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LRB094 02936 AMC 56919 a

1 AMENDMENT TO HOUSE BILL 1917

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1917, AS AMENDED, by  
3 replacing everything after the enacting clause with the  
4 following:

5 "Section 1. Findings. The legislature makes all of the  
6 following findings:

7 (1) That riverboat gaming has had a negative impact on  
8 horse racing. From 1992, the first full year of riverboat  
9 operations, through 2005, Illinois on-track wagering has  
10 decreased by 42% from \$835 million to \$482 million.

11 (2) That this decrease in wagering has negatively  
12 impacted purses for Illinois racing, which has hurt the  
13 State's breeding industry. Between 1991 and 2004 the number  
14 of foals registered with the Department of Agriculture has  
15 decreased by more than 46% from 3,529 to 1,891.

16 (3) That the decline of the Illinois horseracing and  
17 breeding program, a \$2.5 billion industry, would be  
18 reversed if this amendatory Act of the 94th General  
19 Assembly was enacted. By requiring that riverboats agree to  
20 pay 3% of their gross revenue into the Horse Racing Equity  
21 Trust Fund, total purses in the State may increase by 50%,  
22 helping Illinois tracks to better compete with those in  
23 other states. Illinois currently ranks thirteenth  
24 nationally in terms of its purse size; the change would  
25 propel the State to second or third.

1           (4) That Illinois agriculture and other businesses  
2 that support and supply the horse racing industry, already  
3 a sector that employs over 37,000 Illinoisans, also stand  
4 to substantially benefit and would be much more likely to  
5 create additional jobs should Illinois horse racing once  
6 again become competitive with other states.

7           (5) That the 3% of gross revenues this amendatory Act  
8 of the 94th General Assembly will contribute to the horse  
9 racing industry will benefit that important industry for  
10 Illinois farmers, breeders, and fans of horseracing and  
11 will begin to address the negative impact riverboat gaming  
12 has had on Illinois horseracing.

13           Section 5. The State Finance Act is amended by changing  
14 Section 8h as follows:

15           (30 ILCS 105/8h)

16           Sec. 8h. Transfers to General Revenue Fund.

17           (a) Except as provided in subsection (b), notwithstanding  
18 any other State law to the contrary, the Governor may, through  
19 June 30, 2007, from time to time direct the State Treasurer and  
20 Comptroller to transfer a specified sum from any fund held by  
21 the State Treasurer to the General Revenue Fund in order to  
22 help defray the State's operating costs for the fiscal year.  
23 The total transfer under this Section from any fund in any  
24 fiscal year shall not exceed the lesser of (i) 8% of the  
25 revenues to be deposited into the fund during that fiscal year  
26 or (ii) an amount that leaves a remaining fund balance of 25%  
27 of the July 1 fund balance of that fiscal year. In fiscal year  
28 2005 only, prior to calculating the July 1, 2004 final  
29 balances, the Governor may calculate and direct the State  
30 Treasurer with the Comptroller to transfer additional amounts  
31 determined by applying the formula authorized in Public Act  
32 93-839 to the funds balances on July 1, 2003. No transfer may

1 be made from a fund under this Section that would have the  
2 effect of reducing the available balance in the fund to an  
3 amount less than the amount remaining unexpended and unreserved  
4 from the total appropriation from that fund estimated to be  
5 expended for that fiscal year. This Section does not apply to  
6 any funds that are restricted by federal law to a specific use,  
7 to any funds in the Motor Fuel Tax Fund, the Intercity  
8 Passenger Rail Fund, the Hospital Provider Fund, the Medicaid  
9 Provider Relief Fund, the Teacher Health Insurance Security  
10 Fund, the Reviewing Court Alternative Dispute Resolution Fund,  
11 ~~or~~ the Voters' Guide Fund, the Foreign Language Interpreter  
12 Fund, the Lawyers' Assistance Program Fund, the Supreme Court  
13 Federal Projects Fund, the Supreme Court Special State Projects  
14 Fund, ~~or~~ the Low-Level Radioactive Waste Facility Development  
15 and Operation Fund, the Horse Racing Equity Trust Fund, or the  
16 Hospital Basic Services Preservation Fund, or to any funds to  
17 which subsection (f) of Section 20-40 of the Nursing and  
18 Advanced Practice Nursing Act applies. No transfers may be made  
19 under this Section from the Pet Population Control Fund.  
20 Notwithstanding any other provision of this Section, for fiscal  
21 year 2004, the total transfer under this Section from the Road  
22 Fund or the State Construction Account Fund shall not exceed  
23 the lesser of (i) 5% of the revenues to be deposited into the  
24 fund during that fiscal year or (ii) 25% of the beginning  
25 balance in the fund. For fiscal year 2005 through fiscal year  
26 2007, no amounts may be transferred under this Section from the  
27 Road Fund, the State Construction Account Fund, the Criminal  
28 Justice Information Systems Trust Fund, the Wireless Service  
29 Emergency Fund, or the Mandatory Arbitration Fund.

