

102ND GENERAL ASSEMBLY State of Illinois 2021 and 2022 HB5198

Introduced 1/31/2022, by Rep. Robert Rita

SYNOPSIS AS INTRODUCED:

230 ILCS 5/26

from Ch. 8, par. 37-26

Amends the Illinois Horse Racing Act of 1975. Removes a provision that provides that an eligible race track located in a county that has a population of more than 230,000 and is bounded by the Mississippi River may establish up to 9 inter-track wagering locations, an eligible race track located in Stickney Township in Cook County may establish up to 16 inter-track wagering locations, and an eligible race track located in Palatine Township in Cook County may establish up to 18 inter-track wagering locations. Removes a provision that provides that any eligible racetrack conducting Standardbred racing may have up to 16 inter-track wagering locations. Provides that an inter-track wagering location licensee may conduct inter-track wagering and simulcast wagering without written consent regardless of whether it is located within 5 miles (or 8 miles for specific locations outside of Chicago) of a race track if the Illinois Racing Board licensed the inter-track wagering location licensee before initially issuing an organization license to the race track in question.

LRB102 26048 AMQ 35493 b

1 AN ACT concerning gaming.

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

- Section 5. The Illinois Horse Racing Act of 1975 is amended by changing Section 26 as follows:
- 6 (230 ILCS 5/26) (from Ch. 8, par. 37-26)

the race wagered upon occurs.

7 Sec. 26. Wagering.

- (a) Any licensee may conduct and supervise the pari-mutuel 8 9 system of wagering, as defined in Section 3.12 of this Act, on horse races conducted by an Illinois organization licensee or 10 conducted at a racetrack located in another state or country 11 in accordance with subsection (g) of Section 26 of this Act. 12 13 Subject to the prior consent of the Board, licensees may 14 supplement any pari-mutuel pool in order to quarantee a minimum distribution. Such pari-mutuel method of wagering 15 16 shall not, under any circumstances if conducted under the 17 provisions of this Act, be held or construed to be unlawful, other statutes of this State to the contrary notwithstanding. 18 Subject to rules for advance wagering promulgated by the 19 20 Board, any licensee may accept wagers in advance of the day of
- 22 (b) Except for those gaming activities for which a license 23 is obtained and authorized under the Illinois Lottery Law, the

- Charitable Games Act, the Raffles and Poker Runs Act, or the Illinois Gambling Act, no other method of betting, pool making, wagering or gambling shall be used or permitted by the licensee. Each licensee may retain, subject to the payment of all applicable taxes and purses, an amount not to exceed 17% of all money wagered under subsection (a) of this Section, except as may otherwise be permitted under this Act.
 - (b-5) An individual may place a wager under the pari-mutuel system from any licensed location authorized under this Act provided that wager is electronically recorded in the manner described in Section 3.12 of this Act. Any wager made electronically by an individual while physically on the premises of a licensee shall be deemed to have been made at the premises of that licensee.
- 15 (c) (Blank).
 - (c-5) The sum held by any licensee for payment of outstanding pari-mutuel tickets, if unclaimed prior to December 31 of the next year, shall be retained by the licensee for payment of such tickets until that date. Within 10 days thereafter, the balance of such sum remaining unclaimed, less any uncashed supplements contributed by such licensee for the purpose of guaranteeing minimum distributions of any pari-mutuel pool, shall be evenly distributed to the purse account of the organization licensee and the organization licensee, except that the balance of the sum of all outstanding pari-mutuel tickets generated from simulcast

- wagering and inter-track wagering by an organization licensee located in a county with a population in excess of 230,000 and borders the Mississippi River or any licensee that derives its license from that organization licensee shall be evenly distributed to the purse account of the organization licensee and the organization licensee.
 - (d) A pari-mutuel ticket shall be honored until December 31 of the next calendar year, and the licensee shall pay the same and may charge the amount thereof against unpaid money similarly accumulated on account of pari-mutuel tickets not presented for payment.
 - (e) No licensee shall knowingly permit any minor, other than an employee of such licensee or an owner, trainer, jockey, driver, or employee thereof, to be admitted during a racing program unless accompanied by a parent or guardian, or any minor to be a patron of the pari-mutuel system of wagering conducted or supervised by it. The admission of any unaccompanied minor, other than an employee of the licensee or an owner, trainer, jockey, driver, or employee thereof at a race track is a Class C misdemeanor.
 - (f) Notwithstanding the other provisions of this Act, an organization licensee may contract with an entity in another state or country to permit any legal wagering entity in another state or country to accept wagers solely within such other state or country on races conducted by the organization licensee in this State. Beginning January 1, 2000, these

wagers shall not be subject to State taxation. Until January 1, 2000, when the out-of-State entity conducts a pari-mutuel pool separate from the organization licensee, a privilege tax equal to 7 1/2% of all monies received by the organization licensee from entities in other states or countries pursuant to such contracts is imposed on the organization licensee, and such privilege tax shall be remitted to the Department of Revenue within 48 hours of receipt of the moneys from the simulcast. When the out-of-State entity conducts a combined pari-mutuel pool with the organization licensee, the tax shall be 10% of all monies received by the organization licensee with 25% of the receipts from this 10% tax to be distributed to the county in which the race was conducted.

An organization licensee may permit one or more of its races to be utilized for pari-mutuel wagering at one or more locations in other states and may transmit audio and visual signals of races the organization licensee conducts to one or more locations outside the State or country and may also permit pari-mutuel pools in other states or countries to be combined with its gross or net wagering pools or with wagering pools established by other states.

