

1 AMENDMENT TO SENATE BILL 1607

2 AMENDMENT NO. _____. Amend Senate Bill 1607 by replacing
3 the title with the following:

4 "AN ACT in relation to gaming."; and

5 by replacing everything after the enacting clause with the
6 following:

7 "Section 5. The Illinois Horse Racing Act of 1975 is
8 amended by changing Section 54 as follows:

9 (230 ILCS 5/54)

10 Sec. 54. Horse Racing Equity Fund.

11 (a) There is created in the State Treasury a Fund to be
12 known as the Horse Racing Equity Fund. The Fund shall
13 consist of moneys paid into it pursuant to subsection (c-5)
14 of Section 13 of the Riverboat Gambling Act. The Fund shall
15 be administered by the Racing Board.

16 (b) The moneys deposited into the Fund shall be
17 distributed by the State Treasurer within 10 days after those
18 moneys are deposited into the Fund as follows:

19 (1) Fifty percent of all moneys distributed under
20 this subsection shall be distributed to organization
21 licensees to be distributed at their race meetings as

1 purses. Fifty-seven percent of the amount distributed
 2 under this paragraph (1) shall be distributed for
 3 thoroughbred race meetings and 43% shall be distributed
 4 for standardbred race meetings. Within each breed,
 5 moneys shall be allocated to each organization licensee's
 6 purse fund in accordance with the ratio between the
 7 purses generated for that breed by that licensee during
 8 the prior calendar year and the total purses generated
 9 throughout the State for that breed during the prior
 10 calendar year.

11 (2) The remaining 50% of the moneys distributed
 12 under this subsection (b) shall be distributed pro rata
 13 according to the aggregate proportion of total
 14 pari-mutuel state-wide handle, irrespective of where the
 15 wagers creating that pari-mutuel handle were placed, on
 16 races conducted at a race track or race tracks that have
 17 consolidated operations during calendar years 2000, 2001,
 18 and 2002 at-the-racetrack, inter-track, and inter-track
 19 wagering locations that derive their licenses from a
 20 racetrack identified in this paragraph (2) for calendar
 21 years 1994, 1996, and 1997 to (i) any person (or its
 22 successors or assigns) who had operating control of a
 23 racing facility at which live racing was conducted in
 24 calendar year 2002 1997 and who has operating control of
 25 an organization licensee that conducted racing in
 26 calendar year 2002 1997 and is a licensee in the current
 27 year, or (ii) any person (or its successors or assigns)
 28 who has operating control of a racing facility located in
 29 a county that is bounded by the Mississippi River that
 30 has a population of less than 150,000 according to the
 31 1990 decennial census and conducted an average of 60 days
 32 of racing per year between 1985 and 1993 and has been
 33 awarded an inter-track wagering license in the current
 34 year.

1 If any person identified in this paragraph (2)
2 becomes ineligible to receive moneys from the Fund, such
3 amount shall be redistributed among the remaining persons
4 in proportion to their percentages otherwise calculated.
5 (Source: P.A. 91-40, eff. 6-25-99.)

6 Section 10. The Riverboat Gambling Act is amended by
7 changing Sections 2, 4, 6, 7, 10, 11, 11.1, 12, 13, 15, and
8 23 and adding Sections 7.1, 7.2, and 7.3 as follows:

9 (230 ILCS 10/2) (from Ch. 120, par. 2402)

10 Sec. 2. Legislative Intent. (a) This Act is intended to
11 benefit the people of the State of Illinois by assisting
12 economic development and promoting Illinois tourism and by
13 increasing the amount of revenues available to the State to
14 assist and support education.

15 (b) While authorization of riverboat gambling will
16 enhance investment, development and tourism in Illinois, it
17 is recognized that it will do so successfully only if public
18 confidence and trust in the credibility and integrity of the
19 gambling operations and the regulatory process is maintained.
20 Therefore, regulatory provisions of this Act are designed to
21 strictly regulate the facilities, persons, associations and
22 practices related to gambling operations pursuant to the
23 police powers of the State, including comprehensive law
24 enforcement supervision.

25 (c) The Illinois Gaming Board established under this Act
26 should, as soon as possible, inform each applicant for an
27 owners license of the Board's intent to grant or deny a
28 license.

29 (Source: P.A. 86-1029.)

30 (230 ILCS 10/4) (from Ch. 120, par. 2404)

31 Sec. 4. Definitions. As used in this Act:

1 (a) "Board" means the Illinois Gaming Board.

2 (b) "Occupational license" means a license issued by the
3 Board to a person or entity to perform an occupation which
4 the Board has identified as requiring a license to engage in
5 riverboat gambling in Illinois.

6 (c) "Gambling game" includes, but is not limited to,
7 baccarat, twenty-one, poker, craps, slot machine, video game
8 of chance, roulette wheel, klondike table, punchboard, faro
9 layout, keno layout, numbers ticket, push card, jar ticket,
10 or pull tab which is authorized by the Board as a wagering
11 device under this Act.

