



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB4194

by Rep. Lou Lang - Robert S. Molaro

SYNOPSIS AS INTRODUCED:

See Index

Creates the Chicago Casino Development Authority Act. Creates the Chicago Casino Development Authority and vests its powers in the Chicago Casino Development Board. Provides that the Board shall select casino operators to develop and operate a land-based casino in Chicago. Amends the Illinois Horse Racing Act of 1975. Makes changes concerning the Illinois Racing Board. Allows advance deposit wagering. Adds provisions concerning drug testing for horses. Makes other changes. Amends the Illinois Horse Racing Act of 1975 and the Riverboat Gambling Act to provide for the conduct of electronic gaming at tracks. Makes other changes. Amends the Riverboat Gambling Act. Makes changes concerning the Illinois Gaming Board. Authorizes the issuance of an additional license to conduct riverboat gambling and a casino license to conduct casino gambling in Chicago. Contains provisions regarding the re-issuance of the 10th riverboat license. Allows the Authority to receive a casino license and requires the Authority to contract with a casino operator to conduct casino gambling within that municipality. Changes the short title to the Illinois Gambling Act and makes corresponding changes in other Acts. Provides for the conduct of electronic poker. Makes other changes. Effective immediately.

LRB095 15068 AMC 41028 b

CORRECTIONAL
BUDGET AND
IMPACT NOTE ACT
MAY APPLY

FISCAL NOTE ACT
MAY APPLY

HOME RULE NOTE
ACT MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE DEBT
IMPACT NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

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

4 ARTICLE 1.

5 Section 1-1. Short title. This Act may be cited as the
6 Chicago Casino Development Authority Act.

7 Section 1-5. Definitions. As used in this Act:

8 "Authority" means the Chicago Casino Development Authority
9 created by this Act.

10 "Board" means the board appointed pursuant to this Act to
11 govern and control the Authority.

12 "Casino" means one temporary land-based facility and a
13 permanent land-based facility, at each of which lawful gambling
14 is authorized and licensed as provided in the Illinois Gambling
15 Act.

16 "City" means the City of Chicago.

17 "Casino operator licensee" means any person or entity
18 selected by the Authority and approved and licensed by the
19 Gaming Board to manage and operate a casino within the City of
20 Chicago pursuant to a casino management contract.

21 "Casino management contract" means a legally binding
22 agreement between the Authority and a casino operator licensee

1 to operate or manage a casino.

2 "Executive director" means the person appointed by the
3 Board to oversee the daily operations of the Authority.

4 "Gaming Board" means the Illinois Gaming Board created by
5 the Illinois Gambling Act.

6 "Mayor" means the Mayor of the City.

7 Section 1-12. Creation of the Authority. After the 5
8 members of the Illinois Gaming Board are appointed and
9 qualified pursuant to this amendatory Act of the 95th General
10 Assembly, there is hereby created a political subdivision, unit
11 of local government with only the powers authorized by law,
12 body politic, and municipal corporation, by the name and style
13 of the Chicago Casino Development Authority.

14 Section 1-13. Duties of the Authority. It shall be the duty
15 of the Authority, as a casino licensee under the Illinois
16 Gambling Act, to promote, operate, and maintain a casino in the
17 City. The Authority shall construct, equip, and maintain
18 grounds, buildings, and facilities for that purpose. The
19 Authority has the right to contract with a casino operator
20 licensee and other third parties in order to fulfill its
21 purpose. The Authority is granted all rights and powers
22 necessary to perform such duties.

23 Section 1-15. Board.

1 (a) The governing and administrative powers of the
2 Authority shall be vested in a body known as the Chicago Casino
3 Development Board. The Board shall consist of 3 members
4 appointed by the Mayor. All appointees shall be subject to
5 background investigation and approval by the Gaming Board. One
6 of these members shall be designated by the Mayor to serve as
7 chairperson. All of the members appointed by the Mayor shall be
8 residents of the City.

9 (b) Board members shall receive \$300 for each day the
10 Authority meets and shall be entitled to reimbursement of
11 reasonable expenses incurred in the performance of their
12 official duties. A Board member who serves in the office of
13 secretary-treasurer may also receive compensation for services
14 provided as that officer.

15 Section 1-20. Terms of appointments; resignation and
16 removal.

17 (a) The Mayor shall appoint one member of the Board for an
18 initial term expiring July 1 of the year following approval by
19 the Gaming Board, one member for an initial term expiring July
20 1 three years following approval by the Gaming Board, and one
21 member for an initial term expiring July 1 five years following
22 approval by the Gaming Board.

