licensed establishment, licensed truck stop establishment,
26 licensed large truck stop establishment, licensed

1 fraternal establishment, or licensed veterans
2 establishment for repair.

3 (h) Property seized or forfeited under this Section is
4 subject to reporting under the Seizure and Forfeiture Reporting
5 Act.

6 (Source: P.A. 100-512, eff. 7-1-18.)

7 (720 ILCS 5/28-7) (from Ch. 38, par. 28-7)

8 Sec. 28-7. Gambling contracts void.

9 (a) All promises, notes, bills, bonds, covenants,
10 contracts, agreements, judgments, mortgages, or other
11 securities or conveyances made, given, granted, drawn, or
12 entered into, or executed by any person whatsoever, where the
13 whole or any part of the consideration thereof is for any money
14 or thing of value, won or obtained in violation of any Section
15 of this Article are null and void.

16 (b) Any obligation void under this Section may be set aside
17 and vacated by any court of competent jurisdiction, upon a
18 complaint filed for that purpose, by the person so granting,
19 giving, entering into, or executing the same, or by his
20 executors or administrators, or by any creditor, heir, legatee,
21 purchaser or other person interested therein; or if a judgment,
22 the same may be set aside on motion of any person stated above,
23 on due notice thereof given.

24 (c) No assignment of any obligation void under this Section
25 may in any manner affect the defense of the person giving,

1 granting, drawing, entering into or executing such obligation,
2 or the remedies of any person interested therein.

3 (d) This Section shall not prevent a licensed owner of a
4 riverboat gambling operation, a casino gambling operation, or
5 an organization gaming licensee under the Illinois Gambling Act
6 and the Illinois Horse Racing Act of 1975 from instituting a
7 cause of action to collect any amount due and owing under an
8 extension of credit to a ~~riverboat~~ gambling patron as
9 authorized under Section 11.1 of the Illinois Riverboat
10 Gambling Act.

11 (Source: P.A. 87-826.)

12 Section 35-85. The Payday Loan Reform Act is amended by
13 changing Section 3-5 as follows:

14 (815 ILCS 122/3-5)

15 Sec. 3-5. Licensure.

16 (a) A license to make a payday loan shall state the
17 address, including city and state, at which the business is to
18 be conducted and shall state fully the name of the licensee.
19 The license shall be conspicuously posted in the place of
20 business of the licensee and shall not be transferable or
21 assignable.

22 (b) An application for a license shall be in writing and in
23 a form prescribed by the Secretary. The Secretary may not issue
24 a payday loan license unless and until the following findings

1 are made:

2 (1) that the financial responsibility, experience,
3 character, and general fitness of the applicant are such as
4 to command the confidence of the public and to warrant the
5 belief that the business will be operated lawfully and
6 fairly and within the provisions and purposes of this Act;
7 and

8 (2) that the applicant has submitted such other
9 information as the Secretary may deem necessary.

10 (c) A license shall be issued for no longer than one year,
11 and no renewal of a license may be provided if a licensee has
12 substantially violated this Act and has not cured the violation
13 to the satisfaction of the Department.

14 (d) A licensee shall appoint, in writing, the Secretary as
15 attorney-in-fact upon whom all lawful process against the
16 licensee may be served with the same legal force and validity
17 as if served on the licensee. A copy of the written
18 appointment, duly certified, shall be filed in the office of
19 the Secretary, and a copy thereof certified by the Secretary
20 shall be sufficient evidence to subject a licensee to
21 jurisdiction in a court of law. This appointment shall remain
22 in effect while any liability remains outstanding in this State
23 against the licensee. When summons is served upon the Secretary
24 as attorney-in-fact for a licensee, the Secretary shall
25 immediately notify the licensee by registered mail, enclosing
26 the summons and specifying the hour and day of service.

1 (e) A licensee must pay an annual fee of \$1,000. In
2 addition to the license fee, the reasonable expense of any
3 examination or hearing by the Secretary under any provisions of
4 this Act shall be borne by the licensee. If a licensee fails to
5 renew its license by December 1, its license shall
6 automatically expire; however, the Secretary, in his or her
7 discretion, may reinstate an expired license upon:

8 (1) payment of the annual fee within 30 days of the
9 date of expiration; and

10 (2) proof of good cause for failure to renew.

11 (f) Not more than one place of business shall be maintained
12 under the same license, but the Secretary may issue more than
13 one license to the same licensee upon compliance with all the
14 provisions of this Act governing issuance of a single license.
15 The location, except those locations already in existence as of
16 June 1, 2005, may not be within one mile of a horse race track
17 subject to the Illinois Horse Racing Act of 1975, within one
18 mile of a facility at which gambling is conducted under the
19 Illinois ~~Riverboat~~ Gambling Act, within one mile of the
20 location at which a riverboat subject to the Illinois ~~Riverboat~~
21 Gambling Act docks, or within one mile of any State of Illinois
22 or United States military base or naval installation.