30 In determining the available balance in a fund, the  
31 Governor may include receipts, transfers into the fund, and  
32 other resources anticipated to be available in the fund in that  
33 fiscal year.

34 The State Treasurer and Comptroller shall transfer the

1 amounts designated under this Section as soon as may be  
2 practicable after receiving the direction to transfer from the  
3 Governor.

4 (b) This Section does not apply to: (i) the Ticket For The  
5 Cure Fund; (ii) ~~or to~~ any fund established under the Community  
6 Senior Services and Resources Act; or (iii) ~~(ii)~~ on or after  
7 January 1, 2006 (the effective date of Public Act 94-511) ~~this~~  
8 ~~amendatory Act of the 94th General Assembly~~, the Child Labor  
9 and Day and Temporary Labor Enforcement Fund.

10 (c) This Section does not apply to the Demutualization  
11 Trust Fund established under the Uniform Disposition of  
12 Unclaimed Property Act.

13 (d) ~~(e)~~ This Section does not apply to moneys set aside in  
14 the Illinois State Podiatric Disciplinary Fund for podiatric  
15 scholarships and residency programs under the Podiatric  
16 Scholarship and Residency Act.

17 (Source: P.A. 93-32, eff. 6-20-03; 93-659, eff. 2-3-04; 93-674,  
18 eff. 6-10-04; 93-714, eff. 7-12-04; 93-801, eff. 7-22-04;  
19 93-839, eff. 7-30-04; 93-1054, eff. 11-18-04; 93-1067, eff.  
20 1-15-05; 94-91, eff. 7-1-05; 94-120, eff. 7-6-05; 94-511, eff.  
21 1-1-06; 94-535, eff. 8-10-05; 94-639, eff. 8-22-05; 94-645,  
22 eff. 8-22-05; 94-648, eff. 1-1-06; 94-686, eff. 11-2-05;  
23 94-691, eff. 11-2-05; 94-726, eff. 1-20-06; revised 1-23-06.)

24 Section 10. The Illinois Horse Racing Act of 1975 is  
25 amended by changing Section 54 as follows:

26 (230 ILCS 5/54)

27 Sec. 54. Horse Racing Equity Trust Fund.

28 (a) There is created ~~in the State Treasury~~ a Fund to be  
29 known as the Horse Racing Equity Trust Fund, which is a  
30 non-appropriated trust fund held separate and apart from State  
31 moneys. The Fund shall consist of moneys paid into it by owners  
32 licensees under ~~pursuant to subsection (e-5) of Section 13 of~~

1 the Riverboat Gambling Act for the purposes described in this  
2 Section. The Fund shall be administered by the Board. Moneys in  
3 the Fund shall be distributed as directed and certified by the  
4 Board in accordance with the provisions of subsection (b) the  
5 Racing Board.

6 (b) The moneys deposited into the Fund, plus any accrued  
7 interest on those moneys, shall be distributed ~~by the State~~  
8 ~~Treasurer~~ within 10 days after those moneys are deposited into  
9 the Fund as follows:

10 (1) Sixty percent ~~Fifty percent~~ of all moneys  
11 distributed under this subsection shall be distributed to  
12 organization licensees to be distributed at their race  
13 meetings as purses. Fifty-seven percent of the amount  
14 distributed under this paragraph (1) shall be distributed  
15 for thoroughbred race meetings and 43% shall be distributed  
16 for standardbred race meetings. Within each breed, moneys  
17 shall be allocated to each organization licensee's purse  
18 fund in accordance with the ratio between the purses  
19 generated for that breed by that licensee during the prior  
20 calendar year and the total purses generated throughout the  
21 State for that breed during the prior calendar year by  
22 licensees in the current calendar year.

