

SB2966



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB2966

Introduced 2/4/2020, by Sen. Michael E. Hastings

SYNOPSIS AS INTRODUCED:

230 ILCS 5/20

from Ch. 8, par. 37-20

Amends the Illinois Horse Racing Act of 1975. Provides that for the third year of operation by an organization gaming licensee, the Illinois Racing Board shall award no fewer than 200 days in total of standardbred racing (rather than requiring the Board to award no fewer than 120 days of racing when a single entity requests standardbred racing dates). Deletes language authorizing the Board to reduce the number of days if no dates are requested for the first 3 months of a calendar year. Deletes language requiring the Board to award no fewer than 200 days of racing between applicants if more than one entity requests standardbred racing dates.

LRB101 17399 SMS 66804 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

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

4 Section 5. The Illinois Horse Racing Act of 1975 is amended
5 by changing Section 20 as follows:

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

1 and verified under oath by such individual. If the application
2 is made by individuals, then it shall be signed and verified
3 under oath by at least 2 of the individuals; if the application
4 is made by a partnership, an association, a corporation, a
5 corporate trustee, a limited liability company, or any other
6 entity, it shall be signed by an authorized officer, a partner,
7 a member, or a manager, as the case may be, of the entity.

8 (c) The application shall specify:

9 (1) the name of the persons, association, trust, or
10 corporation making such application;

11 (2) the principal address of the applicant;

12 (3) if the applicant is a trustee, the names and
13 addresses of the beneficiaries; if the applicant is a
14 corporation, the names and addresses of all officers,
15 stockholders and directors; or if such stockholders hold
16 stock as a nominee or fiduciary, the names and addresses of
17 the parties who are the beneficial owners thereof or who
18 are beneficially interested therein; if the applicant is a
19 partnership, the names and addresses of all partners,
20 general or limited; if the applicant is a limited liability
21 company, the names and addresses of the manager and
22 members; and if the applicant is any other entity, the
23 names and addresses of all officers or other authorized
24 persons of the entity.

25 (d) The applicant shall execute and file with the Board a
26 good faith affirmative action plan to recruit, train, and

1 upgrade minorities in all classifications within the
2 association.

3 (e) With such application there shall be delivered to the
4 Board a certified check or bank draft payable to the order of
5 the Board for an amount equal to \$1,000. All applications for
6 the issuance of an organization license shall be filed with the
7 Board before August 1 of the year prior to the year for which
8 application is made and shall be acted upon by the Board at a
9 meeting to be held on such date as shall be fixed by the Board
10 during the last 15 days of September of such prior year. At
11 such meeting, the Board shall announce the award of the racing
12 meets, live racing schedule, and designation of host track to
13 the applicants and its approval or disapproval of each
14 application. No announcement shall be considered binding until
15 a formal order is executed by the Board, which shall be
16 executed no later than October 15 of that prior year. Absent
17 the agreement of the affected organization licensees, the Board
18 shall not grant overlapping race meetings to 2 or more tracks
19 that are within 100 miles of each other to conduct the
20 thoroughbred racing.

21 (e-1) The Board shall award standardbred racing dates to
22 organization licensees with an organization gaming license
23 pursuant to the following schedule:

24 (1) For the first calendar year of operation of
25 gambling games by an organization gaming licensee under
26 Public Act 101-31 ~~this amendatory Act of the 101st General~~

1 ~~Assembly~~, when a single entity requests standardbred
2 racing dates, the Board shall award no fewer than 100 days
3 of racing. The 100-day requirement may be reduced to no
4 fewer than 80 days if no dates are requested for the first
5 3 months of a calendar year. If more than one entity
6 requests standardbred racing dates, the Board shall award
7 no fewer than 140 days of racing between the applicants.

8 (2) For the second calendar year of operation of
9 gambling games by an organization gaming licensee under
10 Public Act 101-31 ~~this amendatory Act of the 101st General~~
11 ~~Assembly~~, when a single entity requests standardbred
12 racing dates, the Board shall award no fewer than 100 days
13 of racing. The 100-day requirement may be reduced to no
14 fewer than 80 days if no dates are requested for the first
15 3 months of a calendar year. If more than one entity
16 requests standardbred racing dates, the Board shall award
17 no fewer than 160 days of racing between the applicants.

