

**SB3684**



**102ND GENERAL ASSEMBLY**

**State of Illinois**

**2021 and 2022**

**SB3684**

Introduced 1/21/2022, by Sen. Steve Stadelman

**SYNOPSIS AS INTRODUCED:**

230 ILCS 5/27  
230 ILCS 5/28.1  
230 ILCS 40/75

from Ch. 8, par. 37-27

Amends the Illinois Horse Racing Act of 1975. Provides that certain pari-mutuel taxes shall be remitted to the Illinois Racing Board (currently, the Department of Revenue) for deposit into the Horse Racing Fund. Amends the Video Gaming Act. Provides that moneys in the Local Government Video Gaming Distributive Fund shall be allocated by the Illinois Gaming Board (currently, the Department of Revenue). Effective January 1, 2023.

LRB102 21411 HLH 30527 b

FISCAL NOTE ACT  
MAY APPLY

**A BILL FOR**

1 AN ACT concerning revenue.

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 Sections 27 and 28.1 as follows:

6 (230 ILCS 5/27) (from Ch. 8, par. 37-27)

7 Sec. 27. (a) In addition to the organization license fee  
8 provided by this Act, until January 1, 2000, a graduated  
9 privilege tax is hereby imposed for conducting the pari-mutuel  
10 system of wagering permitted under this Act. Until January 1,  
11 2000, except as provided in subsection (g) of Section 27 of  
12 this Act, all of the breakage of each racing day held by any  
13 licensee in the State shall be paid to the State. Until January  
14 1, 2000, such daily graduated privilege tax shall be paid by  
15 the licensee from the amount permitted to be retained under  
16 this Act. Until January 1, 2000, each day's graduated  
17 privilege tax, breakage, and Horse Racing Tax Allocation funds  
18 shall be remitted to the Department of Revenue within 48 hours  
19 after the close of the racing day upon which it is assessed or  
20 within such other time as the Board prescribes. The privilege  
21 tax hereby imposed, until January 1, 2000, shall be a flat tax  
22 at the rate of 2% of the daily pari-mutuel handle except as  
23 provided in Section 27.1.

1           In addition, every organization licensee, except as  
2 provided in Section 27.1 of this Act, which conducts multiple  
3 wagering shall pay, until January 1, 2000, as a privilege tax  
4 on multiple wagers an amount equal to 1.25% of all moneys  
5 wagered each day on such multiple wagers, plus an additional  
6 amount equal to 3.5% of the amount wagered each day on any  
7 other multiple wager which involves a single betting interest  
8 on 3 or more horses. The licensee shall remit the amount of  
9 such taxes to the Department of Revenue within 48 hours after  
10 the close of the racing day on which it is assessed or within  
11 such other time as the Board prescribes.

12           This subsection (a) shall be inoperative and of no force  
13 and effect on and after January 1, 2000.

14           (a-5) Beginning on January 1, 2000, a flat pari-mutuel tax  
15 at the rate of 1.5% of the daily pari-mutuel handle is imposed  
16 at all pari-mutuel wagering facilities and on advance deposit  
17 wagering from a location other than a wagering facility,  
18 except as otherwise provided for in this subsection (a-5). In  
19 addition to the pari-mutuel tax imposed on advance deposit  
20 wagering pursuant to this subsection (a-5), beginning on  
21 August 24, 2012 (the effective date of Public Act 97-1060), an  
22 additional pari-mutuel tax at the rate of 0.25% shall be  
23 imposed on advance deposit wagering. Until August 25, 2012,  
24 the additional 0.25% pari-mutuel tax imposed on advance  
25 deposit wagering by Public Act 96-972 shall be deposited into  
26 the Quarter Horse Purse Fund, which shall be created as a