23 (2) The remaining 40% ~~50%~~ of the moneys distributed  
24 under this subsection (b) shall be distributed as follows:

25 (A) 11% shall be distributed to any person (or its  
26 successors or assigns) who had operating control of a  
27 racetrack that conducted live racing in 2002 at a  
28 racetrack in a county with at least 230,000 inhabitants  
29 that borders the Mississippi River and is a licensee in  
30 the current year; and

31 (B) the remaining 89% shall be distributed pro rata  
32 according to the aggregate proportion of total  
33 state-wide handle from wagering on live races  
34 conducted in Illinois (irrespective of where the

1           wagers are placed) for calendar years 2004 and 2005 at  
2           ~~the racetrack, inter track, and inter track wagering~~  
3           ~~locations that derive their licenses from a racetrack~~  
4           ~~identified in this paragraph (2) for calendar years~~  
5           ~~1994, 1996, and 1997 to (i) any person (or its~~  
6           successors or assigns) who (i) had majority operating  
7           control of a racing facility at which live racing was  
8           conducted in calendar year 2002, (ii) 1997 and who has  
9           ~~operating control of an organization licensee that~~  
10           ~~conducted racing in calendar year 1997 and is a~~  
11           licensee in the current year, and (iii) is not eligible  
12           to receive moneys under subparagraph (A) of this  
13           paragraph (2).

14           The moneys received by an organization licensee under  
15           this paragraph (2) shall be used by each organization  
16           licensee to improve, maintain, market, and otherwise  
17           operate its racing facilities to conduct live racing, which  
18           shall include backstretch services and capital  
19           improvements related to live racing and the backstretch.  
20           Any organization licensees sharing common ownership may  
21           pool the moneys received and spent at all racing facilities  
22           commonly owned in order to meet these requirements. ~~or~~  
23           ~~(ii) any person (or its successors or assigns) who has~~  
24           ~~operating control of a racing facility located in a county~~  
25           ~~that is bounded by the Mississippi River that has a~~  
26           ~~population of less than 150,000 according to the 1990~~  
27           ~~decennial census and conducted an average of 60 days of~~  
28           ~~racing per year between 1985 and 1993 and has been awarded~~  
29           ~~an inter track wagering license in the current year.~~

30           If any person identified in this paragraph (2) becomes  
31           ineligible to receive moneys from the Fund, such amount  
32           shall be redistributed among the remaining persons in  
33           proportion to their percentages otherwise calculated.

34           (c) The Board shall monitor organization licensees to

1 ensure that moneys paid to organization licensees under this  
2 Section are distributed by the organization licensees as  
3 provided in subsection (b).

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

5 Section 15. The Riverboat Gambling Act is amended by  
6 changing Sections 7, 13, and 23 as follows:

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

8 Sec. 7. Owners Licenses.

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

17 Until the first date after the effective date of this  
18 amendatory Act of the 94th General Assembly that riverboat  
19 operations are conducted under the dormant license, as defined  
20 in subsection (a-3) of Section 13, as a condition of licensure,  
21 each owners licensee, other than an owners licensee operating a  
22 riverboat with adjusted gross receipts in calendar year 2004 of  
23 less than \$50,000,000, must pay into the Horse Racing Equity  
24 Trust Fund, in addition to any other payments required under  
25 this Act, an amount equal to 3% of the adjusted gross receipts  
26 received by the owners licensee. The payments required under  
27 this Section shall be made by the owners licensee to the State  
28 Treasurer no later than 3:00 o'clock p.m. of the day after the  
29 day when the adjusted gross receipts were received by the  
30 owners licensee.

31 A person, firm or corporation is ineligible to receive an  
32 owners license if:

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

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

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

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

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

12 (6) the firm or corporation employs a person defined in  
13 (1), (2), (3) or (4) who participates in the management or  
14 operation of gambling operations authorized under this  
15 Act;

16 (7) (blank); or

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

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

22 (1) the character, reputation, experience and  
23 financial integrity of the applicants and of any other or  
24 separate person that either:

25 (A) controls, directly or indirectly, such  
26 applicant, or

27 (B) is controlled, directly or indirectly, by such  
28 applicant or by a person which controls, directly or  
29 indirectly, such applicant;

30 (2) the facilities or proposed facilities for the  
31 conduct of riverboat gambling;

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

34 (4) the extent to which the ownership of the applicant



1 reflects the diversity of the State by including minority  
2 persons and females and the good faith affirmative action  
3 plan of each applicant to recruit, train and upgrade  
4 minority persons and females in all employment  
5 classifications;

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

8 (6) whether the applicant has adequate capitalization  
9 to provide and maintain, for the duration of a license, a  
10 riverboat;

