



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004

Introduced 02/09/04, by Wyvetter H. Younge

SYNOPSIS AS INTRODUCED:

230 ILCS 10/7	from Ch. 120, par. 2407
230 ILCS 10/7.1	
230 ILCS 10/13	from Ch. 120, par. 2413

Amends the Riverboat Gambling Act. Authorizes the issuance of an 11th owners license to operate from a home dock in the City of East St. Louis. Provides that the license shall be in addition to the 10 licenses currently authorized under the Act. Provides for a special distribution scheme for revenues derived from the 11th license. Makes a technical correction. Effective immediately.

LRB093 19189 BDD 44924 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT in relation to gambling.

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

4 Section 5. The Riverboat Gambling Act is amended by
5 changing Sections 7, 7.1, and 13 as follows:

6 (230 ILCS 10/7) (from Ch. 120, par. 2407)

7 Sec. 7. Owners Licenses.

8 (a) The Board shall issue owners licenses to persons, firms
9 or corporations which apply for such licenses upon payment to
10 the Board of the non-refundable license fee set by the Board,
11 upon payment of a \$25,000 license fee for the first year of
12 operation and a \$5,000 license fee for each succeeding year and
13 upon a determination by the Board that the applicant is
14 eligible for an owners license pursuant to this Act and the
15 rules of the Board. A person, firm or corporation is ineligible
16 to receive an owners license if:

17 (1) the person has been convicted of a felony under the
18 laws of this State, any other state, or the United States;

19 (2) the person has been convicted of any violation of
20 Article 28 of the Criminal Code of 1961, or substantially
21 similar laws of any other jurisdiction;

22 (3) the person has submitted an application for a
23 license under this Act which contains false information;

24 (4) the person is a member of the Board;

25 (5) a person defined in (1), (2), (3) or (4) is an
26 officer, director or managerial employee of the firm or
27 corporation;

28 (6) the firm or corporation employs a person defined in
29 (1), (2), (3) or (4) who participates in the management or
30 operation of gambling operations authorized under this
31 Act;

32 (7) (blank); or

1 (8) a license of the person, firm or corporation issued
2 under this Act, or a license to own or operate gambling
3 facilities in any other jurisdiction, has been revoked.

4 (b) In determining whether to grant an owners license to an
5 applicant, the Board shall consider:

6 (1) the character, reputation, experience and
7 financial integrity of the applicants and of any other or
8 separate person that either:

9 (A) controls, directly or indirectly, such
10 applicant, or

11 (B) is controlled, directly or indirectly, by such
12 applicant or by a person which controls, directly or
13 indirectly, such applicant;

14 (2) the facilities or proposed facilities for the
15 conduct of riverboat gambling;

16 (3) the highest prospective total revenue to be derived
17 by the State from the conduct of riverboat gambling;

18 (4) the extent to which the ownership of the applicant
19 reflects the diversity of the State by including minority
20 persons and females and the good faith affirmative action
21 plan of each applicant to recruit, train and upgrade
22 minority persons and females in all employment
23 classifications;

24 (5) the financial ability of the applicant to purchase
25 and maintain adequate liability and casualty insurance;

26 (6) whether the applicant has adequate capitalization
27 to provide and maintain, for the duration of a license, a
28 riverboat;

29 (7) the extent to which the applicant exceeds or meets
30 other standards for the issuance of an owners license which
31 the Board may adopt by rule; and

32 (8) The amount of the applicant's license bid.

33 (c) Each owners license shall specify the place where
34 riverboats shall operate and dock.

35 (d) Each applicant shall submit with his application, on
36 forms provided by the Board, 2 sets of his fingerprints.

1 (e) In addition to any licenses authorized under subsection
2 (e-5), the ~~The~~ Board may issue up to 10 licenses authorizing
3 the holders of such licenses to own riverboats. In the
4 application for an owners license, the applicant shall state
5 the dock at which the riverboat is based and the water on which
6 the riverboat will be located. The Board shall issue 5 licenses
7 to become effective not earlier than January 1, 1991. Three of
8 such licenses shall authorize riverboat gambling on the
9 Mississippi River, or, with approval by the municipality in
10 which the riverboat is docked on August 7, 2003, ~~the effective~~
11 ~~date of this amendatory Act of the 93rd Assembly,~~ in a
12 municipality that (1) borders on the Mississippi River or is
13 within 5 miles of the city limits of a municipality that
14 borders on the Mississippi River and (2), on August 7, 2003,
15 ~~the effective date of this amendatory Act of the 93rd General~~
16 ~~Assembly,~~ has a riverboat conducting riverboat gambling
17 operations pursuant to a license issued under this Act;~~;~~ one of
18 which shall authorize riverboat gambling from a home dock in
19 the city of East St. Louis. One other license shall authorize
20 riverboat gambling on the Illinois River south of Marshall
21 County. The Board shall issue one additional license to become
22 effective not earlier than March 1, 1992, which shall authorize
23 riverboat gambling on the Des Plaines River in Will County. The
24 Board may issue 4 additional licenses to become effective not
25 earlier than March 1, 1992. In determining the water upon which
26 riverboats will operate, the Board shall consider the economic
27 benefit which riverboat gambling confers on the State, and
28 shall seek to assure that all regions of the State share in the
29 economic benefits of riverboat gambling.