23 (b) All successors shall hold office for a term of 5 years
24 from the first day of July of the year in which they are
25 appointed, except in the case of an appointment to fill a

1 vacancy. Each member, including the chairperson, shall hold
2 office until the expiration of his or her term and until his or
3 her successor is appointed and qualified. Nothing shall
4 preclude a member from serving consecutive terms. Any member
5 may resign from office, to take effect when a successor has
6 been appointed and qualified. A vacancy in office shall occur
7 in the case of a member's death or indictment, conviction, or
8 plea of guilty to a felony. A vacancy shall be filled for the
9 unexpired term by the Mayor with the approval of the Gaming
10 Board.

11 (c) The Mayor or the Gaming Board may remove any member of
12 the Board upon a finding of incompetence, neglect of duty, or
13 misfeasance or malfeasance in office or for a violation of this
14 Act. The Gaming Board may remove any member of the Board for
15 any violation of the Illinois Gambling Act or the rules and
16 regulations of the Gaming Board.

17 Section 1-25. Organization of Board; meetings. After
18 appointment by the Mayor and approval of the Gaming Board, the
19 Board shall organize for the transaction of business. The Board
20 shall prescribe the time and place for meetings, the manner in
21 which special meetings may be called, and the notice that must
22 be given to members. All actions and meetings of the Board
23 shall be subject to the provisions of the Open Meetings Act.
24 Two members of the Board shall constitute a quorum. All
25 substantive action of the Board shall be by resolution with an

1 affirmative vote of a majority of the members.

2 Section 1-30. Executive director; officers.

3 (a) The Board shall appoint an executive director, subject
4 to completion of a background investigation and approval by the
5 Gaming Board, who shall be the chief executive officer of the
6 Authority. The Board shall fix the compensation of the
7 executive director. Subject to the general control of the
8 Board, the executive director shall be responsible for the
9 management of the business, properties, and employees of the
10 Authority. The executive director shall direct the enforcement
11 of all resolutions, rules, and regulations of the Board, and
12 shall perform such other duties as may be prescribed from time
13 to time by the Board. All employees and independent
14 contractors, consultants, engineers, architects, accountants,
15 attorneys, financial experts, construction experts and
16 personnel, superintendents, managers, and other personnel
17 appointed or employed pursuant to this Act shall report to the
18 executive director. In addition to any other duties set forth
19 in this Act, the executive director shall do all of the
20 following:

21 (1) Direct and supervise the administrative affairs
22 and activities of the Authority in accordance with its
23 rules, regulations, and policies.

24 (2) Attend meetings of the Board.

25 (3) Keep minutes of all proceedings of the Board.

1 (4) Approve all accounts for salaries, per diem
2 payments, and allowable expenses of the Board and its
3 employees and consultants.

4 (5) Report and make recommendations to the Board
5 concerning the terms and conditions of any casino
6 management contract.

7 (6) Perform any other duty that the Board requires for
8 carrying out the provisions of this Act.

9 (7) Devote his or her full time to the duties of the
10 office and not hold any other office or employment.

11 (b) The Board may select a secretary-treasurer to hold
12 office at the pleasure of the Board. The Board shall fix the
13 duties of such officer.

14 Section 1-31. General rights and powers of the Authority.
15 In addition to the duties and powers set forth in this Act, the
16 Authority shall have the following rights and powers:

17 (1) Adopt and alter an official seal.

18 (2) Establish and change its fiscal year.

19 (3) Sue and be sued, plead and be impleaded, all in its
20 own name, and agree to binding arbitration of any dispute
21 to which it is a party.

22 (4) Adopt, amend, and repeal by-laws, rules, and
23 regulations consistent with the furtherance of the powers
24 and duties provided for.

25 (5) Maintain its principal office within the City and

1 such other offices as the Board may designate.

2 (6) Select locations in the City for a temporary and a
3 permanent casino, subject to final approval by the Gaming
4 Board.

5 (7) Conduct background investigations of potential
6 casino operator licensees, including its principals or
7 shareholders, and Authority staff. The Authority may
8 request the assistance of the Office of Gaming Enforcement.