12 (d) "Riverboat" means a self-propelled excursion boat, a
13 permanently moored barge, or permanently moored barges that
14 are permanently fixed together to operate as one vessel, on
15 which lawful gambling is authorized and licensed as provided
16 in this Act.

17 (e) "Managers license" means a license issued by the
18 Board to a person or entity to manage gambling operations
19 conducted by the State pursuant to Section 7.2 (Blank).

20 (f) "Dock" means the location where a riverboat moors
21 for the purpose of embarking passengers for and disembarking
22 passengers from the riverboat.

23 (g) "Gross receipts" means the total amount of money
24 exchanged for the purchase of chips, tokens or electronic
25 cards by riverboat patrons.

26 (h) "Adjusted gross receipts" means the gross receipts
27 less winnings paid to wagerers.

28 (i) "Cheat" means to alter the selection of criteria
29 which determine the result of a gambling game or the amount
30 or frequency of payment in a gambling game.

31 (j) "Department" means the Department of Revenue.

32 (k) "Gambling operation" means the conduct of authorized
33 gambling games upon a riverboat.

34 (l) "License bid" means the lump sum amount of money

1 that an applicant bids and agrees to pay the State in return
2 for an owners license that is re-issued on or after July 1,
3 2003.

4 (m) The terms "minority person" and "female" shall have
5 the same meaning as defined in Section 2 of the Business
6 Enterprise for Minorities, Females, and Persons with
7 Disabilities Act.

8 (Source: P.A. 91-40, eff. 6-25-99; 92-600, eff. 6-28-02.)

9 (230 ILCS 10/6) (from Ch. 120, par. 2406)

10 Sec. 6. Application for Owners License.

11 (a) A qualified person may apply to the Board for an
12 owners license to conduct a riverboat gambling operation as
13 provided in this Act. The application shall be made on forms
14 provided by the Board and shall contain such information as
15 the Board prescribes, including but not limited to the
16 identity of the riverboat on which such gambling operation is
17 to be conducted and the exact location where such riverboat
18 will be docked, a certification that the riverboat will be
19 registered under this Act at all times during which gambling
20 operations are conducted on board, detailed information
21 regarding the ownership and management of the applicant, and
22 detailed personal information regarding the applicant. Any
23 application for an owners license to be re-issued on or after
24 June 1, 2003 shall also include the applicant's license bid
25 in a form prescribed by the Board. Information provided on
26 the application shall be used as a basis for a thorough
27 background investigation which the Board shall conduct with
28 respect to each applicant. An incomplete application shall
29 be cause for denial of a license by the Board.

30 (b) Applicants shall submit with their application all
31 documents, resolutions, and letters of support from the
32 governing body that represents the municipality or county
33 wherein the licensee will dock.

1 (c) Each applicant shall disclose the identity of every
2 person, association, trust or corporation having a greater
3 than 1% direct or indirect pecuniary interest in the
4 riverboat gambling operation with respect to which the
5 license is sought. If the disclosed entity is a trust, the
6 application shall disclose the names and addresses of the
7 beneficiaries; if a corporation, the names and addresses of
8 all stockholders and directors; if a partnership, the names
9 and addresses of all partners, both general and limited.

10 (d) An application shall be filed with the Board by
11 January 1 of the year preceding any calendar year for which
12 an applicant seeks an owners license; however, applications
13 for an owners license permitting operations on January 1,
14 1991 shall be filed by July 1, 1990. An application fee of
15 \$50,000 shall be paid at the time of filing to defray the
16 costs associated with the background investigation conducted
17 by the Board. If the costs of the investigation exceed
18 \$50,000, the applicant shall pay the additional amount to the
19 Board. If the costs of the investigation are less than
20 \$50,000, the applicant shall receive a refund of the
21 remaining amount. All information, records, interviews,
22 reports, statements, memoranda or other data supplied to or
23 used by the Board in the course of its review or
24 investigation of an application for a license under this Act
25 shall be privileged, strictly confidential and shall be used
26 only for the purpose of evaluating an applicant. Such
27 information, records, interviews, reports, statements,
28 memoranda or other data shall not be admissible as evidence,
29 nor discoverable in any action of any kind in any court or
30 before any tribunal, board, agency or person, except for any
31 action deemed necessary by the Board.

32 (e) The Board shall charge each applicant a fee set by
33 the Department of State Police to defray the costs associated
34 with the search and classification of fingerprints obtained

1 by the Board with respect to the applicant's application.
2 These fees shall be paid into the State Police Services Fund.

3 (f) The licensed owner shall be the person primarily
4 responsible for the boat itself. Only one riverboat gambling
5 operation may be authorized by the Board on any riverboat.
6 The applicant must identify each riverboat it intends to use
7 and certify that the riverboat: (1) has the authorized
8 capacity required in this Act; (2) is accessible to disabled
9 persons; and (3) is fully registered and licensed in
10 accordance with any applicable laws.