(g) A host track may accept interstate simulcast wagers on horse races conducted in other states or countries and shall control the number of signals and types of breeds of racing in its simulcast program, subject to the disapproval of the Board. The Board may prohibit a simulcast program only if it

2

3

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

finds that the simulcast program is clearly adverse to the integrity of racing. The host track simulcast program shall include the signal of live racing of all organization licensees. All non-host licensees and advance deposit wagering licensees shall carry the signal of and accept wagers on live racing of all organization licensees. Advance deposit wagering licensees shall not be permitted to accept out-of-state wagers on any Illinois signal provided pursuant to this Section without the approval and consent of the organization licensee providing the signal. For one year after August 15, 2014 (the effective date of Public Act 98-968), non-host licensees may carry the host track simulcast program and shall accept wagers on all races included as part of the simulcast program of horse races conducted at race tracks located within North America upon which wagering is permitted. For a period of one year after August 15, 2014 (the effective date of Public Act 98-968), on horse races conducted at race tracks located outside of North America, non-host licensees may accept wagers on all races included as part of the simulcast program upon which wagering is permitted. Beginning August 15, 2015 (one year after the effective date of Public Act 98-968), non-host licensees may carry the host track simulcast program and shall accept wagers on all races included as part of the simulcast program upon which wagering is permitted. All organization licensees shall provide their live signal to all advance deposit wagering licensees for a simulcast commission fee not

to exceed 6% of the advance deposit wagering licensee's 1 2 Illinois handle on the organization licensee's signal without 3 prior approval by the Board. The Board may adopt rules under which it may permit simulcast commission fees in excess of 6%. 5 The Board shall adopt rules limiting the interstate commission fees charged to an advance deposit wagering licensee. The 6 7 Board shall adopt rules regarding advance deposit wagering on interstate simulcast races that shall reflect, among other 8 9 things, the General Assembly's desire to maximize revenues to 10 the State, horsemen purses, and organization licensees. 11 However, organization licensees providing live 12 pursuant to the requirements of this subsection (q) may 13 petition the Board to withhold their live signals from an advance deposit wagering licensee if the organization licensee 14 15 and the Board finds reputable or 16 information that the advance deposit wagering licensee is 17 under investigation by another state or federal governmental agency, the advance deposit wagering licensee's license has 18 19 been suspended in another state, or the advance deposit wagering licensee's license is in revocation proceedings in 20 another state. The organization licensee's provision of their 21 22 live signal to an advance deposit wagering licensee under this 23 subsection (g) pertains to wagers placed from within Illinois. Advance deposit wagering licensees may place advance deposit 24 25 wagering terminals at wagering facilities as a convenience to 26 customers. The advance deposit wagering licensee shall not

2

3

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

charge or collect any fee from purses for the placement of the advance deposit wagering terminals. The costs and expenses of the host track and non-host licensees associated with interstate simulcast wagering, other than the interstate commission fee, shall be borne by the host track and all non-host licensees incurring these costs. The interstate commission fee shall not exceed 5% of Illinois handle on the interstate simulcast race or races without prior approval of the Board. The Board shall promulgate rules under which it may permit interstate commission fees in excess of 5%. The interstate commission fee and other fees charged by the sending racetrack, including, but not limited to, satellite decoder fees, shall be uniformly applied to the host track and all non-host licensees.

Notwithstanding any other provision of this Act, an organization licensee, with the consent of the horsemen association representing the largest number of owners, trainers, jockeys, or standardbred drivers who race horses at that organization licensee's racing meeting, may maintain a system whereby advance deposit wagering may take place or an organization licensee, with the consent of the horsemen association representing the largest number of owners, trainers, jockeys, or standardbred drivers who race horses at that organization licensee's racing meeting, may contract with another person to carry out a system of advance deposit wagering. Such consent may not be unreasonably withheld. Only

2

3

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

with respect to an appeal to the Board that consent for an organization licensee that maintains its own advance deposit wagering system is being unreasonably withheld, the Board shall issue a final order within 30 days after initiation of the appeal, and the organization licensee's advance deposit wagering system may remain operational during that 30-day period. The actions of any organization licensee who conducts advance deposit wagering or any person who has a contract with an organization licensee to conduct advance deposit wagering who conducts advance deposit wagering on or after January 1, 2013 and prior to June 7, 2013 (the effective date of Public Act 98-18) taken in reliance on the changes made to this subsection (q) by Public Act 98-18 are hereby validated, provided payment of all applicable pari-mutuel taxes are remitted to the Board. All advance deposit wagers placed from within Illinois must be placed through a Board-approved advance deposit wagering licensee; no other entity may accept an advance deposit wager from a person within Illinois. All advance deposit wagering is subject to any rules adopted by the Board. The Board may adopt rules necessary to regulate advance deposit wagering through the use of emergency rulemaking in accordance with Section 5-45 of the Illinois Administrative Procedure Act. The General Assembly finds that the adoption of rules to regulate advance deposit wagering is deemed an emergency and necessary for the public interest, safety, and welfare. An advance deposit wagering licensee may

2

3

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

by contract retain all moneys as agreed to with organization licensee. Any moneys retained by the organization licensee from advance deposit wagering, not including moneys retained by the advance deposit wagering licensee, shall be paid 50% to the organization licensee's purse account and 50% to the organization licensee. With the exception of organization licensee that is owned by a publicly traded company that is incorporated in a state other than Illinois and advance deposit wagering licensees under contract with such organization licensees, organization licensees maintain advance deposit wagering systems and advance deposit wagering licensees that contract with organization licensees shall provide sufficiently detailed monthly accountings to the horsemen association representing the largest number of owners, trainers, jockeys, or standardbred drivers who race horses at that organization licensee's racing meeting so that the horsemen association, as an interested party, can confirm the accuracy of the amounts paid to the purse account at the horsemen association's affiliated organization licensee from advance deposit wagering. If more than one breed races at the same race track facility, then the 50% of the moneys to be paid to an organization licensee's purse account shall be allocated among all organization licensees' purse accounts operating at that race track facility proportionately based on the actual number of host days that the Board grants to that breed at that race track facility in the current calendar year. To the