9 (8) Employ, either as regular employees or independent
10 contractors, consultants, engineers, architects,
11 accountants, attorneys, financial experts, construction
12 experts and personnel, superintendents, managers and other
13 professional personnel, and such other personnel as may be
14 necessary in the judgment of the Board, and fix their
15 compensation.

16 (9) Own, acquire, construct, equip, lease, operate,
17 and maintain grounds, buildings, and facilities to carry
18 out its corporate purposes and duties.

19 (10) Enter into, revoke, and modify contracts, subject
20 to final approval of the Gaming Board.

21 (11) Enter into a casino management contract subject to
22 the final approval of the Gaming Board.

23 (12) Develop, or cause to be developed by a third
24 party, a master plan for the design, planning, and
25 development of a casino.

26 (13) Negotiate and enter into intergovernmental

1 agreements with the State and its agencies, the City, and
2 other unites of local government, in furtherance of the
3 powers and duties of the Board. However, the Authority may
4 not enter into an agreement with the State Police.

5 (14) Receive and disburse funds for its own corporate
6 purposes or as otherwise specified in this Act.

7 (15) Borrow money from any source, public or private,
8 for any corporate purpose, including, without limitation,
9 working capital for its operations, reserve funds, or
10 payment of interest, and to mortgage, pledge, or otherwise
11 encumber the property or funds of the Authority and to
12 contract with or engage the services of any person in
13 connection with any financing, including financial
14 institutions, issuers of letters of credit, or insurers and
15 enter into reimbursement agreements with this person or
16 entity which may be secured as if money were borrowed from
17 the person or entity.

18 (16) Issue bonds as provided for under this Act.

19 (17) Receive and accept from any source, private or
20 public, contributions, gifts, or grants of money or
21 property to the Authority.

22 (18) Provide for the insurance of any property,
23 operations, officers, members, agents, or employees of the
24 Authority against any risk or hazard, to self-insure or
25 participate in joint self-insurance pools or entities to
26 insure against such risk or hazard, and to provide for the

1 indemnification of its officers, members, employees,
2 contractors, or agents against any and all risks.

3 (19) Exercise all the corporate powers granted
4 Illinois corporations under the Business Corporation Act
5 of 1983, except to the extent that powers are inconsistent
6 with those of a body politic and corporate of the State.

7 (20) Do all things necessary or convenient to carry out
8 the powers granted by this Act.

9 Section 1-32. Ethical Conduct.

10 (a) Board members and employees of the Authority must carry
11 out their duties and responsibilities in such a manner as to
12 promote and preserve public trust and confidence in the
13 integrity and conduct of gaming.

14 (b) Except as may be required in the conduct of official
15 duties, Board members and employees of the Authority shall not
16 engage in gambling on any riverboat, in any casino, or in an
17 electronic gaming facility licensed by the Illinois Gaming
18 Board or engage in legalized gambling in any establishment
19 identified by Board action that, in the judgment of the Board,
20 could represent a potential for a conflict of interest.

21 (c) A Board member or employee of the Authority shall not
22 use or attempt to use his or her official position to secure or
23 attempt to secure any privilege, advantage, favor, or influence
24 for himself or herself or others.

25 (d) Board members and employees of the Authority shall not

1 hold or pursue employment, office, position, business, or
2 occupation that may conflict with his or her official duties.
3 Employees may engage in other gainful employment so long as
4 that employment does not interfere or conflict with their
5 duties. Such employment must be disclosed to the Executive
6 Director and approved by the Board.

7 (e) Board members and employees of the Authority may not
8 engage in employment, communications, or any activity that may
9 be deemed a conflict of interest. This prohibition shall extend
10 to any act identified by Board action or Gaming Board action
11 that, in the judgment of the either entity, could represent the
12 potential for or the appearance of a conflict of interest.

13 (f) Board members and employees of the Authority may not
14 have a financial interest, directly or indirectly, in his or
15 her own name or in the name of any other person, partnership,
16 association, trust, corporation, or other entity in any
17 contract or subcontract for the performance of any work for the
18 Authority. This prohibition shall extend to the holding or
19 acquisition of an interest in any entity identified by Board
20 action or Gaming Board action that, in the judgment of the
21 either entity, could represent the potential for or the
22 appearance of a financial interest. The holding or acquisition
23 of an interest in such entities through an indirect means, such
24 as through a mutual fund, shall not be prohibited, except that
25 the Gaming Board may identify specific investments or funds
26 that, in its judgment, are so influenced by gaming holdings as

1 to represent the potential for or the appearance of a conflict
2 of interest.