18 (3) For the third calendar year of operation of
19 gambling games by an organization gaming licensee under
20 Public Act 101-31 ~~this amendatory Act of the 101st General~~
21 ~~Assembly~~, and each calendar year thereafter, ~~when a single~~
22 ~~entity requests standardbred racing dates~~, the Board shall
23 award no fewer than 200 ~~120~~ days in total of standardbred
24 racing. ~~The 120-day requirement may be reduced to no fewer~~
25 ~~than 100 days if no dates are requested for the first 3~~
26 ~~months of a calendar year. If more than one entity requests~~

1 ~~standardbred racing dates, the Board shall award no fewer~~
2 ~~than 200 days of racing between the applicants.~~

3 An organization licensee shall apply for racing dates
4 pursuant to this subsection (e-1). In awarding racing dates
5 under this subsection (e-1), the Board shall have the
6 discretion to allocate those standardbred racing dates among
7 these organization licensees.

8 (e-2) The Board shall award thoroughbred racing days to
9 Cook County organization licensees pursuant to the following
10 schedule:

11 (1) During the first year in which only one
12 organization licensee is awarded an organization gaming
13 license, the Board shall award no fewer than 110 days of
14 racing.

15 During the second year in which only one organization
16 licensee is awarded an organization gaming license, the
17 Board shall award no fewer than 115 racing days.

18 During the third year and every year thereafter, in
19 which only one organization licensee is awarded an
20 organization gaming license, the Board shall award no fewer
21 than 120 racing days.

22 (2) During the first year in which 2 organization
23 licensees are awarded an organization gaming license, the
24 Board shall award no fewer than 139 total racing days.

25 During the second year in which 2 organization
26 licensees are awarded an organization gaming license, the

1 Board shall award no fewer than 160 total racing days.

2 During the third year and every year thereafter in
3 which 2 organization licensees are awarded an organization
4 gaming license, the Board shall award no fewer than 174
5 total racing days.

6 A Cook County organization licensee shall apply for racing
7 dates pursuant to this subsection (e-2). In awarding racing
8 dates under this subsection (e-2), the Board shall have the
9 discretion to allocate those thoroughbred racing dates among
10 these Cook County organization licensees.

11 (e-3) In awarding racing dates for calendar year 2020 and
12 thereafter in connection with a racetrack in Madison County,
13 the Board shall award racing dates and such organization
14 licensee shall run at least 700 thoroughbred races at the
15 racetrack in Madison County each year.

16 Notwithstanding Section 7.7 of the Illinois Gambling Act or
17 any provision of this Act other than subsection (e-4.5), for
18 each calendar year for which an organization gaming licensee
19 located in Madison County requests racing dates resulting in
20 less than 700 live thoroughbred races at its racetrack
21 facility, the organization gaming licensee may not conduct
22 gaming pursuant to an organization gaming license issued under
23 the Illinois Gambling Act for the calendar year of such
24 requested live races.

25 (e-4) Notwithstanding the provisions of Section 7.7 of the
26 Illinois Gambling Act or any provision of this Act other than

1 subsections (e-3) and (e-4.5), for each calendar year for which
2 an organization gaming licensee requests thoroughbred racing
3 dates which results in a number of live races under its
4 organization license that is less than the total number of live
5 races which it conducted in 2017 at its racetrack facility, the
6 organization gaming licensee may not conduct gaming pursuant to
7 its organization gaming license for the calendar year of such
8 requested live races.

9 (e-4.1) Notwithstanding the provisions of Section 7.7 of
10 the Illinois Gambling Act or any provision of this Act other
11 than subsections (e-3) and (e-4.5), for each calendar year for
12 which an organization licensee requests racing dates for
13 standardbred racing which results in a number of live races
14 that is less than the total number of live races required in
15 subsection (e-1), the organization gaming licensee may not
16 conduct gaming pursuant to its organization gaming license for
17 the calendar year of such requested live races.