11 (g) A person who knowingly makes a false statement on an
12 application is guilty of a Class A misdemeanor.

13 (Source: P.A. 91-40, eff. 6-25-99.)

14 (230 ILCS 10/7) (from Ch. 120, par. 2407)

15 Sec. 7. Owners Licenses.

16 (a) The Board shall issue owners licenses to persons,
17 firms or corporations which apply for such licenses upon
18 payment to the Board of the non-refundable license fee set by
19 the Board, upon payment of a \$25,000 license fee for the
20 first year of operation and a \$5,000 license fee for each
21 succeeding year and upon a determination by the Board that
22 the applicant is eligible for an owners license pursuant to
23 this Act and the rules of the Board. A person, firm or
24 corporation is ineligible to receive an owners license if:

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

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

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

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

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

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

8 (7) (blank); or

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

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

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

18 (A) controls, directly or indirectly, such
19 applicant, or

20 (B) is controlled, directly or indirectly, by
21 such applicant or by a person which controls,
22 directly or indirectly, such applicant;

23 (2) the facilities or proposed facilities for the
24 conduct of riverboat gambling;

25 (3) the highest prospective total revenue to be
26 derived by the State from the conduct of riverboat
27 gambling;

28 (4) the extent to which the ownership of the
29 applicant reflects the diversity of the State by
30 including minority persons and females and the good faith
31 affirmative action plan of each applicant to recruit,
32 train and upgrade minority persons and females minorities
33 in all employment classifications;

34 (5) the financial ability of the applicant to

1 purchase and maintain adequate liability and casualty
2 insurance;

3 (6) whether the applicant has adequate
4 capitalization to provide and maintain, for the duration
5 of a license, a riverboat; and

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

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

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

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

14 (e) The Board may issue up to 10 licenses authorizing
15 the holders of such licenses to own riverboats. In the
16 application for an owners license, the applicant shall state
17 the dock at which the riverboat is based and the water on
18 which the riverboat will be located. The Board shall issue 5
19 licenses to become effective not earlier than January 1,
20 1991. Three of such licenses shall authorize riverboat
21 gambling on the Mississippi River, ~~one of which shall~~
22 ~~authorize riverboat gambling from a home dock in the city of~~
23 ~~East St. Louis, and one of which shall authorize riverboat~~
24 ~~gambling on the Mississippi River~~ or in a municipality that

25 (1) borders on the Mississippi River or is within 5 miles of
26 the city limits of a municipality that borders on the
27 Mississippi River and (2) on the effective date of this
28 amendatory Act of the 93rd 92nd General Assembly has a
29 riverboat conducting riverboat gambling operations pursuant
30 to a license issued under this Act, provided that one of
31 those licenses shall authorize riverboat gambling from a home
32 dock in the City of East St. Louis. One other license shall
33 authorize riverboat gambling on the Illinois River south of
34 Marshall County. The Board shall issue one additional

1 license to become effective not earlier than March 1, 1992,
2 which shall authorize riverboat gambling on the Des Plaines
3 River in Will County. The Board may issue 4 additional
4 licenses to become effective not earlier than March 1, 1992.
5 In determining the water upon which riverboats will operate,
6 the Board shall consider the economic benefit which riverboat
7 gambling confers on the State, and shall seek to assure that
8 all regions of the State share in the economic benefits of
9 riverboat gambling.

10 In granting all licenses, the Board may give favorable
11 consideration to economically depressed areas of the State,
12 to applicants presenting plans which provide for significant
13 economic development over a large geographic area, and to
14 applicants who currently operate non-gambling riverboats in
15 Illinois. The Board shall review all applications for owners
16 licenses, and shall inform each applicant of the Board's
17 decision. The Board may grant an owners license to an
18 applicant that has not submitted the highest license bid, but
19 if it does not select the highest bidder, the Board shall
20 issue a written decision explaining why another applicant was
21 selected and identifying the factors set forth in this
22 Section that favored the winning bidder.

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

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

1 (g) Upon the termination, expiration, or revocation of
2 each of the first 10 licenses, which shall be issued for a 3
3 year period, all licenses are renewable annually upon payment
4 of the fee and a determination by the Board that the licensee
5 continues to meet all of the requirements of this Act and the
6 Board's rules. However, for licenses renewed on or after May
7 1, 1998, renewal shall be for a period of 4 years, unless the
8 Board sets a shorter period.

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

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

29 (j) The Board may issue or re-issue a license
30 authorizing a riverboat to dock in a municipality or approve
31 a relocation under Section 11.2 only if, prior to the
32 issuance or re-issuance of the license or approval, the
33 governing body of the municipality in which the riverboat
34 will dock has by a majority vote approved the docking of

1 riverboats in the municipality. The Board may issue or
2 re-issue a license authorizing a riverboat to dock in areas
3 of a county outside any municipality or approve a relocation
4 under Section 11.2 only if, prior to the issuance or
5 re-issuance of the license or approval, the governing body of
6 the county has by a majority vote approved of the docking of
7 riverboats within such areas.