2

3

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

- extent any fees from advance deposit wagering conducted in Illinois for wagers in Illinois or other states have been placed in escrow or otherwise withheld from wagers pending a determination of the legality of advance deposit wagering, no action shall be brought to declare such wagers or the disbursement of any fees previously escrowed illegal.
 - (1) Between the hours of 6:30 a.m. and 6:30 p.m. an inter-track wagering licensee other than the host track may supplement the host track simulcast program with additional simulcast races or race programs, provided that between January 1 and the third Friday in February of any inclusive, if no live thoroughbred racing is year, Illinois during occurring in this period, thoroughbred races may be used for supplemental interstate simulcast purposes. The Board shall withhold approval for a supplemental interstate simulcast only if it finds that the simulcast is clearly adverse to the integrity of racing. A supplemental interstate simulcast may transmitted from an inter-track wagering licensee to its affiliated non-host licensees. The interstate commission fee for a supplemental interstate simulcast shall be paid by the non-host licensee and its affiliated non-host licensees receiving the simulcast.
 - (2) Between the hours of 6:30 p.m. and 6:30 a.m. an inter-track wagering licensee other than the host track may receive supplemental interstate simulcasts only with

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

the consent of the host track, except when the Board finds that the simulcast is clearly adverse to the integrity of racing. Consent granted under this paragraph (2) to any inter-track wagering licensee shall be deemed consent to all non-host licensees. The interstate commission fee for the supplemental interstate simulcast shall be paid by all participating non-host licensees.

- Each licensee conducting interstate simulcast wagering may retain, subject to the payment of all applicable taxes and the purses, an amount not to exceed 17% of all money wagered. If any licensee conducts the pari-mutuel system wagering on races conducted racetracks in another state or country, each such race or race program shall be considered a separate racing day for the purpose of determining the daily handle and computing the privilege tax of that daily handle as provided in subsection (a) of Section 27. Until January 1, 2000, from sums permitted to be retained pursuant to this the subsection, each inter-track wagering location licensee shall pay 1% of the pari-mutuel handle wagered on simulcast wagering to the Horse Racing Tax Allocation Fund, subject to the provisions of subparagraph (B) of paragraph (11) of subsection (h) of Section 26 of this Act.
- (4) A licensee who receives an interstate simulcast may combine its gross or net pools with pools at the

sending racetracks pursuant to rules established by the Board. All licensees combining their gross pools at a sending racetrack shall adopt the takeout percentages of the sending racetrack. A licensee may also establish a separate pool and takeout structure for wagering purposes on races conducted at race tracks outside of the State of Illinois. The licensee may permit pari-mutuel wagers placed in other states or countries to be combined with its gross or net wagering pools or other wagering pools.

- (5) After the payment of the interstate commission fee (except for the interstate commission fee on a supplemental interstate simulcast, which shall be paid by the host track and by each non-host licensee through the host track) and all applicable State and local taxes, except as provided in subsection (g) of Section 27 of this Act, the remainder of moneys retained from simulcast wagering pursuant to this subsection (g), and Section 26.2 shall be divided as follows:
 - (A) For interstate simulcast wagers made at a host track, 50% to the host track and 50% to purses at the host track.
 - (B) For wagers placed on interstate simulcast races, supplemental simulcasts as defined in subparagraphs (1) and (2), and separately pooled races conducted outside of the State of Illinois made at a non-host licensee, 25% to the host track, 25% to the

non-host licensee, and 50% to the purses at the host track.

- (6) Notwithstanding any provision in this Act to the contrary, non-host licensees who derive their licenses from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River may receive supplemental interstate simulcast races at all times subject to Board approval, which shall be withheld only upon a finding that a supplemental interstate simulcast is clearly adverse to the integrity of racing.
- (7) Effective January 1, 2017, notwithstanding any provision of this Act to the contrary, after payment of all applicable State and local taxes and interstate commission fees, non-host licensees who derive their licenses from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall retain 50% of the retention from interstate simulcast wagers and shall pay 50% to purses at the track from which the non-host licensee derives its license.
- (7.1) Notwithstanding any other provision of this Act to the contrary, if no standardbred racing is conducted at a racetrack located in Madison County during any calendar year beginning on or after January 1, 2002, all moneys derived by that racetrack from simulcast wagering and inter-track wagering that (1) are to be used for purses

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

and (2) are generated between the hours of 6:30 p.m. and 6:30 a.m. during that calendar year shall be paid as follows:

- (A) If the licensee that conducts horse racing at that racetrack requests from the Board at least as many racing dates as were conducted in calendar year 2000, 80% shall be paid to its thoroughbred purse account; and
- (B) Twenty percent shall be deposited into the Illinois Colt Stakes Purse Distribution Fund and shall be paid to purses for standardbred races for Illinois conceived and foaled horses conducted at any county fairgrounds. The moneys deposited into the Fund pursuant to this subparagraph (B) shall be deposited within 2 weeks after the day they were generated, shall be in addition to and not in lieu of any other moneys paid to standardbred purses under this Act, and shall not be commingled with other moneys paid into that Fund. The moneys deposited pursuant to this subparagraph (B) shall be allocated as provided by the Department of Agriculture, with the advice and assistance of the Illinois Standardbred Breeders Fund Advisory Board.
- (7.2) Notwithstanding any other provision of this Act to the contrary, if no thoroughbred racing is conducted at a racetrack located in Madison County during any calendar