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

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

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

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

19 (e) The Board may issue up to 10 licenses authorizing the  
20 holders of such licenses to own riverboats. In the application  
21 for an owners license, the applicant shall state the dock at  
22 which the riverboat is based and the water on which the  
23 riverboat will be located. The Board shall issue 5 licenses to  
24 become effective not earlier than January 1, 1991. Three of  
25 such licenses shall authorize riverboat gambling on the  
26 Mississippi River, or, with approval by the municipality in  
27 which the riverboat was docked on August 7, 2003 and with Board  
28 approval, be authorized to relocate to a new location, in a  
29 municipality that (1) borders on the Mississippi River or is  
30 within 5 miles of the city limits of a municipality that  
31 borders on the Mississippi River and (2), on August 7, 2003,  
32 had a riverboat conducting riverboat gambling operations  
33 pursuant to a license issued under this Act; one of which shall  
34 authorize riverboat gambling from a home dock in the city of

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

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

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

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

1 annual license fee for each of the 3 years during which they  
2 are authorized to own riverboats.

3 (g) Upon the termination, expiration, or revocation of each  
4 of the first 10 licenses, which shall be issued for a 3 year  
5 period, all licenses are renewable annually upon payment of the  
6 fee and a determination by the Board that the licensee  
7 continues to meet all of the requirements of this Act and the  
8 Board's rules. However, for licenses renewed on or after May 1,  
9 1998, renewal shall be for a period of 4 years, unless the  
10 Board sets a shorter period.

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

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

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

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

8 (Source: P.A. 93-28, eff. 6-20-03; 93-453, eff. 8-7-03; 94-667,  
9 eff. 8-23-05.)

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

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

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

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

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

22 20% of annual adjusted gross receipts in excess of  
23 \$25,000,000 but not exceeding \$50,000,000;

24 25% of annual adjusted gross receipts in excess of  
25 \$50,000,000 but not exceeding \$75,000,000;

26 30% of annual adjusted gross receipts in excess of  
27 \$75,000,000 but not exceeding \$100,000,000;

28 35% of annual adjusted gross receipts in excess of  
29 \$100,000,000.

30 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax  
31 is imposed on persons engaged in the business of conducting  
32 riverboat gambling operations, other than licensed managers  
33 conducting riverboat gambling operations on behalf of the

1 State, based on the adjusted gross receipts received by a  
2 licensed owner from gambling games authorized under this Act at  
3 the following rates:

4 15% of annual adjusted gross receipts up to and  
5 including \$25,000,000;

6 22.5% of annual adjusted gross receipts in excess of  
7 \$25,000,000 but not exceeding \$50,000,000;

8 27.5% of annual adjusted gross receipts in excess of  
9 \$50,000,000 but not exceeding \$75,000,000;

10 32.5% of annual adjusted gross receipts in excess of  
11 \$75,000,000 but not exceeding \$100,000,000;

12 37.5% of annual adjusted gross receipts in excess of  
13 \$100,000,000 but not exceeding \$150,000,000;

14 45% of annual adjusted gross receipts in excess of  
15 \$150,000,000 but not exceeding \$200,000,000;

16 50% of annual adjusted gross receipts in excess of  
17 \$200,000,000.

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

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

27 27.5% of annual adjusted gross receipts in excess of  
28 \$25,000,000 but not exceeding \$37,500,000;

29 32.5% of annual adjusted gross receipts in excess of  
30 \$37,500,000 but not exceeding \$50,000,000;

31 37.5% of annual adjusted gross receipts in excess of  
32 \$50,000,000 but not exceeding \$75,000,000;

33 45% of annual adjusted gross receipts in excess of  
34 \$75,000,000 but not exceeding \$100,000,000;

1           50% of annual adjusted gross receipts in excess of  
2           \$100,000,000 but not exceeding \$250,000,000;

3           70% of annual adjusted gross receipts in excess of  
4           \$250,000,000.

5           An amount equal to the amount of wagering taxes collected  
6           under this subsection (a-3) that are in addition to the amount  
7           of wagering taxes that would have been collected if the  
8           wagering tax rates under subsection (a-2) were in effect shall  
9           be paid into the Common School Fund.