8 (Source: P.A. 91-40, eff. 6-25-99; 92-600, eff. 6-28-02.)

9 (230 ILCS 10/7.1 new)

10 Sec. 7.1. Re-issuance of revoked or non-renewed owners
11 licenses.

12 (a) If an owners license terminates or expires without
13 renewal or the Board revokes or determines not to renew an
14 owners license (including, without limitation, an owners
15 license for a licensee that was not conducting riverboat
16 gambling operations on January 1, 1998), the Board may
17 re-issue such license to a qualified applicant pursuant to an
18 open and competitive bidding process, as set forth in Section
19 7.5, and subject to the maximum number of authorized licenses
20 set forth in Section 7(e).

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

28 (c) Notwithstanding anything to the contrary in Section
29 7(e), an applicant may apply to the Board for approval of
30 relocation of a re-issued license to a new home dock location
31 authorized under Section 3(c) upon receipt of the approval
32 from the municipality or county, as the case may be, pursuant
33 to Section 7(j).

1 (d) In determining whether to grant a re-issued owners
2 license to an applicant, the Board shall consider all of the
3 factors set forth in Sections 7(b) and (e) as well as the
4 amount of the applicant's license bid. The Board may grant
5 the re-issued owners license to an applicant that has not
6 submitted the highest license bid, but if it does not select
7 the highest bidder, the Board shall issue a written decision
8 explaining why another applicant was selected and identifying
9 the factors set forth in Sections 7(b) and (e) that favored
10 the winning bidder.

11 (e) Re-issued owners licenses shall be subject to annual
12 license fees as provided for in Section 7(a) and shall be
13 governed by the provisions of Sections 7(f), (g), (h), and
14 (i).

15 (230 ILCS 10/7.2 new)

16 Sec. 7.2. Temporary operating permits. Any person
17 operating under a temporary operating permit issued pursuant
18 to 86 Ill. Admin. Code 3000.230 shall be deemed to be
19 operating under the authority of an owner's license for
20 purposes of Section 13 of this Act. This Section shall not
21 affect in any way the licensure requirements of this Act.

22 (230 ILCS 10/7.3 new)

23 Sec. 7.3. State conduct of gambling operations.

24 (a) If, after reviewing each application for a re-issued
25 license, the Board determines that the highest prospective
26 total revenue to the State would be derived from State
27 conduct of the gambling operation in lieu of re-issuing the
28 license, the Board shall inform each applicant of its
29 decision. The Board shall thereafter have the authority,
30 without obtaining an owners license, to conduct riverboat
31 gambling operations as previously authorized by the
32 terminated, expired, revoked, or nonrenewed license through a

1 licensed manager selected pursuant to an open and competitive
2 bidding process as set forth in Section 7.5 and as provided
3 in Section 7.4.

4 (b) The Board may locate any riverboat on which a
5 gambling operation is conducted by the State in any home dock
6 location authorized by Section 3(c) upon receipt of approval
7 from a majority vote of the governing body of the
8 municipality or county, as the case may be, in which the
9 riverboat will dock.

10 (c) The Board shall have jurisdiction over and shall
11 supervise all gambling operations conducted by the State
12 provided for in this Act and shall have all powers necessary
13 and proper to fully and effectively execute the provisions of
14 this Act relating to gambling operations conducted by the
15 State.

16 (d) The maximum number of owners licenses authorized
17 under Section 7(e) shall be reduced by one for each instance
18 in which the Board authorizes the State to conduct a
19 riverboat gambling operation under subsection (a) in lieu of
20 re-issuing a license to an applicant under Section 7.1.

21 (230 ILCS 10/7.4 new)

22 Sec. 7.4. Managers licenses.

23 (a) A qualified person may apply to the Board for a
24 managers license to operate and manage any gambling operation
25 conducted by the State. The application shall be made on
26 forms provided by the Board and shall contain such
27 information as the Board prescribes, including but not
28 limited to information required in Sections 6(a), (b), and
29 (c) and information relating to the applicant's proposed
30 price to manage State gambling operations and to provide the
31 riverboat, gambling equipment, and supplies necessary to
32 conduct State gambling operations.

33 (b) Each applicant must submit evidence to the Board

1 that minority persons and females hold ownership interests in
2 the applicant of at least 16% and 4%, respectively.

3 (c) A person, firm, or corporation is ineligible to
4 receive a manager's license if:

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

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

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

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

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

17 (6) the firm or corporation employs a person defined
18 in (1), (2), (3), or (4) who participates in the
19 management or operation of gambling operations authorized
20 under this Act; or

21 (7) a license of the person, firm, or corporation
22 issued under this Act, or a license to own or operate
23 gambling facilities in any other jurisdiction, has been
24 revoked.

25 (d) Each applicant shall submit with his or her
26 application, on forms prescribed by the Board, 2 sets of his
27 or her fingerprints.