3 (g) Board members and employees of the Authority may not
4 accept any gift, gratuity, service, compensation, travel,
5 lodging, or thing of value, with the exception of unsolicited
6 items of an incidental nature, from any person, corporation, or
7 entity doing business with the Authority.

8 (h) No Board member or employee of the Authority may,
9 within a period of 2 years immediately after termination of
10 employment, knowingly accept employment or receive
11 compensation or fees for services from a person or entity, or
12 its parent or affiliate, that has engaged in business with the
13 Authority that resulted in contracts with an aggregate value of
14 at least \$25,000 or made a decision that directly applied to
15 the person or entity, or its parent or affiliate.

16 (i) A spouse, child, or parent of a Board member or
17 employee of the Authority may not have a financial interest,
18 directly or indirectly, in his or her own name or in the name
19 of any other person, partnership, association, trust,
20 corporation, or other entity in any contract or subcontract for
21 the performance of any work for the Authority. This prohibition
22 shall extend to the holding or acquisition of an interest in
23 any entity identified by Board action or Gaming Board action
24 that, in the judgment of the either entity, could represent the
25 potential for or the appearance of a conflict of interest. The
26 holding or acquisition of an interest in such entities through

1 an indirect means, such as through a mutual fund, shall not be
2 prohibited, except that the Gaming Board may identify specific
3 investments or funds that, in its judgment, are so influenced
4 by gaming holdings as to represent the potential for or the
5 appearance of a conflict of interest.

6 (j) A spouse, child, or parent of a Board member or
7 employee of the Authority may not accept any gift, gratuity,
8 service, compensation, travel, lodging, or thing of value, with
9 the exception of unsolicited items of an incidental nature,
10 from any person, corporation, or entity doing business with the
11 Authority.

12 (k) A spouse, child, or parent of a Board member or
13 employee of the Authority may not, within a period of 2 years
14 immediately after termination of employment, knowingly accept
15 employment or receive compensation or fees for services from a
16 person or entity, or its parent or affiliate, that has engaged
17 in business with the Authority that resulted in contracts with
18 an aggregate value of at least \$25,000 or made a decision that
19 directly applied to the person or entity, or its parent or
20 affiliate.

21 (l) No Board member or employee of the Authority may
22 attempt, in any way, to influence any person or corporation
23 doing business with the Authority or any officer, agent, or
24 employee thereof to hire or contract with any person or
25 corporation for any compensated work.

26 (m) Any communication between an elected official of the

1 City and any applicant for or party to a casino management
2 contract with the Authority, or an officer, director, or
3 employee thereof, concerning any manner relating in any way to
4 gaming or the Authority shall be disclosed to the Board and the
5 Gaming Board. Such disclosure shall be in writing by the
6 official within 30 days of the communication and shall be filed
7 with the Board. Disclosure must consist of the date of the
8 communication, the identity and job title of the person with
9 whom the communication was made, a brief summary of the
10 communication, the action requested or recommended, all
11 responses made, the identity and job title of the person making
12 the response, and any other pertinent information.

13 (n) Any Board member or employee of the Authority who
14 violates any provision of this Section is guilty of a Class 4
15 felony.

16 Section 1-45. Casino management contracts.

17 (a) The Board shall develop and administer a competitive
18 sealed bidding process for the selection of a potential casino
19 operator licensee to develop or operate a casino within the
20 City. The Board shall issue one or more requests for proposals.
21 The Board may establish minimum financial and investment
22 requirements to determine the eligibility of persons to respond
23 to the Board's requests for proposal, and may establish and
24 consider such other criteria as it deems appropriate. The Board
25 may impose a fee upon persons who respond to requests for

1 proposal, in order to reimburse the Board for its costs in
2 preparing and issuing the requests and reviewing the proposals.

3 (b) Within 5 days after the time limit for submitting bids
4 and proposals has passed, the Board shall make all bids and
5 proposals public. Thereafter, the Board shall evaluate the
6 responses to its requests for proposal and the ability of all
7 persons or entities responding to its request for proposal to
8 meet the requirements of this Act and to undertake and perform
9 the obligations set forth in its requests for proposal.

10 (c) After reviewing proposals and subject to Gaming Board
11 approval, the Board shall enter into a casino management
12 contract authorizing the development, construction, or
13 operation of a casino. Validity of the casino management
14 contract is contingent upon the issuance of a casino operator
15 license to the successful bidder. If the Gaming Board approves
16 the contract and grants a casino operator license, the Board
17 shall transmit a copy of the executed casino management
18 contract to the Gaming Board.