10          The privilege tax imposed under this subsection (a-3) shall  
11          no longer be imposed beginning on the earlier of (i) July 1,  
12          2005; (ii) the first date after June 20, 2003 that riverboat  
13          gambling operations are conducted pursuant to a dormant  
14          license; or (iii) the first day that riverboat gambling  
15          operations are conducted under the authority of an owners  
16          license that is in addition to the 10 owners licenses initially  
17          authorized under this Act. For the purposes of this subsection  
18          (a-3), the term "dormant license" means an owners license that  
19          is authorized by this Act under which no riverboat gambling  
20          operations are being conducted on June 20, 2003.

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

29                 15% of annual adjusted gross receipts up to and  
30                 including \$25,000,000;

31                 22.5% of annual adjusted gross receipts in excess of  
32                 \$25,000,000 but not exceeding \$50,000,000;

33                 27.5% of annual adjusted gross receipts in excess of  
34                 \$50,000,000 but not exceeding \$75,000,000;

1           32.5% of annual adjusted gross receipts in excess of  
2           \$75,000,000 but not exceeding \$100,000,000;

3           37.5% of annual adjusted gross receipts in excess of  
4           \$100,000,000 but not exceeding \$150,000,000;

5           45% of annual adjusted gross receipts in excess of  
6           \$150,000,000 but not exceeding \$200,000,000;

7           50% of annual adjusted gross receipts in excess of  
8           \$200,000,000.

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

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

15          (a-15) If the privilege tax imposed under subsection (a-3)  
16          is no longer imposed pursuant to item (i) of the last paragraph  
17          of subsection (a-3), then by June 15 of each year, each owners  
18          licensee, other than an owners licensee that admitted 1,000,000  
19          persons or fewer in calendar year 2004, must, in addition to  
20          the payment of all amounts otherwise due under this Section,  
21          pay to the Board the amount, if any, by which the base amount  
22          for the licensed owner exceeds the amount of tax paid under  
23          this Section by the licensed owner in the then current State  
24          fiscal year. The obligation imposed by this subsection (a-15)  
25          is binding on any person, firm, corporation, or other entity  
26          that acquires an ownership interest in any such owners license.  
27          The obligation imposed under this subsection (a-15) terminates  
28          on the earliest of: (i) July 1, 2007, (ii) the first day after  
29          the effective date of this amendatory Act of the 94th General  
30          Assembly that riverboat gambling operations are conducted  
31          pursuant to a dormant license, (iii) the first day that  
32          riverboat gambling operations are conducted under the  
33          authority of an owners license that is in addition to the 10  
34          owners licenses initially authorized under this Act, or (iv)

1 the first day that a licensee under the Illinois Horse Racing  
2 Act of 1975 conducts gaming operations with slot machines or  
3 other electronic gaming devices. The Board must reduce the  
4 obligation imposed under this subsection (a-15) by an amount  
5 the Board deems reasonable for any of the following reasons:  
6 (A) an act or acts of God, (B) an act of bioterrorism or  
7 terrorism or a bioterrorism or terrorism threat that was  
8 investigated by a law enforcement agency, or (C) a condition  
9 beyond the control of the owners licensee that does not result  
10 from any act or omission by the owners licensee or any of its  
11 agents and that poses a hazardous threat to the health and  
12 safety of patrons. If an owners licensee pays an amount in  
13 excess of its liability under this Section, the Board shall  
14 apply the overpayment to future payments required under this  
15 Section.

16 For purposes of this subsection (a-15):

17 "Act of God" means an incident caused by the operation of  
18 an extraordinary force that cannot be foreseen, that cannot be  
19 avoided by the exercise of due care, and for which no person  
20 can be held liable.

21 "Base amount" means the following:

22 For a riverboat in Alton, \$31,000,000.

23 For a riverboat in East Peoria, \$43,000,000.

24 For the Empress riverboat in Joliet, \$86,000,000.

25 For a riverboat in Metropolis, \$45,000,000.

26 For the Harrah's riverboat in Joliet, \$114,000,000.

27 For a riverboat in Aurora, \$86,000,000.

28 For a riverboat in East St. Louis, \$48,500,000.

29 For a riverboat in Elgin, \$198,000,000.

30 "Dormant license" has the meaning ascribed to it in  
31 subsection (a-3).