1 non-appropriated trust fund administered by the Board for  
2 grants to thoroughbred organization licensees for payment of  
3 purses for quarter horse races conducted by the organization  
4 licensee. Beginning on August 26, 2012, the additional 0.25%  
5 pari-mutuel tax imposed on advance deposit wagering shall be  
6 deposited into the Standardbred Purse Fund, which shall be  
7 created as a non-appropriated trust fund administered by the  
8 Board, for grants to the standardbred organization licensees  
9 for payment of purses for standardbred horse races conducted  
10 by the organization licensee. Thoroughbred organization  
11 licensees may petition the Board to conduct quarter horse  
12 racing and receive purse grants from the Quarter Horse Purse  
13 Fund. The Board shall have complete discretion in distributing  
14 the Quarter Horse Purse Fund to the petitioning organization  
15 licensees. Beginning on July 26, 2010 (the effective date of  
16 Public Act 96-1287), a pari-mutuel tax at the rate of 0.75% of  
17 the daily pari-mutuel handle is imposed at a pari-mutuel  
18 facility whose license is derived from a track located in a  
19 county that borders the Mississippi River and conducted live  
20 racing in the previous year. The pari-mutuel tax imposed by  
21 this subsection (a-5) shall be remitted to the Board  
22 ~~Department of Revenue~~ within 48 hours after the close of the  
23 racing day upon which it is assessed or within such other time  
24 as the Board prescribes.

25 (a-10) Beginning on the date when an organization licensee  
26 begins conducting gaming pursuant to an organization gaming

1 license, the following pari-mutuel tax is imposed upon an  
2 organization licensee on Illinois races at the licensee's  
3 racetrack:

4 1.5% of the pari-mutuel handle at or below the average  
5 daily pari-mutuel handle for 2011.

6 2% of the pari-mutuel handle above the average daily  
7 pari-mutuel handle for 2011 up to 125% of the average  
8 daily pari-mutuel handle for 2011.

9 2.5% of the pari-mutuel handle 125% or more above the  
10 average daily pari-mutuel handle for 2011 up to 150% of  
11 the average daily pari-mutuel handle for 2011.

12 3% of the pari-mutuel handle 150% or more above the  
13 average daily pari-mutuel handle for 2011 up to 175% of  
14 the average daily pari-mutuel handle for 2011.

15 3.5% of the pari-mutuel handle 175% or more above the  
16 average daily pari-mutuel handle for 2011.

17 The pari-mutuel tax imposed by this subsection (a-10)  
18 shall be remitted to the Board within 48 hours after the close  
19 of the racing day upon which it is assessed or within such  
20 other time as the Board prescribes.

21 (b) On or before December 31, 1999, in the event that any  
22 organization licensee conducts 2 separate programs of races on  
23 any day, each such program shall be considered a separate  
24 racing day for purposes of determining the daily handle and  
25 computing the privilege tax on such daily handle as provided  
26 in subsection (a) of this Section.

1           (c) Licensees shall at all times keep accurate books and  
2 records of all monies wagered on each day of a race meeting and  
3 of the taxes paid to the Board ~~Department of Revenue~~ under the  
4 provisions of this Section. The Board or its duly authorized  
5 representative or representatives shall at all reasonable  
6 times have access to such records for the purpose of examining  
7 and checking the same and ascertaining whether the proper  
8 amount of taxes is being paid as provided. The Board shall  
9 require verified reports and a statement of the total of all  
10 monies wagered daily at each wagering facility upon which the  
11 taxes are assessed and may prescribe forms upon which such  
12 reports and statement shall be made.

13           (d) Before a license is issued or re-issued, the licensee  
14 shall post a bond in the sum of \$500,000 to the State of  
15 Illinois. The bond shall be used to guarantee that the  
16 licensee faithfully makes the payments, keeps the books and  
17 records, makes reports, and conducts games of chance in  
18 conformity with this Act and the rules adopted by the Board.  
19 The bond shall not be canceled by a surety on less than 30  
20 days' notice in writing to the Board. If a bond is canceled and  
21 the licensee fails to file a new bond with the Board in the  
22 required amount on or before the effective date of  
23 cancellation, the licensee's license shall be revoked. The  
24 total and aggregate liability of the surety on the bond is  
25 limited to the amount specified in the bond.

26           (e) No other license fee, privilege tax, excise tax, or

1 racing fee, except as provided in this Act, shall be assessed  
2 or collected from any such licensee by the State.