28 (e) The Board shall charge each applicant a fee, set by
29 the Board, to defray the costs associated with the background
30 investigation conducted by the Board.

31 (f) A person who knowingly makes a false statement on an
32 application is guilty of a Class A misdemeanor.

33 (g) The managers license shall be for a term not to
34 exceed 10 years, shall be renewable at the Board's option,

1 and shall contain such terms and provisions as the Board
2 deems necessary to protect or enhance the credibility and
3 integrity of State gambling operations, achieve the highest
4 prospective total revenue to the State, and otherwise serve
5 the interests of the citizens of Illinois.

6 (h) Issuance of a managers license shall be subject to an
7 open and competitive bidding process. The Board may select an
8 applicant other than the lowest bidder by price. If it does
9 not select the lowest bidder, the Board shall issue a notice
10 of who the lowest bidder was and a written decision as to why
11 another bidder was selected.

12 (230 ILCS 10/7.5 new)

13 Sec. 7.5 Competitive Bidding. When the Board determines
14 that it will re-issue an owners license pursuant to an open
15 and competitive bidding process, as set forth in Section 7.1,
16 or that it will issue a managers license pursuant to an open
17 and competitive bidding process, as set forth in Section 7.4,
18 the open and competitive bidding process shall adhere to the
19 following procedures:

20 (1) The Board shall make applications for owners and
21 managers licenses available to the public and allow a
22 reasonable time for applicants to submit applications to the
23 Board.

24 (2) During the filing period for owners or managers
25 license applications, the Board may retain the services of an
26 investment banking firm to assist the Board in conducting the
27 open and competitive bidding process.

28 (3) After receiving all of the bid proposals, the Board
29 shall open all of the proposals in a public forum and
30 disclose the prospective owners or managers names, venture
31 partners, if any, and, in the case of applicants for owners
32 licenses, the locations of the proposed development sites.

33 (4) The Board shall summarize the terms of the proposals

1 and may make this summary available to the public.

2 (5) The Board shall evaluate the proposals within a
3 reasonable time and select no more than 3 final applicants to
4 make presentations of their proposals to the Board.

5 (6) The final applicants shall make their presentations
6 to the Board on the same day during an open session of the
7 Board.

8 (7) As soon as practicable after the public
9 presentations by the final applicants, the Board, in its
10 discretion, may conduct further negotiations among the 3
11 final applicants. During such negotiations, each final
12 applicant may increase its license bid or otherwise enhance
13 its bid proposal. At the conclusion of such negotiations, the
14 Board shall select the winning proposal. In the case of
15 negotiations for an owners license, the Board may, at the
16 conclusion of such negotiations, make the determination
17 allowed under Section 7.3(a).

18 (8) Upon selection of a winning bid, the Board shall
19 evaluate the winning bid within a reasonable period of time
20 for licensee suitability in accordance with all applicable
21 statutory and regulatory criteria.

22 (9) If the winning bidder is unable or otherwise fails
23 to consummate the transaction, (including if the Board
24 determines that the winning bidder does not satisfy the
25 suitability requirements), the Board may, on the same
26 criteria, select from the remaining bidders or make the
27 determination allowed under Section 7.3(a).

28 (230 ILCS 10/10) (from Ch. 120, par. 2410)

29 Sec. 10. Bond of licensee. Before an owners license is
30 issued or re-issued or a managers license is issued, the
31 licensee shall post a bond in the sum of \$200,000 to the
32 State of Illinois. The bond shall be used to guarantee that
33 the licensee faithfully makes the payments, keeps his books

1 and records and makes reports, and conducts his games of
2 chance in conformity with this Act and the rules adopted by
3 the Board. The bond shall not be canceled by a surety on
4 less than 30 days notice in writing to the Board. If a bond
5 is canceled and the licensee fails to file a new bond with
6 the Board in the required amount on or before the effective
7 date of cancellation, the licensee's license shall be
8 revoked. The total and aggregate liability of the surety on
9 the bond is limited to the amount specified in the bond.

10 (Source: P.A. 86-1029.)

11 (230 ILCS 10/11) (from Ch. 120, par. 2411)

12 Sec. 11. Conduct of gambling. Gambling may be conducted
13 by licensed owners or licensed managers on behalf of the
14 State aboard riverboats, subject to the following standards:

15 (1) A licensee may conduct riverboat gambling
16 authorized under this Act regardless of whether it
17 conducts excursion cruises. A licensee may permit the
18 continuous ingress and egress of passengers for the
19 purpose of gambling.

20 (2) (Blank).

21 (3) Minimum and maximum wagers on games shall be
22 set by the licensee.

23 (4) Agents of the Board and the Department of State
24 Police may board and inspect any riverboat at any time
25 for the purpose of determining whether this Act is being
26 complied with. Every riverboat, if under way and being
27 hailed by a law enforcement officer or agent of the
28 Board, must stop immediately and lay to.

29 (5) Employees of the Board shall have the right to
30 be present on the riverboat or on adjacent facilities
31 under the control of the licensee.