19 (d) After the Authority has been issued a casino license,
20 the Gaming Board has issued a casino operator license, and the
21 Gaming Board has approved the location of a temporary facility,
22 the Authority may conduct gaming operations at a temporary
23 facility for no longer than 12 months after gaming operations
24 begin. The Gaming Board may, after holding a public hearing,
25 grant an extension so long as a permanent facility is not
26 operational and the Authority is working in good faith to

1 complete the permanent facility. The Gaming Board may grant
2 additional extensions following a public hearing. Each
3 extension may be for a period of no longer than 6 months.

4 (e) Fifty percent of the total amount received by the
5 Authority pursuant to a bid for a casino management contract or
6 an executed casino management contract must be transmitted to
7 the State and deposited into the GROW Fund.

8 Section 1-50. Transfer of funds. The revenues received by
9 the Authority (other than amounts required to be paid pursuant
10 to the Illinois Gambling Act and amounts required to pay the
11 operating expenses of the Authority, to pay amounts due the
12 casino operator licensee pursuant to a casino management
13 contract, to repay any borrowing of the Authority made pursuant
14 to Section 1-35, to pay debt service on any bonds issued under
15 Section 1-75, and to pay any expenses in connection with the
16 issuance of such bonds pursuant to Section 1-75 or derivative
17 products pursuant to Section 1-85) shall be transferred to the
18 City by the Authority.

19 Section 1-55. Municipal distributions of proceeds from a
20 casino; gaming endowment funds. At least 70% of the moneys that
21 a municipality in which a casino is located receives pursuant
22 to Section 1-50 of this Act shall be described as "gaming
23 endowment funds" and be expended or obligated by the
24 municipality for the following purposes and in the following

1 amounts:

2 (1) 40% of such gaming endowment funds shall be used
3 for or pledged for the construction and maintenance of
4 infrastructure within the municipality, including but not
5 limited to roads, bridges, transit infrastructure, and
6 municipal facilities.

7 (2) 60% of such gaming endowment funds shall be used
8 for or pledged for the construction and maintenance of
9 schools, parks and cultural institution facilities, and
10 museums within the municipality.

11 Section 1-60. Auditor General.

12 (a) Prior to the issuance of bonds under this Act, the
13 Authority shall submit to the Auditor General a certification
14 that:

15 (1) it is legally authorized to issue bonds;

16 (2) scheduled annual payments of principal and
17 interest on the bonds to be issued meet the requirements of
18 Section 1-75 of this Act;

19 (3) no bond shall mature later than 25 years; and

20 (4) after payment of costs of issuance and necessary
21 deposits to funds and accounts established with respect to
22 debt service on the bonds, the net bond proceeds (exclusive
23 of any proceeds to be used to refund outstanding bonds)
24 will be used only for the purposes set forth in this Act.

25 The Authority also shall submit to the Auditor General its

1 projections on revenues to be generated and pledged to
2 repayment of the bonds as scheduled and such other information
3 as the Auditor General may reasonably request.

4 The Auditor General shall examine the certifications and
5 information submitted and submit a report to the Authority and
6 the Gaming Board indicating whether the required
7 certifications, projections, and other information have been
8 submitted by the Authority and that the assumptions underlying
9 the projections are not unreasonable in the aggregate. The
10 Auditor General shall submit the report no later than 60 days
11 after receiving the information required to be submitted by the
12 Authority.

13 The Authority shall not issue bonds until it receives the
14 report from the Auditor General indicating the requirements of
15 this Section have been met. The Auditor General's report shall
16 not be in the nature of a post-audit or examination and shall
17 not lead to the issuance of an opinion, as that term is defined
18 in generally accepted government auditing standards. The
19 Auditor General shall submit a bill to the Authority for costs
20 associated with the examinations and report required under this
21 Section. The Authority shall reimburse in a timely manner.

22 (b) The Auditor General has the authority and is required
23 to conduct a financial and management audit of the Authority
24 every 2 years. The Auditor General shall also conduct one
25 post-construction and financing audit of the casino after it is
26 completed and in operation. The Auditor General's audits must

1 be posted on his or her Internet website. The Auditor General
2 shall submit a bill to the Authority for costs associated with
3 the audits required under this Section. The Authority shall
4 reimburse in a timely manner.