3 (f) No other license fee, privilege tax, excise tax or  
4 racing fee shall be assessed or collected from any such  
5 licensee by units of local government except as provided in  
6 paragraph 10.1 of subsection (h) and subsection (f) of Section  
7 26 of this Act. However, any municipality that has a Board  
8 licensed horse race meeting at a race track wholly within its  
9 corporate boundaries or a township that has a Board licensed  
10 horse race meeting at a race track wholly within the  
11 unincorporated area of the township may charge a local  
12 amusement tax not to exceed 10¢ per admission to such horse  
13 race meeting by the enactment of an ordinance. However, any  
14 municipality or county that has a Board licensed inter-track  
15 wagering location facility wholly within its corporate  
16 boundaries may each impose an admission fee not to exceed  
17 \$1.00 per admission to such inter-track wagering location  
18 facility, so that a total of not more than \$2.00 per admission  
19 may be imposed. Except as provided in subparagraph (g) of  
20 Section 27 of this Act, the inter-track wagering location  
21 licensee shall collect any and all such fees. Inter-track  
22 wagering location licensees must pay the admission fees  
23 required under this subsection (f) to the municipality and  
24 county no later than the 20th of the month following the month  
25 such admission fees were imposed.

26 (g) Notwithstanding any provision in this Act to the

1 contrary, if in any calendar year the total taxes and fees from  
2 wagering on live racing and from inter-track wagering required  
3 to be collected from licensees and distributed under this Act  
4 to all State and local governmental authorities exceeds the  
5 amount of such taxes and fees distributed to each State and  
6 local governmental authority to which each State and local  
7 governmental authority was entitled under this Act for  
8 calendar year 1994, then the first \$11 million of that excess  
9 amount shall be allocated at the earliest possible date for  
10 distribution as purse money for the succeeding calendar year.  
11 Upon reaching the 1994 level, and until the excess amount of  
12 taxes and fees exceeds \$11 million, the Board shall direct all  
13 licensees to cease paying the subject taxes and fees and the  
14 Board shall direct all licensees to allocate any such excess  
15 amount for purses as follows:

16 (i) the excess amount shall be initially divided  
17 between thoroughbred and standardbred purses based on the  
18 thoroughbred's and standardbred's respective percentages  
19 of total Illinois live wagering in calendar year 1994;

20 (ii) each thoroughbred and standardbred organization  
21 licensee issued an organization licensee in that  
22 succeeding allocation year shall be allocated an amount  
23 equal to the product of its percentage of total Illinois  
24 live thoroughbred or standardbred wagering in calendar  
25 year 1994 (the total to be determined based on the sum of  
26 1994 on-track wagering for all organization licensees



1 issued organization licenses in both the allocation year  
2 and the preceding year) multiplied by the total amount  
3 allocated for standardbred or thoroughbred purses,  
4 provided that the first \$1,500,000 of the amount allocated  
5 to standardbred purses under item (i) shall be allocated  
6 to the Department of Agriculture to be expended with the  
7 assistance and advice of the Illinois Standardbred  
8 Breeders Funds Advisory Board for the purposes listed in  
9 subsection (g) of Section 31 of this Act, before the  
10 amount allocated to standardbred purses under item (i) is  
11 allocated to standardbred organization licensees in the  
12 succeeding allocation year.

13 To the extent the excess amount of taxes and fees to be  
14 collected and distributed to State and local governmental  
15 authorities exceeds \$11 million, that excess amount shall be  
16 collected and distributed to State and local authorities as  
17 provided for under this Act.

18 (Source: P.A. 101-31, eff. 6-28-19; 101-52, eff. 7-12-19;  
19 102-558, eff. 8-20-21.)

20 (230 ILCS 5/28.1)

21 Sec. 28.1. Payments.

22 (a) Beginning on January 1, 2000, moneys collected by the  
23 ~~Department of Revenue and the Racing~~ Board pursuant to Section  
24 26 or Section 27 of this Act shall be deposited into the Horse  
25 Racing Fund, which is hereby created as a special fund in the

1 State Treasury.

2 (b) Appropriations, as approved by the General Assembly,  
3 may be made from the Horse Racing Fund to the Board to pay the  
4 salaries of the Board members, secretary, stewards, directors  
5 of mutuels, veterinarians, representatives, accountants,  
6 clerks, stenographers, inspectors and other employees of the  
7 Board, and all expenses of the Board incident to the  
8 administration of this Act, including, but not limited to, all  
9 expenses and salaries incident to the taking of saliva and  
10 urine samples in accordance with the rules and regulations of  
11 the Board.