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

year beginning on or after January 1, 2002, all moneys derived by that racetrack from simulcast wagering and inter-track wagering that (1) are to be used for purses and (2) are generated between the hours of 6:30 a.m. and 6:30 p.m. during that calendar year shall be deposited as follows:

- (A) If the licensee that conducts horse racing at that racetrack requests from the Board at least as many racing dates as were conducted in calendar year 2000, 80% shall be deposited into its standardbred purse account; and
- (B) Twenty percent shall be deposited into the Illinois Colt Stakes Purse Distribution Fund. Moneys deposited into the Illinois Colt Stakes Distribution Fund pursuant to this subparagraph (B) shall be paid to Illinois conceived and foaled thoroughbred breeders' programs and to thoroughbred purses for races conducted at any county fairgrounds for Illinois conceived and foaled horses at discretion of the Department of Agriculture, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board. The moneys deposited into the Illinois Colt Stakes Purse Distribution Fund pursuant to this subparagraph (B) shall be deposited within 2 weeks after the day they were generated, shall be in addition to and not in lieu of any other

moneys paid to thoroughbred purses under this Act, and shall not be commingled with other moneys deposited into that Fund.

- (8) Notwithstanding any provision in this Act to the contrary, an organization licensee from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River and its affiliated non-host licensees shall not be entitled to share in any retention generated on racing, inter-track wagering, or simulcast wagering at any other Illinois wagering facility.
- (8.1) Notwithstanding any provisions in this Act to the contrary, if 2 organization licensees are conducting standardbred race meetings concurrently between the hours of 6:30 p.m. and 6:30 a.m., after payment of all applicable State and local taxes and interstate commission fees, the remainder of the amount retained from simulcast wagering otherwise attributable to the host track and to host track purses shall be split daily between the 2 organization licensees and the purses at the tracks of the 2 organization licensees, respectively, based on each organization licensee's share of the total live handle for that day, provided that this provision shall not apply to any non-host licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River.
 - (9) (Blank).

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

- 1 (10) (Blank).
- 2 (11) (Blank).
 - (12) The Board shall have authority to compel all host tracks to receive the simulcast of any or all races conducted at the Springfield or DuQuoin State fairgrounds and include all such races as part of their simulcast programs.
 - (13) Notwithstanding any other provision of this Act, in the event that the total Illinois pari-mutuel handle on Illinois horse races at all wagering facilities in any calendar year is less than 75% of the total Illinois pari-mutuel handle on Illinois horse races at all such wagering facilities for calendar year 1994, then each wagering facility that has an annual total Illinois pari-mutuel handle on Illinois horse races that is less than 75% of the total Illinois pari-mutuel handle on Illinois horse races at such wagering facility for calendar year 1994, shall be permitted to receive, from any amount otherwise payable to the purse account at the race track with which the wagering facility is affiliated in the succeeding calendar year, an amount equal to 2% of the differential in total Illinois pari-mutuel handle on Illinois horse races at the wagering facility between that calendar year in question and 1994 provided, however, that a wagering facility shall not be entitled to any such payment until the Board certifies in writing to the

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

wagering facility the amount to which the wagering facility is entitled and a schedule for payment of the amount to the wagering facility, based on: (i) the racing dates awarded to the race track affiliated with wagering facility during the succeeding year; (ii) the sums available or anticipated to be available in the purse account of the race track affiliated with the wagering facility for purses during the succeeding year; and (iii) the need to ensure reasonable purse levels during the payment period. The Board's certification shall be provided no later than January 31 of the succeeding year. In the event a wagering facility entitled to a payment under this paragraph (13) is affiliated with a race track that maintains purse accounts for both standardbred and thoroughbred racing, the amount to be paid to the wagering facility shall be divided between each purse account pro rata, based on the amount of Illinois handle on Illinois standardbred and thoroughbred racing respectively at the wagering facility during the previous calendar year. Annually, the General Assembly shall appropriate sufficient funds from the General Revenue Fund to the Agriculture Department of for payment into the thoroughbred and standardbred horse racing purse accounts at Illinois pari-mutuel tracks. The amount paid to each purse account shall be the amount certified by the Illinois Racing Board in January to be transferred from

2

3

4

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

each eligible racing facility each account to accordance with the provisions of this Section. Beginning in the calendar year in which an organization licensee that is eligible to receive payment under this paragraph (13) begins to receive funds from gaming pursuant to an organization gaming license issued under the Illinois Gambling Act, the amount of the payment due to all wagering facilities licensed under that organization licensee under this paragraph (13) shall be the amount certified by the Board in January of that year. An organization licensee and its related wagering facilities shall no longer be able to receive payments under this paragraph (13) beginning in the year subsequent to the first year in which the organization licensee begins to receive funds from gaming pursuant to an organization gaming license issued under the Illinois Gambling Act.

- (h) The Board may approve and license the conduct of inter-track wagering and simulcast wagering by inter-track wagering licensees and inter-track wagering location licensees subject to the following terms and conditions:
 - (1) Any person licensed to conduct a race meeting (i) at a track where 60 or more days of racing were conducted during the immediately preceding calendar year or where over the 5 immediately preceding calendar years an average of 30 or more days of racing were conducted annually may be issued an inter-track wagering license; (ii) at a track