23 (g) No licensee shall conduct the business of making loans
24 under this Act within any office, suite, room, or place of
25 business in which (1) any loans are offered or made under the
26 Consumer Installment Loan Act other than title secured loans as

1 defined in subsection (a) of Section 15 of the Consumer
2 Installment Loan Act and governed by Title 38, Section 110.330
3 of the Illinois Administrative Code or (2) any other business
4 is solicited or engaged in unless the other business is
5 licensed by the Department or, in the opinion of the Secretary,
6 the other business would not be contrary to the best interests
7 of consumers and is authorized by the Secretary in writing.

8 (g-5) Notwithstanding subsection (g) of this Section, a
9 licensee may obtain a license under the Consumer Installment
10 Loan Act (CILA) for the exclusive purpose and use of making
11 title secured loans, as defined in subsection (a) of Section 15
12 of CILA and governed by Title 38, Section 110.300 of the
13 Illinois Administrative Code. A licensee may continue to
14 service Consumer Installment Loan Act loans that were
15 outstanding as of the effective date of this amendatory Act of
16 the 96th General Assembly.

17 (h) The Secretary shall maintain a list of licensees that
18 shall be available to interested consumers and lenders and the
19 public. The Secretary shall maintain a toll-free number whereby
20 consumers may obtain information about licensees. The
21 Secretary shall also establish a complaint process under which
22 an aggrieved consumer may file a complaint against a licensee
23 or non-licensee who violates any provision of this Act.

24 (Source: P.A. 100-958, eff. 8-19-18.)

25 Section 35-90. The Travel Promotion Consumer Protection

1 Act is amended by changing Section 2 as follows:

2 (815 ILCS 420/2) (from Ch. 121 1/2, par. 1852)

3 Sec. 2. Definitions.

4 (a) "Travel promoter" means a person, including a tour
5 operator, who sells, provides, furnishes, contracts for,
6 arranges or advertises that he or she will arrange wholesale or
7 retail transportation by air, land, sea or navigable stream,
8 either separately or in conjunction with other services.
9 "Travel promoter" does not include (1) an air carrier; (2) a
10 sea carrier; (3) an officially appointed agent of an air
11 carrier who is a member in good standing of the Airline
12 Reporting Corporation; (4) a travel promoter who has in force
13 \$1,000,000 or more of liability insurance coverage for
14 professional errors and omissions and a surety bond or
15 equivalent surety in the amount of \$100,000 or more for the
16 benefit of consumers in the event of a bankruptcy on the part
17 of the travel promoter; or (5) a riverboat subject to
18 regulation under the Illinois ~~Riverboat~~ Gambling Act.

19 (b) "Advertise" means to make any representation in the
20 solicitation of passengers and includes communication with
21 other members of the same partnership, corporation, joint
22 venture, association, organization, group or other entity.

23 (c) "Passenger" means a person on whose behalf money or
24 other consideration has been given or is to be given to
25 another, including another member of the same partnership,

1 corporation, joint venture, association, organization, group
2 or other entity, for travel.

3 (d) "Ticket or voucher" means a writing or combination of
4 writings which is itself good and sufficient to obtain
5 transportation and other services for which the passenger has
6 contracted.

7 (Source: P.A. 91-357, eff. 7-29-99.)

8 (30 ILCS 105/5.490 rep.)

9 Section 35-95. The State Finance Act is amended by
10 repealing Section 5.490.

11 (230 ILCS 5/2.1 rep.)

12 (230 ILCS 5/54 rep.)

13 Section 35-100. The Illinois Horse Racing Act of 1975 is
14 amended by repealing Sections 2.1 and 54.

15 Article 99. Severability; Effective Date

16 Section 99-95. No acceleration or delay. Where this Act
17 makes changes in a statute that is represented in this Act by
18 text that is not yet or no longer in effect (for example, a
19 Section represented by multiple versions), the use of that text
20 does not accelerate or delay the taking effect of (i) the
21 changes made by this Act or (ii) provisions derived from any
22 other Public Act.

1 Section 99-97. Severability. The provisions of this Act are
2 severable under Section 1.31 of the Statute on Statutes.

3 Section 99-99. Effective date. This Act takes effect upon
4 becoming law, except that the changes made to Section 2 of the
5 Use Tax Act take effect on January 1, 2020.