



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3172

Introduced 2/6/2024, by Sen. Donald P. DeWitte

SYNOPSIS AS INTRODUCED:

230 ILCS 40/27
230 ILCS 40/60

Amends the Video Gaming Act. Provides that a municipality with a population that is greater than or equal to 1,000,000 may not pass an ordinance prohibiting video gaming within the corporate limits of the municipality. Provides that, in such a municipality, video gaming may be prohibited only by referendum. Preempts home rule powers. Provides that a tax of 34% is imposed on net terminal income in such a municipality and shall be collected by the Illinois Gaming Board, of which 83% shall be distributed to the Regional Transportation Authority and 17% shall be distributed to the municipality in which the terminal is located. Makes conforming changes.

LRB103 36065 SPS 66152 b

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 Video Gaming Act is amended by changing
5 Sections 27 and 60 and by adding Section 63 as follows:

6 (230 ILCS 40/27)

7 Sec. 27. Prohibition of video gaming by political
8 subdivision.

9 (a) A municipality, other than a municipality with a
10 population that is greater than or equal to 1,000,000, may
11 pass an ordinance prohibiting video gaming within the
12 corporate limits of the municipality. A county board may, for
13 the unincorporated area of the county, pass an ordinance
14 prohibiting video gaming within the unincorporated area of the
15 county.

16 (b) On and after July 1, 2022, a qualified fraternal
17 organization that derives its charter from a national
18 fraternal organization and a qualified veterans organization
19 that derives its charter from a national veterans organization
20 shall be eligible to apply to the Board for a license allowing
21 video gaming as a licensed fraternal establishment or a
22 licensed veterans establishment if the proposed fraternal
23 establishment or veterans establishment is located in:

1 (1) a municipality having a population of not more
2 than 1,000,000 that has enacted an ordinance prohibiting
3 video gaming within the corporate limits; or

4 (2) a county having a population of not more than
5 1,000,000 that has enacted an ordinance prohibiting video
6 gaming within the unincorporated area of the county.

7 If the license is granted by the Board, then the licensed
8 fraternal establishment or licensed veterans establishment may
9 operate video gaming terminals pursuant to this Act.

10 (c) A municipality with a population that is greater than
11 or equal to 1,000,000 may not pass an ordinance prohibiting
12 video gaming within the corporate limits of the municipality.
13 In such a municipality, video gaming may be prohibited only by
14 referendum under Section 70. A home rule municipality with a
15 population that is greater than or equal to 1,000,000 may not
16 regulate video gaming within the corporate limits of the
17 municipality in a manner that is inconsistent with this
18 subsection (c). This subsection (c) is a limitation under
19 subsection (i) of Section 6 of Article VII of the Illinois
20 Constitution on the concurrent exercise by home rule units of
21 powers and functions exercised by the State.

22 (Source: P.A. 102-689, eff. 12-17-21.)

23 (230 ILCS 40/60)

24 Sec. 60. Imposition and distribution of tax.

25 (a) Except in a municipality with a population that is

1 greater than or equal to 1,000,000, a ~~A~~ tax of 30% is imposed
2 on net terminal income and shall be collected by the Board.

3 Of the tax collected under this subsection (a),
4 five-sixths shall be deposited into the Capital Projects Fund
5 and one-sixth shall be deposited into the Local Government
6 Video Gaming Distributive Fund.

7 (b) Except in a municipality with a population that is
8 greater than or equal to 1,000,000, Beginning on July 1, 2019,
9 an additional tax of 3% is imposed on net terminal income and
10 shall be collected by the Board.

11 Except in a municipality with a population that is greater
12 than or equal to 1,000,000, Beginning on July 1, 2020, an
13 additional tax of 1% is imposed on net terminal income and
14 shall be collected by the Board.

15 The tax collected under this subsection (b) shall be
16 deposited into the Capital Projects Fund.

17 (b-5) In a municipality with a population that is greater
18 than or equal to 1,000,000, a tax of 34% is imposed on net
19 terminal income and shall be collected by the Board. Of the tax
20 collected under this subsection, 83% shall be distributed to
21 the Regional Transportation Authority and 17% shall be
22 distributed to the municipality in which the terminal is
23 located.

24 (c) Revenues generated from the play of video gaming
25 terminals shall be deposited by the terminal operator, who is
26 responsible for tax payments, in a specially created, separate

1 bank account maintained by the video gaming terminal operator
2 to allow for electronic fund transfers of moneys for tax
3 payment.

4 (d) Each licensed establishment, licensed truck stop
5 establishment, licensed large truck stop establishment,
6 licensed fraternal establishment, and licensed veterans
7 establishment shall maintain an adequate video gaming fund,
8 with the amount to be determined by the Board.

9 (e) The State's percentage of net terminal income shall be
10 reported and remitted to the Board within 15 days after the
11 15th day of each month and within 15 days after the end of each
12 month by the video terminal operator. A video terminal
13 operator who falsely reports or fails to report the amount due
14 required by this Section is guilty of a Class 4 felony and is
15 subject to termination of his or her license by the Board. Each
16 video terminal operator shall keep a record of net terminal
17 income in such form as the Board may require. All payments not
18 remitted when due shall be paid together with a penalty
19 assessment on the unpaid balance at a rate of 1.5% per month.

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