32 (6) Gambling equipment and supplies customarily
33 used in conducting riverboat gambling must be purchased

1 or leased only from suppliers licensed for such purpose
2 under this Act.

3 (7) Persons licensed under this Act shall permit no
4 form of wagering on gambling games except as permitted by
5 this Act.

6 (8) Wagers may be received only from a person
7 present on a licensed riverboat. No person present on a
8 licensed riverboat shall place or attempt to place a
9 wager on behalf of another person who is not present on
10 the riverboat.

11 (9) Wagering shall not be conducted with money or
12 other negotiable currency.

13 (10) A person under age 21 shall not be permitted
14 on an area of a riverboat where gambling is being
15 conducted, except for a person at least 18 years of age
16 who is an employee of the riverboat gambling operation.
17 No employee under age 21 shall perform any function
18 involved in gambling by the patrons. No person under age
19 21 shall be permitted to make a wager under this Act.

20 (11) Gambling excursion cruises are permitted only
21 when the waterway for which the riverboat is licensed is
22 navigable, as determined by the Board in consultation
23 with the U.S. Army Corps of Engineers. This paragraph
24 (11) does not limit the ability of a licensee to conduct
25 gambling authorized under this Act when gambling
26 excursion cruises are not permitted.

27 (12) All tokens, chips or electronic cards used to
28 make wagers must be purchased from a licensed owner or
29 manager either aboard a riverboat or at an onshore
30 facility which has been approved by the Board and which
31 is located where the riverboat docks. The tokens, chips
32 or electronic cards may be purchased by means of an
33 agreement under which the owner or manager extends credit
34 to the patron. Such tokens, chips or electronic cards

1 may be used while aboard the riverboat only for the
2 purpose of making wagers on gambling games.

3 (13) Notwithstanding any other Section of this Act,
4 in addition to the other licenses authorized under this
5 Act, the Board may issue special event licenses allowing
6 persons who are not otherwise licensed to conduct
7 riverboat gambling to conduct such gambling on a
8 specified date or series of dates. Riverboat gambling
9 under such a license may take place on a riverboat not
10 normally used for riverboat gambling. The Board shall
11 establish standards, fees and fines for, and limitations
12 upon, such licenses, which may differ from the standards,
13 fees, fines and limitations otherwise applicable under
14 this Act. All such fees shall be deposited into the
15 State Gaming Fund. All such fines shall be deposited
16 into the Education Assistance Fund, created by Public Act
17 86-0018, of the State of Illinois.

18 (14) In addition to the above, gambling must be
19 conducted in accordance with all rules adopted by the
20 Board.

21 (Source: P.A. 91-40, eff. 6-25-99.)

22 (230 ILCS 10/11.1) (from Ch. 120, par. 2411.1)

23 Sec. 11.1. Collection of amounts owing under credit
24 agreements. Notwithstanding any applicable statutory
25 provision to the contrary, a licensed owner or manager who
26 extends credit to a riverboat gambling patron pursuant to
27 Section 11 (a) (12) of this Act is expressly authorized to
28 institute a cause of action to collect any amounts due and
29 owing under the extension of credit, as well as the owner's
30 or manager's costs, expenses and reasonable attorney's fees
31 incurred in collection.

32 (Source: P.A. 86-1029; 86-1389; 87-826.)

1 (230 ILCS 10/12) (from Ch. 120, par. 2412)

2 Sec. 12. Admission tax; fees.

3 (a) A tax is hereby imposed upon admissions to
4 riverboats operated by licensed owners authorized pursuant to
5 this Act. Until July 1, 2002, the rate is \$2 per person
6 admitted. From Beginning July 1, 2002 until July 1, 2003,
7 the rate is \$3 per person admitted. Beginning July 1, 2003,
8 for a licensee that admitted 2,300,000 persons or fewer in
9 the previous calendar year, the rate is \$4 per person
10 admitted and for a licensee that admitted more than 2,300,000
11 persons in the previous calendar year, the rate is \$5 per
12 person admitted. This admission tax is imposed upon the
13 licensed owner conducting gambling.

14 (1) The admission tax shall be paid for each
15 admission.

16 (2) (Blank).

17 (3) The riverboat licensee may issue tax-free
18 passes to actual and necessary officials and employees of
19 the licensee or other persons actually working on the
20 riverboat.

21 (4) The number and issuance of tax-free passes is
22 subject to the rules of the Board, and a list of all
23 persons to whom the tax-free passes are issued shall be
24 filed with the Board.

25 (a-5) A fee is hereby imposed upon admissions operated
26 by licensed managers on behalf of the State pursuant to
27 Section 7.3 at the rates provided in this subsection (a-5).
28 For a licensee that admitted 2,300,000 persons or fewer in
29 the previous calendar year, the rate is \$4 per person
30 admitted and for a licensee that admitted more than 2,300,000
31 persons in the previous calendar year, the rate is \$5 per
32 person admitted.

33 (1) The admission fee shall be paid for each
34 admission.