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

located in a county that is bounded by the Mississippi River, which has a population of less than 150,000 according to the 1990 decennial census, and an average of at least 60 days of racing per year between 1985 and 1993 may be issued an inter-track wagering license; (iii) at a track awarded standardbred racing dates; or (iv) at a track located in Madison County that conducted at least 100 days of live racing during the immediately preceding calendar year may be issued an inter-track wagering license, unless a lesser schedule of live racing is the result of (A) weather, unsafe track conditions, or other acts of God; (B) an agreement between the organization licensee and the associations representing the largest number of owners, trainers, jockeys, or standardbred drivers who race horses at that organization licensee's racing meeting; or (C) a finding by the Board of extraordinary circumstances and that it was in the best interest of the public and the sport to conduct fewer than 100 days of live racing. Any such person having operating control of the racing facility may receive inter-track wagering location licenses. An eligible race track located in a county that has a population of more than 230,000 and that is bounded by the Mississippi River may establish up to 9 inter-track wagering locations, an eligible race track located in Stickney Township in Cook County may establish up to 16 inter track wagering locations, and an

county may establish up to 18 inter-track wagering locations. An eligible racetrack conducting standardbred racing may have up to 16 inter-track wagering locations. An application for said license shall be filed with the Board prior to such dates as may be fixed by the Board. With an application for an inter-track wagering location license there shall be delivered to the Board a certified check or bank draft payable to the order of the Board for an amount equal to \$500. The application shall be on forms prescribed and furnished by the Board. The application shall comply with all other rules, regulations and conditions imposed by the Board in connection therewith.

- (2) The Board shall examine the applications with respect to their conformity with this Act and the rules and regulations imposed by the Board. If found to be in compliance with the Act and rules and regulations of the Board, the Board may then issue a license to conduct inter-track wagering and simulcast wagering to such applicant. All such applications shall be acted upon by the Board at a meeting to be held on such date as may be fixed by the Board.
- (3) In granting licenses to conduct inter-track wagering and simulcast wagering, the Board shall give due consideration to the best interests of the public, of horse racing, and of maximizing revenue to the State.

- (4) Prior to the issuance of a license to conduct inter-track wagering and simulcast wagering, the applicant shall file with the Board a bond payable to the State of Illinois in the sum of \$50,000, executed by the applicant and a surety company or companies authorized to do business in this State, and conditioned upon (i) the payment by the licensee of all taxes due under Section 27 or 27.1 and any other monies due and payable under this Act, and (ii) distribution by the licensee, upon presentation of the winning ticket or tickets, of all sums payable to the patrons of pari-mutuel pools.
- (5) Each license to conduct inter-track wagering and simulcast wagering shall specify the person to whom it is issued, the dates on which such wagering is permitted, and the track or location where the wagering is to be conducted.
- (6) All wagering under such license is subject to this Act and to the rules and regulations from time to time prescribed by the Board, and every such license issued by the Board shall contain a recital to that effect.
- (7) An inter-track wagering licensee or inter-track wagering location licensee may accept wagers at the track or location where it is licensed, or as otherwise provided under this Act.
- (8) Inter-track wagering or simulcast wagering shall not be conducted at any track less than 4 miles from a

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

track at which a racing meeting is in progress.

(8.1) Inter-track wagering location licensees who derive their licenses from a particular organization licensee shall conduct inter-track wagering and simulcast wagering only at locations that are within 160 miles of that race track where the particular organization licensee licensed to conduct racing. Except as otherwise is provided However, inter-track wagering and simulcast wagering shall not be conducted by those licensees at any location within 5 miles of any race track at which a horse race meeting has been licensed in the current year, unless the person having operating control of such race track has given its written consent to such inter-track wagering location licensees, which consent must be filed with the Board at or prior to the time application is made. In the of any inter-track wagering location licensee initially licensed after December 31, 2013, inter-track wagering and simulcast wagering shall not be conducted by those inter-track wagering location licensees that are located outside the City of Chicago at any location within 8 miles of any race track at which a horse race meeting has been licensed in the current year, unless the person having operating control of such race track has given its written consent to such inter-track wagering location licensees, which consent must be filed with the Board at or prior to the time application is made. However, an

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

inter-track wagering location licensee may conduct inter-track wagering and simulcast wagering without written consent regardless of whether it is located within 5 miles (or 8 miles for an inter-track wagering location licensee initially licensed after December 31, 2013 that is located outside the City of Chicago) of a race track if the Board licensed the inter-track wagering location licensee before initially issuing an organization license to the race track in question.

(8.2) Inter-track wagering or simulcast wagering shall not be conducted by an inter-track wagering location licensee at any location within 100 feet of an existing church, an existing elementary or secondary public school, or an existing elementary or secondary private school registered with or recognized by the State Board of Education. The distance of 100 feet shall be measured to nearest part of any building used for worship services, education programs, or conducting inter-track wagering by an inter-track wagering location licensee, and not to property boundaries. However, inter-track wagering or simulcast wagering may be conducted at a site within 100 feet of a church or school if such church or school has been erected or established after the Board issues the original inter-track wagering location license at the site in question. Inter-track wagering location licensees may conduct inter-track wagering and simulcast wagering only

in areas that are zoned for commercial or manufacturing purposes or in areas for which a special use has been approved by the local zoning authority. However, no license to conduct inter-track wagering and simulcast wagering shall be granted by the Board with respect to any inter-track wagering location within the jurisdiction of any local zoning authority which has, by ordinance or by resolution, prohibited the establishment of an inter-track wagering location within its jurisdiction. However, inter-track wagering and simulcast wagering may be conducted at a site if such ordinance or resolution is enacted after the Board licenses the original inter-track wagering location licensee for the site in question.

(9) (Blank).

(10) An inter-track wagering licensee or an inter-track wagering location licensee may retain, subject to the payment of the privilege taxes and the purses, an amount not to exceed 17% of all money wagered. Each program of racing conducted by each inter-track wagering licensee or inter-track wagering location licensee shall be considered a separate racing day for the purpose of determining the daily handle and computing the privilege tax or pari-mutuel tax on such daily handle as provided in Section 27.