5 Section 1-65. Acquisition of property; eminent domain
6 proceedings. For the lawful purposes of this Act, the City or
7 the Authority may acquire by eminent domain or by condemnation
8 proceedings in the manner provided by the Eminent Domain Act,
9 real or personal property or interests in real or personal
10 property located in the City, and the City may convey to the
11 Authority property so acquired. The acquisition of property
12 under this Section is declared to be for a public use.

13 Section 1-70. Local regulation. The casino facilities and
14 operations therein shall be subject to all ordinances and
15 regulations of the City. The construction, development, and
16 operation of the casino shall comply with all ordinances,
17 regulations, rules, and controls of the City, including but not
18 limited to those relating to zoning and planned development,
19 building, fire prevention, and land use. However, the
20 regulation of gaming operations is subject to the exclusive
21 jurisdiction of the Gaming Board.

22 Section 1-75. Borrowing.

23 (a) The Authority may borrow money and issue bonds as

1 provided in this Section. Bonds of the Authority may be issued
2 to provide funds for land acquisition, site assembly and
3 preparation, and the design and construction of the casino, as
4 defined in the Illinois Gambling Act, all ancillary and related
5 facilities comprising the casino complex, and all on-site and
6 off-site infrastructure improvements required in connection
7 with the development of the casino; to refund (at the time or
8 in advance of any maturity or redemption) or redeem any bonds
9 of the Authority; to provide or increase a debt service reserve
10 fund or other reserves with respect to any or all of its bonds;
11 or to pay the legal, financial, administrative, bond insurance,
12 credit enhancement, and other legal expenses of the
13 authorization, issuance, or delivery of bonds. In this Act, the
14 term "bonds" also includes notes of any kind, interim
15 certificates, refunding bonds, or any other evidence of
16 obligation for borrowed money issued under this Section. Bonds
17 may be issued in one or more series and may be payable and
18 secured either on a parity with or separately from other bonds.

19 (b) The bonds of the Authority shall be payable from one or
20 more of the following sources: (i) the property or revenues of
21 the Authority; (ii) revenues derived from the casino; (iii)
22 revenues derived from any casino operator licensee; (iv) fees,
23 bid proceeds, charges, lease payments, payments required
24 pursuant to any casino management contract or other revenues
25 payable to the Authority, or any receipts of the Authority; (v)
26 payments by financial institutions, insurance companies, or

1 others pursuant to letters or lines of credit, policies of
2 insurance, or purchase agreements; (vi) investment earnings
3 from funds or accounts maintained pursuant to a bond resolution
4 or trust indenture; (vii) proceeds of refunding bonds; (viii)
5 any other revenues derived from or payments by the City; and
6 (ix) any payments by any casino operator licensee or others
7 pursuant to any guaranty agreement.

8 (c) Bonds shall be authorized by a resolution of the
9 Authority and may be secured by a trust indenture by and
10 between the Authority and a corporate trustee or trustees,
11 which may be any trust company or bank having the powers of a
12 trust company within or without the State. Bonds shall meet the
13 following requirements:

14 (1) Bonds shall bear interest at a rate not to exceed
15 the maximum rate authorized by the Bond Authorization Act.

16 (2) Bonds issued pursuant to this Section must be
17 issued with principal or mandatory redemption amounts in
18 equal amounts, with the first maturity issued occurring
19 within the fiscal year in which the bonds are issued or
20 within the next succeeding fiscal year, and with bonds
21 maturing or subject to mandatory redemption each fiscal
22 year thereafter up to 25 years.

23 (3) At least 25%, based on total principal amount, of
24 all bonds issued pursuant to this Section shall be sold
25 pursuant to notice of sale and public bid. No more than
26 75%, based on total principal amount, of all bonds issued

1 pursuant to this Section shall be sold by negotiated sale.

2 (4) Bonds shall be payable at a time or times, in the
3 denominations and form, including book entry form, either
4 coupon, registered, or both, and carry the registration and
5 privileges as to exchange, transfer or conversion, and
6 replacement of mutilated, lost, or destroyed bonds as the
7 resolution or trust indenture may provide.

8 (5) Bonds shall be payable in lawful money of the
9 United States at a designated place.

10 (6) Bonds shall be subject to the terms of purchase,
11 payment, redemption, refunding, or refinancing that the
12 resolution or trust indenture provides.