18 (e-4.5) The Board shall award the minimum live racing
19 guarantees contained in subsections (e-1), (e-2), and (e-3) to
20 ensure that each organization licensee shall individually run a
21 sufficient number of races per year to qualify for an
22 organization gaming license under this Act. The General
23 Assembly finds that the minimum live racing guarantees
24 contained in subsections (e-1), (e-2), and (e-3) are in the
25 best interest of the sport of horse racing, and that such
26 guarantees may only be reduced in the calendar year in which

1 they will be conducted in the limited circumstances described
2 in this subsection. The Board may decrease the number of racing
3 days without affecting an organization licensee's ability to
4 conduct gaming pursuant to an organization gaming license
5 issued under the Illinois Gambling Act only if the Board
6 determines, after notice and hearing, that:

7 (i) a decrease is necessary to maintain a sufficient
8 number of betting interests per race to ensure the
9 integrity of racing;

10 (ii) there are unsafe track conditions due to weather
11 or acts of God;

12 (iii) there is an agreement between an organization
13 licensee and the breed association that is applicable to
14 the involved live racing guarantee, such association
15 representing either the largest number of thoroughbred
16 owners and trainers or the largest number of standardbred
17 owners, trainers and drivers who race horses at the
18 involved organization licensee's racing meeting, so long
19 as the agreement does not compromise the integrity of the
20 sport of horse racing; or

21 (iv) the horse population or purse levels are
22 insufficient to provide the number of racing opportunities
23 otherwise required in this Act.

24 In decreasing the number of racing dates in accordance with
25 this subsection, the Board shall hold a hearing and shall
26 provide the public and all interested parties notice and an

1 opportunity to be heard. The Board shall accept testimony from
2 all interested parties, including any association representing
3 owners, trainers, jockeys, or drivers who will be affected by
4 the decrease in racing dates. The Board shall provide a written
5 explanation of the reasons for the decrease and the Board's
6 findings. The written explanation shall include a listing and
7 content of all communication between any party and any Illinois
8 Racing Board member or staff that does not take place at a
9 public meeting of the Board.

10 (e-5) In reviewing an application for the purpose of
11 granting an organization license consistent with the best
12 interests of the public and the sport of horse racing, the
13 Board shall consider:

14 (1) the character, reputation, experience, and
15 financial integrity of the applicant and of any other
16 separate person that either:

17 (i) controls the applicant, directly or
18 indirectly, or

19 (ii) is controlled, directly or indirectly, by
20 that applicant or by a person who controls, directly or
21 indirectly, that applicant;

22 (2) the applicant's facilities or proposed facilities
23 for conducting horse racing;

24 (3) the total revenue without regard to Section 32.1 to
25 be derived by the State and horsemen from the applicant's
26 conducting a race meeting;

1 (4) the applicant's good faith affirmative action plan
2 to recruit, train, and upgrade minorities in all employment
3 classifications;

4 (5) the applicant's financial ability to purchase and
5 maintain adequate liability and casualty insurance;

6 (6) the applicant's proposed and prior year's
7 promotional and marketing activities and expenditures of
8 the applicant associated with those activities;

9 (7) an agreement, if any, among organization licensees
10 as provided in subsection (b) of Section 21 of this Act;
11 and

12 (8) the extent to which the applicant exceeds or meets
13 other standards for the issuance of an organization license
14 that the Board shall adopt by rule.

15 In granting organization licenses and allocating dates for
16 horse race meetings, the Board shall have discretion to
17 determine an overall schedule, including required simulcasts
18 of Illinois races by host tracks that will, in its judgment, be
19 conducive to the best interests of the public and the sport of
20 horse racing.

