

SB2513



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB2513

Introduced 2/26/2021, 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.

LRB102 13719 SMS 19069 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
5 amended 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.
9 The application shall be made on a form prescribed and
10 furnished by 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
7 partner, a member, or a manager, as the case may be, of the
8 entity.

9 (c) The application shall specify:

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

12 (2) the principal address of the applicant;

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

26 (d) The applicant shall execute and file with the Board a

1 good faith affirmative action plan to recruit, train, and
2 upgrade minorities in all classifications within the
3 association.

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

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

25 (1) For the first calendar year of operation of
26 gambling games by an organization gaming licensee under

1 ~~Public Act 101-31 this amendatory Act of the 101st General~~
2 ~~Assembly,~~ when a single entity requests standardbred
3 racing dates, the Board shall award no fewer than 100 days
4 of racing. The 100-day requirement may be reduced to no
5 fewer than 80 days if no dates are requested for the first
6 3 months of a calendar year. If more than one entity
7 requests standardbred racing dates, the Board shall award
8 no fewer than 140 days of racing between the applicants.

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

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

1 ~~months of a calendar year. If more than one entity~~
2 ~~requests standardbred racing dates, the Board shall award~~
3 ~~no fewer than 200 days of racing between the applicants.~~

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

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

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

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

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

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

26 During the second year in which 2 organization

1 licensees are awarded an organization gaming license, the
2 Board shall award no fewer than 160 total racing days.

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

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

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

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

26 (e-4) Notwithstanding the provisions of Section 7.7 of the

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

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

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

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

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

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

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

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

25 In decreasing the number of racing dates in accordance
26 with this subsection, the Board shall hold a hearing and shall

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

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

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

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

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

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

25 (3) the total revenue without regard to Section 32.1
26 to be derived by the State and horsemen from the

1 applicant's conducting a race meeting;

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

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

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

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

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

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

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

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

26 (f) The Board may allot racing dates to an organization

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

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

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

14 (g) (Blank).

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

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

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

25 (2) pay to the Board an additional amount equal to
26 \$110 for each racing date awarded; and

1 (3) file with the Board the bonds required in Sections
2 21 and 25 at least 20 days prior to the first day of each
3 race meeting.

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

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

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