30 In granting all licenses, the Board may give favorable
31 consideration to economically depressed areas of the State, to
32 applicants presenting plans which provide for significant
33 economic development over a large geographic area, and to
34 applicants who currently operate non-gambling riverboats in
35 Illinois. The Board shall review all applications for owners
36 licenses, and shall inform each applicant of the Board's

1 decision.

2 (e-5) In addition to licenses authorized under subsection
3 (e), the Board may issue one owners license authorizing the
4 conduct of riverboat gambling operations from a home dock in
5 the City of East St. Louis. The ownership of a license issued
6 under this subsection (e-5) shall be constituted of at least
7 51% minority person ownership and at least 25% local person
8 ownership. For the purposes of this subsection (e-5), the term
9 "minority person" has the meaning provided in Section 2 of the
10 Business Enterprise for Minorities, Females, and Persons with
11 Disabilities Act and the term "local person" means a person
12 whose primary residence is in Madison or St. Clair County or a
13 corporation or firm that has its primary place of business in
14 Madison or St. Clair County.

15 (e-10) The Board may grant an owners license to an
16 applicant that has not submitted the highest license bid, but
17 if it does not select the highest bidder, the Board shall issue
18 a written decision explaining why another applicant was
19 selected and identifying the factors set forth in this Section
20 that favored the winning bidder.

21 In addition to any other revocation powers granted to the
22 Board under this Act, the Board may revoke the owners license
23 of a licensee which fails to begin conducting gambling within
24 15 months of receipt of the Board's approval of the application
25 if the Board determines that license revocation is in the best
26 interests of the State.

27 (f) Owners ~~The first 10 owners~~ licenses issued under this
28 Act shall permit the holder to own up to 2 riverboats and
29 equipment thereon for a period of 3 years after the effective
30 date of the license. Holders of ~~the first 10~~ owners licenses
31 must pay the annual license fee for each of the 3 years during
32 which they are authorized to own riverboats.

33 (g) Upon the termination, expiration, or revocation of each
34 owners license ~~of the first 10 licenses~~, which shall be issued
35 for a 3 year period, all licenses are renewable annually upon
36 payment of the fee and a determination by the Board that the

1 licensee continues to meet all of the requirements of this Act
2 and the Board's rules. However, for licenses renewed on or
3 after May 1, 1998, renewal shall be for a period of 4 years,
4 unless the Board sets a shorter period.

5 (h) An owners license shall entitle the licensee to own up
6 to 2 riverboats. A licensee shall limit the number of gambling
7 participants to 1,200 for any such owners license. A licensee
8 may operate both of its riverboats concurrently, provided that
9 the total number of gambling participants on both riverboats
10 does not exceed 1,200. Riverboats licensed to operate on the
11 Mississippi River and the Illinois River south of Marshall
12 County shall have an authorized capacity of at least 500
13 persons. Any other riverboat licensed under this Act shall have
14 an authorized capacity of at least 400 persons.

15 (i) A licensed owner is authorized to apply to the Board
16 for and, if approved therefor, to receive all licenses from the
17 Board necessary for the operation of a riverboat, including a
18 liquor license, a license to prepare and serve food for human
19 consumption, and other necessary licenses. All use, occupation
20 and excise taxes which apply to the sale of food and beverages
21 in this State and all taxes imposed on the sale or use of
22 tangible personal property apply to such sales aboard the
23 riverboat.