1 (2) (Blank).

2 (3) The licensed manager may issue fee-free passes
3 to actual and necessary officials and employees of the
4 manager or other persons actually working on the
5 riverboat.

6 (4) The number and issuance of fee-free passes is
7 subject to the rules of the Board, and a list of all
8 persons to whom the fee-free passes are issued shall be
9 filed with the Board.

10 (b) From the tax imposed under subsection (a) and the
11 fee imposed under subsection (a-5), a municipality shall
12 receive from the State \$1 for each person embarking on a
13 riverboat docked within the municipality, and a county shall
14 receive \$1 for each person embarking on a riverboat docked
15 within the county but outside the boundaries of any
16 municipality. The municipality's or county's share shall be
17 collected by the Board on behalf of the State and remitted
18 quarterly by the State, subject to appropriation, to the
19 treasurer of the unit of local government for deposit in the
20 general fund.

21 (c) The licensed owner shall pay the entire admission
22 tax to the Board and the licensed manager shall pay the
23 entire admission fee to the Board. Such payments shall be
24 made daily. Accompanying each payment shall be a return on
25 forms provided by the Board which shall include other
26 information regarding admissions as the Board may require.
27 Failure to submit either the payment or the return within the
28 specified time may result in suspension or revocation of the
29 owners or managers license.

30 (d) The Board shall administer and collect the admission
31 tax imposed by this Section, to the extent practicable, in a
32 manner consistent with the provisions of Sections 4, 5, 5a,
33 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9 and 10 of
34 the Retailers' Occupation Tax Act and Section 3-7 of the

1 Uniform Penalty and Interest Act.

2 (Source: P.A. 91-40, eff. 6-25-99; 92-595, eff. 6-28-02.)

3 (230 ILCS 10/13) (from Ch. 120, par. 2413)

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

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

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

13 15% of annual adjusted gross receipts up to and
14 including \$25,000,000;

15 20% of annual adjusted gross receipts in excess of
16 \$25,000,000 but not exceeding \$50,000,000;

17 25% of annual adjusted gross receipts in excess of
18 \$50,000,000 but not exceeding \$75,000,000;

19 30% of annual adjusted gross receipts in excess of
20 \$75,000,000 but not exceeding \$100,000,000;

21 35% of annual adjusted gross receipts in excess of
22 \$100,000,000.

23 Beginning July 1, 2002, a privilege tax is imposed on
24 persons engaged in the business of conducting riverboat
25 gambling operations, other than licensed managers conducting
26 riverboat gambling operations on behalf of the State, based
27 on the adjusted gross receipts received by a licensed owner
28 from gambling games authorized under this Act at the
29 following rates:

30 15% of annual adjusted gross receipts up to and
31 including \$25,000,000;

32 22.5% of annual adjusted gross receipts in excess of
33 \$25,000,000 but not exceeding \$50,000,000;

1 27.5% of annual adjusted gross receipts in excess of
2 \$50,000,000 but not exceeding \$75,000,000;

3 32.5% of annual adjusted gross receipts in excess of
4 \$75,000,000 but not exceeding \$100,000,000;

5 37.5% of annual adjusted gross receipts in excess of
6 \$100,000,000 but not exceeding \$150,000,000;

7 45% of annual adjusted gross receipts in excess of
8 \$150,000,000 but not exceeding \$200,000,000;

9 50% of annual adjusted gross receipts in excess of
10 \$200,000,000.

11 Riverboat gambling operations conducted by a licensed manager
12 on behalf of the State are not subject to the tax imposed
13 under this Section.

14 The taxes imposed by this Section shall be paid by the
15 licensed owner to the Board not later than 3:00 o'clock p.m.
16 of the day after the day when the wagers were made.

17 (b) Until January 1, 1998, 25% of the tax revenue
18 deposited in the State Gaming Fund under this Section shall
19 be paid, subject to appropriation by the General Assembly, to
20 the unit of local government which is designated as the home
21 dock of the riverboat. Beginning January 1, 1998, from the
22 tax revenue deposited in the State Gaming Fund under this
23 Section, an amount equal to 5% of adjusted gross receipts
24 generated by a riverboat shall be paid monthly, subject to
25 appropriation by the General Assembly, to the unit of local
26 government that is designated as the home dock of the
27 riverboat. From the tax revenue deposited in the State Gaming
28 Fund pursuant to riverboat gambling operations conducted by a
29 licensed manager on behalf of the State, an amount equal to
30 5% of adjusted gross receipts generated pursuant to those
31 riverboat gambling operations shall be paid monthly, subject
32 to appropriation by the General Assembly, to the unit of
33 local government that is designated as the home dock of the
34 riverboat upon which those riverboat gambling operations are

1 conducted.

2 (c) Appropriations, as approved by the General Assembly,
3 may be made from the State Gaming Fund to the Department of
4 Revenue and the Department of State Police for the
5 administration and enforcement of this Act.