21 (e-10) The Illinois Administrative Procedure Act shall
22 apply to administrative procedures of the Board under this Act
23 for the granting of an organization license, except that (1)
24 notwithstanding the provisions of subsection (b) of Section
25 10-40 of the Illinois Administrative Procedure Act regarding
26 cross-examination, the Board may prescribe rules limiting the

1 right of an applicant or participant in any proceeding to award
2 an organization license to conduct cross-examination of
3 witnesses at that proceeding where that cross-examination
4 would unduly obstruct the timely award of an organization
5 license under subsection (e) of Section 20 of this Act; (2) the
6 provisions of Section 10-45 of the Illinois Administrative
7 Procedure Act regarding proposals for decision are excluded
8 under this Act; (3) notwithstanding the provisions of
9 subsection (a) of Section 10-60 of the Illinois Administrative
10 Procedure Act regarding ex parte communications, the Board may
11 prescribe rules allowing ex parte communications with
12 applicants or participants in a proceeding to award an
13 organization license where conducting those communications
14 would be in the best interest of racing, provided all those
15 communications are made part of the record of that proceeding
16 pursuant to subsection (c) of Section 10-60 of the Illinois
17 Administrative Procedure Act; (4) the provisions of Section 14a
18 of this Act and the rules of the Board promulgated under that
19 Section shall apply instead of the provisions of Article 10 of
20 the Illinois Administrative Procedure Act regarding
21 administrative law judges; and (5) the provisions of subsection
22 (d) of Section 10-65 of the Illinois Administrative Procedure
23 Act that prevent summary suspension of a license pending
24 revocation or other action shall not apply.

25 (f) The Board may allot racing dates to an organization
26 licensee for more than one calendar year but for no more than 3

1 successive calendar years in advance, provided that the Board
2 shall review such allotment for more than one calendar year
3 prior to each year for which such allotment has been made. The
4 granting of an organization license to a person constitutes a
5 privilege to conduct a horse race meeting under the provisions
6 of this Act, and no person granted an organization license
7 shall be deemed to have a vested interest, property right, or
8 future expectation to receive an organization license in any
9 subsequent year as a result of the granting of an organization
10 license. Organization licenses shall be subject to revocation
11 if the organization licensee has violated any provision of this
12 Act or the rules and regulations promulgated under this Act or
13 has been convicted of a crime or has failed to disclose or has
14 stated falsely any information called for in the application
15 for an organization license. Any organization license
16 revocation proceeding shall be in accordance with Section 16
17 regarding suspension and revocation of occupation licenses.

18 (f-5) If, (i) an applicant does not file an acceptance of
19 the racing dates awarded by the Board as required under part
20 (1) of subsection (h) of this Section 20, or (ii) an
21 organization licensee has its license suspended or revoked
22 under this Act, the Board, upon conducting an emergency hearing
23 as provided for in this Act, may reaward on an emergency basis
24 pursuant to rules established by the Board, racing dates not
25 accepted or the racing dates associated with any suspension or
26 revocation period to one or more organization licensees, new

1 applicants, or any combination thereof, upon terms and
2 conditions that the Board determines are in the best interest
3 of racing, provided, the organization licensees or new
4 applicants receiving the awarded racing dates file an
5 acceptance of those reawarded racing dates as required under
6 paragraph (1) of subsection (h) of this Section 20 and comply
7 with the other provisions of this Act. The Illinois
8 Administrative Procedure Act shall not apply to the
9 administrative procedures of the Board in conducting the
10 emergency hearing and the reallocation of racing dates on an
11 emergency basis.

12 (g) (Blank).

13 (h) The Board shall send the applicant a copy of its
14 formally executed order by certified mail addressed to the
15 applicant at the address stated in his application, which
16 notice shall be mailed within 5 days of the date the formal
17 order is executed.

18 Each applicant notified shall, within 10 days after receipt
19 of the final executed order of the Board awarding racing dates:

20 (1) file with the Board an acceptance of such award in
21 the form prescribed by the Board;

22 (2) pay to the Board an additional amount equal to \$110
23 for each racing date awarded; and

24 (3) file with the Board the bonds required in Sections
25 21 and 25 at least 20 days prior to the first day of each
26 race meeting.

1 Upon compliance with the provisions of paragraphs (1), (2), and
2 (3) of this subsection (h), the applicant shall be issued an
3 organization license.

4 If any applicant fails to comply with this Section or fails
5 to pay the organization license fees herein provided, no
6 organization license shall be issued to such applicant.

7 (Source: P.A. 101-31, eff. 6-28-19.)