24 (j) The Board may issue or re-issue a license authorizing a
25 riverboat to dock in a municipality or approve a relocation
26 under Section 11.2 only if, prior to the issuance or
27 re-issuance of the license or approval, the governing body of
28 the municipality in which the riverboat will dock has by a
29 majority vote approved the docking of riverboats in the
30 municipality. The Board may issue or re-issue a license
31 authorizing a riverboat to dock in areas of a county outside
32 any municipality or approve a relocation under Section 11.2
33 only if, prior to the issuance or re-issuance of the license or
34 approval, the governing body of the county has by a majority
35 vote approved of the docking of riverboats within such areas.

36 (Source: P.A. 92-600, eff. 6-28-02; 93-28, eff. 6-20-03;

1 93-453, eff. 8-7-03; revised 1-27-04.)

2 (230 ILCS 10/7.1)

3 Sec. 7.1. Re-issuance of revoked or non-renewed owners
4 licenses.

5 (a) If an owners license issued under subsection (e) of
6 Section 7 terminates or expires without renewal or the Board
7 revokes or determines not to renew an owners license
8 (including, without limitation, an owners license for a
9 licensee that was not conducting riverboat gambling operations
10 on January 1, 1998) and that revocation or determination is
11 final, the Board may re-issue such license to a qualified
12 applicant pursuant to an open and competitive bidding process,
13 as set forth in Section 7.5, and subject to the maximum number
14 of authorized licenses set forth in Section 7(e).

15 (b) To be a qualified applicant, a person, firm, or
16 corporation cannot be ineligible to receive an owners license
17 under Section 7(a) and must submit an application for an owners
18 license that complies with Section 6. Each such applicant must
19 also submit evidence to the Board that minority persons and
20 females hold ownership interests in the applicant of at least
21 16% and 4% respectively.

22 (c) Notwithstanding anything to the contrary in Section
23 7(e), an applicant may apply to the Board for approval of
24 relocation of a re-issued license to a new home dock location
25 authorized under Section 3(c) upon receipt of the approval from
26 the municipality or county, as the case may be, pursuant to
27 Section 7(j).

28 (d) In determining whether to grant a re-issued owners
29 license to an applicant, the Board shall consider all of the
30 factors set forth in Sections 7(b) and (e) as well as the
31 amount of the applicant's license bid. The Board may grant the
32 re-issued owners license to an applicant that has not submitted
33 the highest license bid, but if it does not select the highest
34 bidder, the Board shall issue a written decision explaining why
35 another applicant was selected and identifying the factors set

1 forth in Sections 7(b) and (e) that favored the winning bidder.

2 (e) Re-issued owners licenses shall be subject to annual
3 license fees as provided for in Section 7(a) and shall be
4 governed by the provisions of Sections 7(f), (g), (h), and (i).
5 (Source: P.A. 93-28, eff. 6-20-03.)

6 (230 ILCS 10/13) (from Ch. 120, par. 2413)

7 Sec. 13. Wagering tax; rate; distribution.

8 (a) Until January 1, 1998, a tax is imposed on the adjusted
9 gross receipts received from gambling games authorized under
10 this Act at the rate of 20%.

11 (a-1) From January 1, 1998 until July 1, 2002, a privilege
12 tax is imposed on persons engaged in the business of conducting
13 riverboat gambling operations, based on the adjusted gross
14 receipts received by a licensed owner from gambling games
15 authorized under this Act at the following rates:

16 15% of annual adjusted gross receipts up to and
17 including \$25,000,000;

18 20% of annual adjusted gross receipts in excess of
19 \$25,000,000 but not exceeding \$50,000,000;

20 25% of annual adjusted gross receipts in excess of
21 \$50,000,000 but not exceeding \$75,000,000;

22 30% of annual adjusted gross receipts in excess of
23 \$75,000,000 but not exceeding \$100,000,000;

24 35% of annual adjusted gross receipts in excess of
25 \$100,000,000.

26 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax
27 is imposed on persons engaged in the business of conducting
28 riverboat gambling operations, other than licensed managers
29 conducting riverboat gambling operations on behalf of the
30 State, based on the adjusted gross receipts received by a
31 licensed owner from gambling games authorized under this Act at
32 the following rates:

33 15% of annual adjusted gross receipts up to and
34 including \$25,000,000;

35 22.5% of annual adjusted gross receipts in excess of

1 \$25,000,000 but not exceeding \$50,000,000;

2 27.5% of annual adjusted gross receipts in excess of
3 \$50,000,000 but not exceeding \$75,000,000;

4 32.5% of annual adjusted gross receipts in excess of
5 \$75,000,000 but not exceeding \$100,000,000;

6 37.5% of annual adjusted gross receipts in excess of
7 \$100,000,000 but not exceeding \$150,000,000;

8 45% of annual adjusted gross receipts in excess of
9 \$150,000,000 but not exceeding \$200,000,000;

10 50% of annual adjusted gross receipts in excess of
11 \$200,000,000.