(10.1) Except as provided in subsection (g) of Section 27 of this Act, inter-track wagering location licensees

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

shall pay 1% of the pari-mutuel handle at each location to the municipality in which such location is situated and 1% of the pari-mutuel handle at each location to the county in which such location is situated. In the event that an inter-track wagering location licensee is situated in an unincorporated area of a county, such licensee shall pay 2% of the pari-mutuel handle from such location to such county. Inter-track wagering location licensees must pay the handle percentage required under this paragraph to the municipality and county no later than the 20th of the month following the month such handle was generated.

(10.2) Notwithstanding any other provision of this Act, with respect to inter-track wagering at a race track located in a county that has a population of more than 230,000 and that is bounded by the Mississippi River ("the first race track"), or at a facility operated by an inter-track wagering licensee or inter-track wagering location licensee that derives its license from the organization licensee that operates the first race track, on races conducted at the first race track or on races conducted at another Illinois race track and simultaneously televised to the first race track or to a facility operated by an inter-track wagering licensee or inter-track wagering location licensee that derives its license from the organization licensee that operates the first race track, those moneys shall be allocated as

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

follows:

- (A) That portion of all moneys wagered on standardbred racing that is required under this Act to be paid to purses shall be paid to purses for standardbred races.
 - (B) That portion of all moneys wagered on thoroughbred racing that is required under this Act to be paid to purses shall be paid to purses for thoroughbred races.
- (11) (A) After payment of the privilege or pari-mutuel tax, any other applicable taxes, and the costs and expenses in connection with the gathering, transmission, and dissemination of all data necessary to the conduct of inter-track wagering, the remainder of the monies retained under either Section 26 or Section 26.2 of this Act by the inter-track wagering licensee on inter-track wagering shall be allocated with 50% to be split between the 2 participating licensees and 50% to purses, except that an inter-track wagering licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with the Illinois organization licensee that provides the race or races, and an inter-track wagering licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

230,000 and that borders the Mississippi River shall not divide any remaining retention with that organization licensee.

(B) From the sums permitted to be retained pursuant to this Act each inter-track wagering location licensee shall pay (i) the privilege or pari-mutuel tax to the State; (ii) 4.75% of the pari-mutuel handle on inter-track wagering at such location on races as purses, except that an inter-track wagering location licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall retain all purse moneys for its own purse account consistent with distribution set forth in this subsection (h), and inter-track wagering location licensees that accept wagers on races conducted by an organization licensee located in а county with population in excess of 230,000 and that borders the Mississippi River shall distribute all purse moneys to purses at the operating host track; (iii) until January 1, 2000, except as provided in subsection (g) of Section 27 of this Act, 1% of the pari-mutuel handle wagered on inter-track wagering and simulcast wagering at each inter-track wagering location licensee facility to the Horse Racing Tax Allocation Fund, provided that, to the extent the total amount collected and distributed to the Horse Racing Tax Allocation Fund under this subsection (h)

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

during any calendar year exceeds the amount collected and distributed to the Horse Racing Tax Allocation Fund during calendar year 1994, that excess amount shall be redistributed (I) to all inter-track wagering location licensees, based on each licensee's pro rata share of the total handle from inter-track wagering and simulcast wagering for all inter-track wagering location licensees during the calendar year in which this provision is applicable; then (II) the amounts redistributed to each inter-track wagering location licensee as described in subpart (I) shall be further redistributed as provided in subparagraph (B) of paragraph (5) of subsection (g) of this Section 26 provided first, that the shares of those amounts, which are to be redistributed to the host track or to purses at the host track under subparagraph (B) of paragraph (5) of subsection (g) of this Section 26 shall be redistributed based on each host track's pro rata share of the total inter-track wagering and simulcast wagering handle at all host tracks during the calendar year in question, and second, that any amounts redistributed as described in part (I) to an inter-track wagering location licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of 230,000 and that the Mississippi River shall borders be redistributed, effective January 1, 2017, as provided in

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

paragraph (7) of subsection (g) of this Section 26, with the portion of that further redistribution allocated to purses at that organization licensee to be divided between standardbred purses and thoroughbred purses based on the amounts otherwise allocated to purses at that organization licensee during the calendar year in question; and (iv) 8% of the pari-mutuel handle on inter-track wagering wagered at such location to satisfy all costs and expenses of conducting its wagering. The remainder of the monies retained by the inter-track wagering location licensee shall be allocated 40% to the location licensee and 60% to the organization licensee which provides the Illinois races to the location, except that an inter-track wagering location licensee that derives its license from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any remaining retention with the organization licensee that provides the race or races and an inter-track wagering location licensee that accepts wagers on races conducted by an organization licensee that conducts a race meet in a county with a population in excess of 230,000 and that borders the Mississippi River shall not divide any retention with the organization remaining licensee. Notwithstanding the provisions of clauses (ii) and (iv) of this paragraph, in the case of the additional inter-track wagering location licenses authorized under paragraph (1)

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

(h) by Public Act 87-110, those of this subsection licensees shall pay the following amounts as purses: during the first 12 months the licensee is in operation, 5.25% of the pari-mutuel handle wagered at the location on races; during the second 12 months, 5.25%; during the third 12 months, 5.75%; during the fourth 12 months, 6.25%; and during the fifth 12 months and thereafter, 6.75%. The following amounts shall be retained by the licensee to satisfy all costs and expenses of conducting its wagering: during the first 12 months the licensee is in operation, 8.25% of the pari-mutuel handle wagered at the location; during the second 12 months, 8.25%; during the third 12 months, 7.75%; during the fourth 12 months, 7.25%; and during the fifth 12 months and thereafter, 6.75%. For additional inter-track wagering location licensees authorized under Public Act 89-16, purses for the first 12 months the licensee is in operation shall be 5.75% of the pari-mutuel wagered at the location, purses for the second 12 months the licensee is in operation shall be 6.25%, and purses thereafter shall be 6.75%. For additional inter-track location licensees authorized under Public Act 89-16, the licensee shall be allowed to retain and expenses: 7.75% satisfy all costs pari-mutuel handle wagered at the location during its first 12 months of operation, 7.25% during its second 12 months of operation, and 6.75% thereafter.