13 (7) Bonds shall be executed by the manual or facsimile
14 signatures of the officers of the Authority designated by
15 the Board, which signatures shall be valid at delivery even
16 for one who has ceased to hold office.

17 (8) Bonds shall be sold at public or private sale in
18 the manner and upon the terms determined by the Authority.

19 (9) Bonds shall be issued in accordance with the
20 provisions of the Local Government Debt Reform Act.

21 (d) The Authority shall adopt a procurement program with
22 respect to contracts relating to underwriters, bond counsel,
23 financial advisors, and accountants. The program shall include
24 goals for the payment of not less than 30% of the total dollar
25 value of the fees from these contracts to minority owned
26 businesses and female owned businesses as defined in the

1 Business Enterprise for Minorities, Females, and Persons with
2 Disabilities Act. The Authority shall conduct outreach to
3 minority owned businesses and female owned businesses.
4 Outreach shall include, but is not limited to, advertisements
5 in periodicals and newspapers, mailings, and other appropriate
6 media. The Authority shall submit to the General Assembly a
7 comprehensive report that shall include, at a minimum, the
8 details of the procurement plan, outreach efforts, and the
9 results of the efforts to achieve goals for the payment of
10 fees.

11 (e) Subject to the Illinois Gambling Act and rules of the
12 Gaming Board regarding pledging of interests in holders of
13 owners licenses, any resolution or trust indenture may contain
14 provisions that may be a part of the contract with the holders
15 of the bonds as to the following:

16 (1) Pledging, assigning, or directing the use,
17 investment, or disposition of revenues of the Authority or
18 proceeds or benefits of any contract, including without
19 limitation, any rights in any casino management contract.

20 (2) The setting aside of loan funding deposits, debt
21 service reserves, replacement or operating reserves, cost
22 of issuance accounts and sinking funds, and the regulation,
23 investment, and disposition thereof.

24 (3) Limitations on the purposes to which or the
25 investments in which the proceeds of sale of any issue of
26 bonds or the Authority's revenues and receipts may be

1 applied or made.

2 (4) Limitations on the issue of additional bonds, the
3 terms upon which additional bonds may be issued and
4 secured, the terms upon which additional bonds may rank on
5 a parity with, or be subordinate or superior to, other
6 bonds.

7 (5) The refunding, advance refunding, or refinancing
8 of outstanding bonds.

9 (6) The procedure, if any, by which the terms of any
10 contract with bondholders may be altered or amended and the
11 amount of bonds and holders of which must consent thereto
12 and the manner in which consent shall be given.

13 (7) Defining the acts or omissions which shall
14 constitute a default in the duties of the Authority to
15 holders of bonds and providing the rights or remedies of
16 such holders in the event of a default, which may include
17 provisions restricting individual rights of action by
18 bondholders.

19 (8) Providing for guarantees, pledges of property,
20 letters of credit, or other security, or insurance for the
21 benefit of bondholders.

22 (f) No member of the Board, nor any person executing the
23 bonds, shall be liable personally on the bonds or subject to
24 any personal liability by reason of the issuance of the bonds.

25 (g) The Authority may issue and secure bonds in accordance
26 with the provisions of the Local Government Credit Enhancement

1 Act.

2 (h) A pledge by the Authority of revenues and receipts as
3 security for an issue of bonds or for the performance of its
4 obligations under any casino management contract shall be valid
5 and binding from the time when the pledge is made. The revenues
6 and receipts pledged shall immediately be subject to the lien
7 of the pledge without any physical delivery or further act, and
8 the lien of any pledge shall be valid and binding against any
9 person having any claim of any kind in tort, contract, or
10 otherwise against the Authority, irrespective of whether the
11 person has notice. No resolution, trust indenture, management
12 agreement or financing statement, continuation statement, or
13 other instrument adopted or entered into by the Authority need
14 be filed or recorded in any public record other than the
15 records of the Authority in order to perfect the lien against
16 third persons, regardless of any contrary provision of law.

17 (i) Bonds that are being paid or retired by issuance, sale,
18 or delivery of bonds, and bonds for which sufficient funds have
19 been deposited with the paying agent or trustee to provide for
20 payment of principal and interest thereon, and any redemption
21 premium, as provided in the authorizing resolution, shall not
22 be considered outstanding for the purposes of this subsection.