12 (a-3) Beginning July 1, 2003, a privilege tax is imposed on
13 persons engaged in the business of conducting riverboat
14 gambling operations, other than licensed managers conducting
15 riverboat gambling operations on behalf of the State, based on
16 the adjusted gross receipts received by a licensed owner from
17 gambling games authorized under this Act at the following
18 rates:

19 15% of annual adjusted gross receipts up to and
20 including \$25,000,000;

21 27.5% of annual adjusted gross receipts in excess of
22 \$25,000,000 but not exceeding \$37,500,000;

23 32.5% of annual adjusted gross receipts in excess of
24 \$37,500,000 but not exceeding \$50,000,000;

25 37.5% of annual adjusted gross receipts in excess of
26 \$50,000,000 but not exceeding \$75,000,000;

27 45% of annual adjusted gross receipts in excess of
28 \$75,000,000 but not exceeding \$100,000,000;

29 50% of annual adjusted gross receipts in excess of
30 \$100,000,000 but not exceeding \$250,000,000;

31 70% of annual adjusted gross receipts in excess of
32 \$250,000,000.

33 An amount equal to the amount of wagering taxes collected
34 under this subsection (a-3) that are in addition to the amount
35 of wagering taxes that would have been collected if the
36 wagering tax rates under subsection (a-2) were in effect shall

1 be paid into the Common School Fund.

2 The privilege tax imposed under this subsection (a-3) shall
3 no longer be imposed beginning on the earlier of (i) July 1,
4 2005; (ii) the first date after June 20, 2003 ~~the effective~~
5 ~~date of this amendatory Act of the 93rd General Assembly~~ that
6 riverboat gambling operations are conducted pursuant to a
7 dormant license; or (iii) the first day that riverboat gambling
8 operations are conducted under the authority of an owners
9 license that is in addition to the 10 owners licenses initially
10 authorized under this Act. For the purposes of this subsection
11 (a-3), the term "dormant license" means an owners license that
12 is authorized by this Act under which no riverboat gambling
13 operations are being conducted on June 20, 2003 ~~the effective~~
14 ~~date of this amendatory Act of the 93rd General Assembly~~.

15 (a-4) Beginning on the first day on which the tax imposed
16 under subsection (a-3) is no longer imposed, a privilege tax is
17 imposed on persons engaged in the business of conducting
18 riverboat gambling operations, other than licensed managers
19 conducting riverboat gambling operations on behalf of the
20 State, based on the adjusted gross receipts received by a
21 licensed owner from gambling games authorized under this Act at
22 the following rates:

23 15% of annual adjusted gross receipts up to and
24 including \$25,000,000;

25 22.5% of annual adjusted gross receipts in excess of
26 \$25,000,000 but not exceeding \$50,000,000;

27 27.5% of annual adjusted gross receipts in excess of
28 \$50,000,000 but not exceeding \$75,000,000;

29 32.5% of annual adjusted gross receipts in excess of
30 \$75,000,000 but not exceeding \$100,000,000;

31 37.5% of annual adjusted gross receipts in excess of
32 \$100,000,000 but not exceeding \$150,000,000;

33 45% of annual adjusted gross receipts in excess of
34 \$150,000,000 but not exceeding \$200,000,000;

35 50% of annual adjusted gross receipts in excess of
36 \$200,000,000.

1 (a-8) Riverboat gambling operations conducted by a
2 licensed manager on behalf of the State are not subject to the
3 tax imposed under this Section.

4 (a-10) The taxes imposed by this Section shall be paid by
5 the licensed owner to the Board not later than 3:00 o'clock
6 p.m. of the day after the day when the wagers were made.

7 (b) Until January 1, 1998, 25% of the tax revenue deposited
8 in the State Gaming Fund under this Section shall be paid,
9 subject to appropriation by the General Assembly, to the unit
10 of local government which is designated as the home dock of the
11 riverboat. Beginning January 1, 1998, from the tax revenue
12 deposited in the State Gaming Fund under this Section, an
13 amount equal to 5% of adjusted gross receipts generated by a
14 riverboat shall be paid monthly, subject to appropriation by
15 the General Assembly, to the unit of local government that is
16 designated as the home dock of the riverboat. From the tax
17 revenue deposited in the State Gaming Fund pursuant to
18 riverboat gambling operations conducted by a licensed manager
19 on behalf of the State, an amount equal to 5% of adjusted gross
20 receipts generated pursuant to those riverboat gambling
21 operations shall be paid monthly, subject to appropriation by
22 the General Assembly, to the unit of local government that is
23 designated as the home dock of the riverboat upon which those
24 riverboat gambling operations are conducted.