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

There is hereby created the Horse Racing Tax Allocation Fund which shall remain in existence until December 31, 1999. Moneys remaining in the Fund after December 31, 1999 shall be paid into the General Revenue Fund. Until January 1, 2000, all monies paid into the Tax Allocation Fund pursuant Racing paragraph (11) by inter-track wagering location licensees located in park districts of 500,000 population or less, or in a municipality that is not included within any park district but is included within a conservation district and is the county seat of a county that (i) is contiguous to the state of Indiana and (ii) has a 1990 population of 88,257 according to the United States Bureau of the Census, and operating on May 1, 1994 shall be allocated by appropriation as follows:

Two-sevenths to the Department of Agriculture. Fifty percent of this two-sevenths shall be used to promote Illinois horse racing and breeding the industry, and shall be distributed by the Department of Agriculture upon the advice of a 9-member committee appointed by the Governor consisting of the following members: the Director of Agriculture, who shall serve 2 representatives of chairman; organization licensees conducting thoroughbred race meetings in State, recommended by those licensees; representatives of organization licensees conducting

standardbred race meetings in this State, recommended 1 by those licensees; a representative of the Illinois 2 3 Thoroughbred Breeders and Owners Foundation, recommended by that Foundation; a representative of Illinois Standardbred Owners and 6 Association, recommended by that Association; 7 representative of the Horsemen's Benevolent and Protective Association or any successor organization 8 9 thereto established in Illinois comprised of the 10 largest number of owners and trainers, recommended by 11 that Association or that successor organization; and a 12 representative of the Illinois Harness Horsemen's 13 recommended by Association, that Association. 14 Committee members shall serve for terms of 2 years, 15 commencing January 1 of each even-numbered year. If a 16 representative of any of the above-named entities has 17 not been recommended by January 1 of any even-numbered year, the Governor shall appoint a committee member to 18 19 fill that position. Committee members shall receive no compensation for their services as members but shall 20 21 be reimbursed for all actual and necessary expenses 22 and disbursements incurred in the performance of their duties. 23 official remaining 50% The of two-sevenths shall be distributed to county fairs for 24 25 premiums and rehabilitation as set forth in the 26 Agricultural Fair Act;

26

Four-sevenths to park districts or municipalities that do not have a park district of 500,000 population for museum purposes (if an inter-track less wagering location licensee is located in such a park district) or to conservation districts for museum purposes (if an inter-track wagering location licensee is located in a municipality that is not included within any park district but is included within a conservation district and is the county seat of a county that (i) is contiguous to the state of Indiana and (ii) has a 1990 population of 88,257 according to the United States Bureau of the Census, except that if the conservation district does not maintain a museum, the monies shall be allocated equally between the county and the municipality in which the inter-track wagering location licensee is located for general purposes) or to a municipal recreation board for park purposes (if an inter-track wagering location licensee is located in a municipality that is not included within any park district and park maintenance is the function of the municipal recreation board and the municipality has a 1990 population of 9,302 according to the United States Bureau of the Census); provided that the monies are distributed to each park district or conservation district or municipality that does not have а park district in an amount equal

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

four-sevenths of the amount collected by inter-track wagering location licensee within the park district or conservation district or municipality for the Fund. Monies that were paid into the Horse Racing Allocation Fund before August 9, 1991 (the effective date of Public Act 87-110) by an inter-track wagering location licensee located in a municipality that is not included within any park district but is included within a conservation district as provided in this paragraph shall, as soon as practicable after August 9, 1991 (the effective date of Public Act 87-110), be allocated and paid to that conservation district as provided in this paragraph. Any park district or municipality not maintaining a museum may deposit the monies in the corporate fund of the park district or municipality where the inter-track wagering location is located, to be used for general purposes; and

One-seventh to the Agricultural Premium Fund to be used for distribution to agricultural home economics extension councils in accordance with "An Act in relation to additional support and finances for the Agricultural and Home Economic Extension Councils in the several counties of this State and making an appropriation therefor", approved July 24, 1967.

Until January 1, 2000, all other monies paid into the

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

Horse Racing Tax Allocation Fund pursuant to this paragraph (11) shall be allocated by appropriation as follows:

Two-sevenths to the Department of Agriculture. Fifty percent of this two-sevenths shall be used to the Illinois horse racing and breeding industry, and shall be distributed by the Department of Agriculture upon the advice of a 9-member committee appointed by the Governor consisting of the following members: the Director of Agriculture, who shall serve chairman; 2 representatives of organization as licensees conducting thoroughbred race meetings in recommended by those this State, licensees; representatives of organization licensees conducting standardbred race meetings in this State, recommended by those licensees; a representative of the Illinois Breeders and Owners Thoroughbred Foundation, recommended by that Foundation; a representative of Standardbred the Illinois Owners and Breeders Association, recommended by that Association; representative of the Horsemen's Benevolent Protective Association or any successor organization thereto established in Illinois comprised of the largest number of owners and trainers, recommended by that Association or that successor organization; and a representative of the Illinois Harness Horsemen's

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

Association, recommended by that Association. Committee members shall serve for terms of 2 years, commencing January 1 of each even-numbered year. If a representative of any of the above-named entities has not been recommended by January 1 of any even-numbered year, the Governor shall appoint a committee member to fill that position. Committee members shall receive no compensation for their services as members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the performance of their official duties. The remaining 50% of this two-sevenths shall be distributed to county fairs for premiums and rehabilitation as set forth in Agricultural Fair Act;

Four-sevenths to museums and aquariums located in park districts of over 500,000 population; provided that the monies are distributed in accordance with the previous year's distribution of the maintenance tax for such museums and aquariums as provided in Section 2 of the Park District Aquarium and Museum Act; and

One-seventh to the Agricultural Premium Fund to be used for distribution to agricultural home economics extension councils in accordance with "An Act in relation to additional support and finances for the Agricultural and Home Economic Extension Councils in the several counties of this State and making an

appropriation therefor", approved July 24, 1967. This subparagraph (C) shall be inoperative and of no force and effect on and after January 1, 2000.