32 (b) Until January 1, 1998, 25% of the tax revenue deposited  
33 in the State Gaming Fund under this Section shall be paid,  
34 subject to appropriation by the General Assembly, to the unit



1 of local government which is designated as the home dock of the  
2 riverboat. Beginning January 1, 1998, from the tax revenue  
3 deposited in the State Gaming Fund under this Section, an  
4 amount equal to 5% of adjusted gross receipts generated by a  
5 riverboat shall be paid monthly, subject to appropriation by  
6 the General Assembly, to the unit of local government that is  
7 designated as the home dock of the riverboat. From the tax  
8 revenue deposited in the State Gaming Fund pursuant to  
9 riverboat gambling operations conducted by a licensed manager  
10 on behalf of the State, an amount equal to 5% of adjusted gross  
11 receipts generated pursuant to those riverboat gambling  
12 operations shall be paid monthly, subject to appropriation by  
13 the General Assembly, to the unit of local government that is  
14 designated as the home dock of the riverboat upon which those  
15 riverboat gambling operations are conducted.

16 (c) Appropriations, as approved by the General Assembly,  
17 may be made from the State Gaming Fund to the Department of  
18 Revenue and the Department of State Police for the  
19 administration and enforcement of this Act, or to the  
20 Department of Human Services for the administration of programs  
21 to treat problem gambling.

22 (c-5) Beginning on the first date after the effective date  
23 of this amendatory Act of the 94th General Assembly that  
24 riverboat operations are conducted under the dormant license,  
25 as defined in subsection (a-3), after ~~After~~ the payments  
26 required under subsections (b) and (c) have been made, an  
27 amount equal to 15% of the adjusted gross receipts of that  
28 owner licensee's riverboat gambling operations ~~(1) an owners~~  
29 ~~licensee that relocates pursuant to Section 11.2, (2) an owners~~  
30 ~~licensee conducting riverboat gambling operations pursuant to~~  
31 ~~an owners license that is initially issued after June 25, 1999,~~  
32 ~~or (3) the first riverboat gambling operations conducted by a~~  
33 ~~licensed manager on behalf of the State under Section 7.3,~~  
34 ~~whichever comes first,~~ shall be paid from the State Gaming Fund

1 into the Horse Racing Equity Trust Fund.

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

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

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

24 (c-25) After the payments required under subsections (b),  
25 (c), (c-5) and (c-15) have been made, an amount equal to 2% of  
26 the adjusted gross receipts of (1) an owners licensee that  
27 relocates pursuant to Section 11.2, (2) an owners licensee  
28 conducting riverboat gambling operations pursuant to an owners  
29 license that is initially issued after June 25, 1999, or (3)  
30 the first riverboat gambling operations conducted by a licensed  
31 manager on behalf of the State under Section 7.3, whichever  
32 comes first, shall be paid from the State Gaming Fund to  
33 Chicago State University.

34 (d) From time to time, the Board shall transfer the

1 remainder of the funds generated by this Act into the Education  
2 Assistance Fund, created by Public Act 86-0018, of the State of  
3 Illinois.

4 (e) Nothing in this Act shall prohibit the unit of local  
5 government designated as the home dock of the riverboat from  
6 entering into agreements with other units of local government  
7 in this State or in other states to share its portion of the  
8 tax revenue.

9 (f) To the extent practicable, the Board shall administer  
10 and collect the wagering taxes imposed by this Section in a  
11 manner consistent with the provisions of Sections 4, 5, 5a, 5b,  
12 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the  
13 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
14 Penalty and Interest Act.

15 (Source: P.A. 93-27, eff. 6-20-03; 93-28, eff. 6-20-03; 94-673,  
16 eff. 8-23-05.)

17 (230 ILCS 10/23) (from Ch. 120, par. 2423)

18 Sec. 23. The State Gaming Fund. On or after the effective  
19 date of this Act, except as provided for payments into the  
20 Horse Racing Equity Trust Fund under subsection (a) of Section  
21 7, all of the fees and taxes collected pursuant to ~~subsections~~  
22 ~~of~~ this Act shall be deposited into the State Gaming Fund, a  
23 special fund in the State Treasury, which is hereby created.  
24 The adjusted gross receipts of any riverboat gambling  
25 operations conducted by a licensed manager on behalf of the  
26 State remaining after the payment of the fees and expenses of  
27 the licensed manager shall be deposited into the State Gaming  
28 Fund. Fines and penalties collected pursuant to this Act shall  
29 be deposited into the Education Assistance Fund, created by  
30 Public Act 86-0018, of the State of Illinois.

31 (Source: P.A. 93-28, eff. 6-20-03.)

32 (30 ILCS 105/5.490 rep.)

1           Section 20. The State Finance Act is amended by repealing  
2           Section 5.490.

3           Section 97. Severability. The provisions of this Act are  
4           severable under Section 1.31 of the Statute on Statutes.

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