25 (c) Appropriations, as approved by the General Assembly,
26 may be made from the State Gaming Fund to the Department of
27 Revenue and the Department of State Police for the
28 administration and enforcement of this Act, or to the
29 Department of Human Services for the administration of programs
30 to treat problem gambling.

31 (c-5) After the payments required under subsections (b) and
32 (c) have been made, an amount equal to 15% of the adjusted
33 gross receipts of (1) an owners licensee, other than a licensee
34 that receives an owners license under subsection (e-5) of
35 Section 7, that relocates pursuant to Section 11.2, (2) an
36 owners licensee, other than a licensee that receives an owners

1 license under subsection (e-5) of Section 7, ~~license~~ conducting
2 riverboat gambling operations pursuant to an owners license
3 that is initially issued after June 25, 1999, or (3) the first
4 riverboat gambling operations conducted by a licensed manager
5 on behalf of the State under Section 7.3 ~~7.2~~, whichever comes
6 first, shall be paid from the State Gaming Fund into the Horse
7 Racing Equity Fund.

8 (c-10) Each year the General Assembly shall appropriate
9 from the General Revenue Fund to the Education Assistance Fund
10 an amount equal to the amount paid into the Horse Racing Equity
11 Fund pursuant to subsection (c-5) in the prior calendar year.

12 (c-15) After the payments required under subsections (b),
13 (c), and (c-5) have been made, an amount equal to 2% of the
14 adjusted gross receipts of (1) an owners licensee, other than a
15 licensee that receives an owners license under subsection (e-5)
16 of Section 7, that relocates pursuant to Section 11.2, (2) an
17 owners licensee, other than a licensee that receives an owners
18 license under subsection (e-5) of Section 7, conducting
19 riverboat gambling operations pursuant to an owners license
20 that is initially issued after June 25, 1999, or (3) the first
21 riverboat gambling operations conducted by a licensed manager
22 on behalf of the State under Section 7.3 ~~7.2~~, whichever comes
23 first, shall be paid, subject to appropriation from the General
24 Assembly, from the State Gaming Fund to each home rule county
25 with a population of over 3,000,000 inhabitants for the purpose
26 of enhancing the county's criminal justice system.

27 (c-20) Each year the General Assembly shall appropriate
28 from the General Revenue Fund to the Education Assistance Fund
29 an amount equal to the amount paid to each home rule county
30 with a population of over 3,000,000 inhabitants pursuant to
31 subsection (c-15) in the prior calendar year.

32 (c-25) After the payments required under subsections (b),
33 (c), (c-5) and (c-15) have been made, an amount equal to 2% of
34 the adjusted gross receipts of (1) an owners licensee, other
35 than a licensee that receives an owners license under
36 subsection (e-5) of Section 7, ~~license~~ that relocates pursuant

1 to Section 11.2, (2) an owners licensee, other than a licensee
2 that receives an owners license under subsection (e-5) of
3 Section 7, license conducting riverboat gambling operations
4 pursuant to an owners license that is initially issued after
5 June 25, 1999, or (3) the first riverboat gambling operations
6 conducted by a licensed manager on behalf of the State under
7 Section 7.3 ~~7.2~~, whichever comes first, shall be paid from the
8 State Gaming Fund to Chicago State University.

9 (d) From time to time, the Board shall transfer the
10 remainder of the funds generated by this Act into the Education
11 Assistance Fund, created by Public Act 86-0018, of the State of
12 Illinois.

13 (e) Nothing in this Act shall prohibit the unit of local
14 government designated as the home dock of the riverboat from
15 entering into agreements with other units of local government
16 in this State or in other states to share its portion of the
17 tax revenue.

18 (f) To the extent practicable, the Board shall administer
19 and collect the wagering taxes imposed by this Section in a
20 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
21 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
22 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
23 Penalty and Interest Act.

24 (Source: P.A. 92-595, eff. 6-28-02; 93-27, eff. 6-20-03; 93-28,
25 eff. 6-20-03; revised 10-3-03.)

26 Section 99. Effective date. This Act takes effect upon
27 becoming law.