- (D) Except as provided in paragraph (11) of this subsection (h), with respect to purse allocation from inter-track wagering, the monies so retained shall be divided as follows:
 - (i) If the inter-track wagering licensee, except an inter-track wagering licensee that derives its license from an organization licensee located in a county with a population in excess of 230,000 and bounded by the Mississippi River, is not conducting its own race meeting during the same dates, then the entire purse allocation shall be to purses at the track where the races wagered on are being conducted.
 - (ii) If the inter-track wagering licensee, except an inter-track wagering licensee that derives its license from an organization licensee located in a county with a population in excess of 230,000 and bounded by the Mississippi River, is also conducting its own race meeting during the same dates, then the purse allocation shall be as follows: 50% to purses at the track where the races wagered on are being conducted; 50% to purses at the track wagering

licensee is accepting such wagers.

(iii) If the inter-track wagering is being conducted by an inter-track wagering location licensee, except an inter-track wagering location licensee that derives its license from an organization licensee located in a county with a population in excess of 230,000 and bounded by the Mississippi River, the entire purse allocation for Illinois races shall be to purses at the track where the race meeting being wagered on is being held.

- (12) The Board shall have all powers necessary and proper to fully supervise and control the conduct of inter-track wagering and simulcast wagering by inter-track wagering licensees and inter-track wagering location licensees, including, but not limited to, the following:
 - (A) The Board is vested with power to promulgate reasonable rules and regulations for the purpose of administering the conduct of this wagering and to prescribe reasonable rules, regulations and conditions under which such wagering shall be held and conducted. Such rules and regulations are to provide for the prevention of practices detrimental to the public interest and for the best interests of said wagering and to impose penalties for violations thereof.
 - (B) The Board, and any person or persons to whom it

delegates this power, is vested with the power to enter the facilities of any licensee to determine whether there has been compliance with the provisions of this Act and the rules and regulations relating to the conduct of such wagering.

- (C) The Board, and any person or persons to whom it delegates this power, may eject or exclude from any licensee's facilities, any person whose conduct or reputation is such that his presence on such premises may, in the opinion of the Board, call into the question the honesty and integrity of, or interfere with the orderly conduct of such wagering; provided, however, that no person shall be excluded or ejected from such premises solely on the grounds of race, color, creed, national origin, ancestry, or sex.
 - (D) (Blank).
- (E) The Board is vested with the power to appoint delegates to execute any of the powers granted to it under this Section for the purpose of administering this wagering and any rules and regulations promulgated in accordance with this Act.
- (F) The Board shall name and appoint a State director of this wagering who shall be a representative of the Board and whose duty it shall be to supervise the conduct of inter-track wagering as may be provided for by the rules and regulations of the

Board; such rules and regulation shall specify the method of appointment and the Director's powers, authority and duties.

- (G) The Board is vested with the power to impose civil penalties of up to \$5,000 against individuals and up to \$10,000 against licensees for each violation of any provision of this Act relating to the conduct of this wagering, any rules adopted by the Board, any order of the Board or any other action which in the Board's discretion, is a detriment or impediment to such wagering.
- agreements with licensees authorizing such licensees to conduct inter-track wagering on races to be held at the licensed race meetings conducted by the Department of Agriculture. Such agreement shall specify the races of the Department of Agriculture's licensed race meeting upon which the licensees will conduct wagering. In the event that a licensee conducts inter-track pari-mutuel wagering on races from the Illinois State Fair or DuQuoin State Fair which are in addition to the licensee's previously approved racing program, those races shall be considered a separate racing day for the purpose of determining the daily handle and computing the privilege or pari-mutuel tax on that daily handle as provided in Sections 27 and 27.1. Such agreements shall be approved by the Board

2

3

4

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

before such wagering may be conducted. In determining whether to grant approval, the Board shall give due consideration to the best interests of the public and of horse racing. The provisions of paragraphs (1), (8), (8.1), and (8.2) of subsection (h) of this Section which are not specified in this paragraph (13) shall not apply to licensed race meetings conducted by the Department of Agriculture at the Illinois State Fair in Sangamon County or the DuQuoin State Fair in Perry County, or to any wagering conducted on those race meetings.

- (14)An inter-track wagering location license authorized by the Board in 2016 that is owned and operated by a race track in Rock Island County shall be transferred to a commonly owned race track in Cook County on August 12, (the effective date of Public Act 99-757). The licensee shall retain its status in relation to purse distribution under paragraph (11) of this subsection (h) following the transfer to the new entity. The pari-mutuel tax credit under Section 32.1 shall not be applied toward any pari-mutuel tax obligation of the inter-track wagering location licensee of the license that is transferred under this paragraph (14).
- (i) Notwithstanding the other provisions of this Act, the conduct of wagering at wagering facilities is authorized on all days, except as limited by subsection (b) of Section 19 of this Act.

- 1 (Source: P.A. 101-31, eff. 6-28-19; 101-52, eff. 7-12-19;
- 2 101-81, eff. 7-12-19; 101-109, eff. 7-19-19; 102-558, eff.
- 3 8-20-21; revised 12-2-21.)