6 (c-5) After the payments required under subsections (b)
7 and (c) have been made, an amount equal to 15% of the
8 adjusted gross receipts of (1) an owners licensee a-riverboat
9 (1) that relocates pursuant to Section 11.2, or (2) an owners
10 license conducting riverboat gambling operations pursuant to
11 for-which an owners license that is initially issued after
12 June 25, the-effective-date-of-this-amendatory-Act-of 1999,
13 or (3) the first riverboat gambling operations conducted by a
14 licensed manager on behalf of the State under Section 7.2,
15 whichever comes first, shall be paid from the State Gaming
16 Fund into the Horse Racing Equity Fund.

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

22 (c-15) After the payments required under subsections
23 (b), (c), and (c-5) have been made, an amount equal to 2% of
24 the adjusted gross receipts of (1) an owners licensee a
25 riverboat-(1) that relocates pursuant to Section 11.2, or (2)
26 an owners licensee conducting riverboat gambling operations
27 pursuant to for-which an owners license that is initially
28 issued after June 25, the-effective-date-of-this-amendatory
29 Act-of 1999, or (3) the first riverboat gambling operations
30 conducted by a licensed manager on behalf of the State under
31 Section 7.2, whichever comes first, shall be paid, subject to
32 appropriation from the General Assembly, from the State
33 Gaming Fund to each home rule county with a population of
34 over 3,000,000 inhabitants for the purpose of enhancing the

1 county's criminal justice system.

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

7 (c-25) After the payments required under subsections
8 (b), (c), (c-5) and (c-15) have been made, an amount equal to
9 2% of the adjusted gross receipts of (1) an owners license a
10 riverboat-~~(1)~~ that relocates pursuant to Section 11.2, ~~or~~ (2)
11 an owners license conducting riverboat gambling operations
12 pursuant to ~~for--which~~ an owners license that is initially
13 issued after June 25, ~~the-effective-date-of--this--amendatory~~
14 ~~Act--of~~ 1999, or (3) the first riverboat gambling operations
15 conducted by a licensed manager on behalf of the State under
16 Section 7.2, whichever comes first, shall be paid from the
17 State Gaming Fund to Chicago State University ~~into-the--State~~
18 ~~Universities-Athletic-Capital-Improvement-Fund.~~

19 (d) From time to time, the Board shall transfer the
20 remainder of the funds generated by this Act into the
21 Education Assistance Fund, created by Public Act 86-0018, of
22 the State of Illinois.

23 (e) Nothing in this Act shall prohibit the unit of local
24 government designated as the home dock of the riverboat from
25 entering into agreements with other units of local government
26 in this State or in other states to share its portion of the
27 tax revenue.

28 (f) To the extent practicable, the Board shall
29 administer and collect the wagering taxes imposed by this
30 Section in a manner consistent with the provisions of
31 Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b,
32 6c, 8, 9, and 10 of the Retailers' Occupation Tax Act and
33 Section 3-7 of the Uniform Penalty and Interest Act.

34 (Source: P.A. 91-40, eff. 6-25-99; 92-595, eff. 6-28-02.)

1 (230 ILCS 10/15) (from Ch. 120, par. 2415)

2 Sec. 15. Audit of Licensee Operations. Within 90 days
3 after the end of each quarter of each fiscal year, the
4 licensed owner or manager shall transmit to the Board an
5 audit of the financial transactions and condition of the
6 licensee's total operations. All audits shall be conducted
7 by certified public accountants selected by the Board. Each
8 certified public accountant must be registered in the State
9 of Illinois under the Illinois Public Accounting Act. The
10 compensation for each certified public accountant shall be
11 paid directly by the licensed owner or manager to the
12 certified public accountant.

13 (Source: P.A. 86-1029; 86-1389.)

14 (230 ILCS 10/23) (from Ch. 120, par. 2423)

15 Sec. 23. The State Gaming Fund. On or after the
16 effective date of this Act, all of the fees and taxes
17 collected pursuant to subsections of this Act shall be
18 deposited into the State Gaming Fund, a special fund in the
19 State Treasury, which is hereby created. The adjusted gross
20 receipts of any riverboat gambling operations conducted by a
21 licensed manager on behalf of the State remaining after the
22 payment of the fees and expenses of the licensed manager
23 shall be deposited into the State Gaming Fund. Fines and
24 penalties collected pursuant to this Act shall be deposited
25 into the Education Assistance Fund, created by Public Act
26 86-0018, of the State of Illinois.

27 (Source: P.A. 86-1029.)

28 Section 97. Severability. In accordance with Section
29 1.31 of the Statute on Statutes, the provisions of this Act
30 are severable. If any provision of this amendatory Act, or
31 the application of any provision of this amendatory Act to
32 any person or circumstance, is held invalid, such invalidity

1 shall not affect other provisions or applications of this
2 amendatory Act which can be given effect without the invalid
3 provision or application, and the application of this
4 amendatory Act to persons or circumstances other than those
5 as to which it is held invalid shall not be affected thereby.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.".