12 (c) (Blank).

13 (d) Beginning January 1, 2000, payments to all programs in  
14 existence on the effective date of this amendatory Act of 1999  
15 that are identified in Sections 26(c), 26(f), 26(h)(11)(C),  
16 and 28, subsections (a), (b), (c), (d), (e), (f), (g), and (h)  
17 of Section 30, and subsections (a), (b), (c), (d), (e), (f),  
18 (g), and (h) of Section 31 shall be made from the General  
19 Revenue Fund at the funding levels determined by amounts paid  
20 under this Act in calendar year 1998. Beginning on the  
21 effective date of this amendatory Act of the 93rd General  
22 Assembly, payments to the Peoria Park District shall be made  
23 from the General Revenue Fund at the funding level determined  
24 by amounts paid to that park district for museum purposes  
25 under this Act in calendar year 1994.

26 If an inter-track wagering location licensee's facility

1 changes its location, then the payments associated with that  
2 facility under this subsection (d) for museum purposes shall  
3 be paid to the park district in the area where the facility  
4 relocates, and the payments shall be used for museum purposes.  
5 If the facility does not relocate to a park district, then the  
6 payments shall be paid to the taxing district that is  
7 responsible for park or museum expenditures.

8 (e) Beginning July 1, 2006, the payment authorized under  
9 subsection (d) to museums and aquariums located in park  
10 districts of over 500,000 population shall be paid to museums,  
11 aquariums, and zoos in amounts determined by Museums in the  
12 Park, an association of museums, aquariums, and zoos located  
13 on Chicago Park District property.

14 (f) Beginning July 1, 2007, the Children's Discovery  
15 Museum in Normal, Illinois shall receive payments from the  
16 General Revenue Fund at the funding level determined by the  
17 amounts paid to the Miller Park Zoo in Bloomington, Illinois  
18 under this Section in calendar year 2006.

19 (g) On August 31, 2021, after subtracting all lapse period  
20 spending from the June 30 balance of the prior fiscal year, the  
21 Comptroller shall transfer to the Horse Racing Purse Equity  
22 Fund 50% of the balance within the Horse Racing Fund.

23 (Source: P.A. 102-16, eff. 6-17-21.)

24 Section 10. The Video Gaming Act is amended by changing  
25 Section 75 as follows:

1 (230 ILCS 40/75)

2 Sec. 75. Revenue sharing; Local Government Video Gaming  
3 Distributive Fund.

4 (a) As soon as may be after the first day of each month,  
5 the Illinois Gaming Board ~~Department of Revenue~~ shall allocate  
6 among those municipalities and counties of this State that  
7 have not prohibited video gaming pursuant to Section 27 or  
8 Section 70 the amount available in the Local Government Video  
9 Gaming Distributive Fund, a special fund in the State  
10 Treasury, as provided in Section 60. The Board ~~Department~~  
11 shall then certify such allocations to the State Comptroller,  
12 who shall pay over to those eligible municipalities and  
13 counties the respective amounts allocated to them. The amount  
14 of such funds allocable to each such municipality and county  
15 shall be in proportion to the tax revenue generated from video  
16 gaming within the eligible municipality or county compared to  
17 the tax revenue generated from video gaming Statewide.

18 (b) The amounts allocated and paid to a municipality or  
19 county of this State pursuant to the provisions of this  
20 Section may be used for any general corporate purpose  
21 authorized for that municipality or county.

22 (c) Upon determination by the Board ~~Department~~ that an  
23 amount has been paid pursuant to this Section in excess of the  
24 amount to which the county or municipality receiving such  
25 payment was entitled, the county or municipality shall, upon

1 demand by the Board ~~Department~~, repay such amount. If such  
2 repayment is not made within a reasonable time, the Board  
3 ~~Department~~ shall withhold from future payments an amount equal  
4 to such overpayment. The Board ~~Department~~ shall redistribute  
5 the amount of such payment to the county or municipality  
6 entitled thereto.

7 (Source: P.A. 96-34, eff. 7-13-09.)

8 Section 99. Effective date. This Act takes effect January  
9 1, 2023.