23 (j) The bonds of the Authority shall not be indebtedness of
24 the State. The bonds of the Authority are not general
25 obligations of the State and are not secured by a pledge of the
26 full faith and credit of the State and the holders of bonds of

1 the Authority may not require, except as provided in this Act,
2 the application of State revenues or funds to the payment of
3 bonds of the Authority.

4 (k) The State of Illinois pledges and agrees with the
5 owners of the bonds that it will not limit or alter the rights
6 and powers vested in the Authority by this Act so as to impair
7 the terms of any contract made by the Authority with the owners
8 or in any way impair the rights and remedies of the owners
9 until the bonds, together with interest on them, and all costs
10 and expenses in connection with any action or proceedings by or
11 on behalf of the owners, are fully met and discharged. The
12 Authority is authorized to include this pledge and agreement in
13 any contract with the owners of bonds issued under this
14 Section.

15 (l) No person holding an elective office in this State,
16 holding a seat in the General Assembly, or serving as a board
17 member, trustee, officer, or employee of the Authority,
18 including the spouse of that person, may receive a legal,
19 banking, consulting, or other fee related to the issuance of
20 bonds.

21 Section 1-85. Derivative products. With respect to all or
22 part of any issue of its bonds, the Authority may enter into
23 agreements or contracts with any necessary or appropriate
24 person, which will have the benefit of providing to the
25 Authority an interest rate basis, cash flow basis, or other

1 basis different from that provided in the bonds for the payment
2 of interest. Such agreements or contracts may include, without
3 limitation, agreements or contracts commonly known as
4 "interest rate swap agreements", "forward payment conversion
5 agreements", "futures", "options", "puts", or "calls" and
6 agreements or contracts providing for payments based on levels
7 of or changes in interest rates, agreements or contracts to
8 exchange cash flows or a series of payments, or to hedge
9 payment, rate spread, or similar exposure.

10 Section 1-90. Legality for investment. The State of
11 Illinois, all governmental entities, all public officers,
12 banks, bankers, trust companies, savings banks and
13 institutions, building and loan associations, savings and loan
14 associations, investment companies, and other persons carrying
15 on a banking business, insurance companies, insurance
16 associations, and other persons carrying on an insurance
17 business, and all executors, administrators, guardians,
18 trustees, and other fiduciaries may legally invest any sinking
19 funds, moneys, or other funds belonging to them or within their
20 control in any bonds issued under this Act. However, nothing in
21 this Section shall be construed as relieving any person, firm,
22 or corporation from any duty of exercising reasonable care in
23 selecting securities for purchase or investment.

24 Section 1-95. Tax exemption. The Authority and all of its

1 operations and property used for public purposes shall be
2 exempt from all taxation of any kind imposed by the State of
3 Illinois or any political subdivision, school district,
4 municipal corporation, or unit of local government of the State
5 of Illinois. However, nothing in this Act prohibits the
6 imposition of any other taxes where such imposition is not
7 prohibited by Section 21 of the Illinois Gambling Act.

8 Section 1-105. Budgets and reporting.

9 (a) The Board shall annually adopt a budget for each fiscal
10 year. The budget may be modified from time to time in the same
11 manner and upon the same vote as it may be adopted. The budget
12 shall include the Authority's available funds and estimated
13 revenues and shall provide for payment of its obligations and
14 estimated expenditures for the fiscal year, including, without
15 limitation, expenditures for administration, operation,
16 maintenance and repairs, debt service, and deposits into
17 reserve and other funds and capital projects.

18 (b) The Board shall annually cause the finances of the
19 Authority to be audited by a firm of certified public
20 accountants and post the firm's audits of the Authority on the
21 Authority's Internet website.

22 (c) The Board shall, for each fiscal year, prepare an
23 annual report setting forth information concerning its
24 activities in the fiscal year and the status of the development
25 of the casino. The annual report shall include the audited

1 financial statements of the Authority for the fiscal year, the
2 budget for the succeeding fiscal year, and the current capital
3 plan as of the date of the report. Copies of the annual report
4 shall be made available to persons who request them and shall
5 be submitted not later than 120 days after the end of the
6 Authority's fiscal year to the Governor, the Mayor, the General
7 Assembly, and the Commission on Government Forecasting and
8 Accountability.

9 Section 1-110. Deposit and withdrawal of funds.

10 (a) All funds deposited by the Authority in any bank or
11 savings and loan association shall be placed in the name of the
12 Authority and shall be withdrawn or paid out only by check or
13 draft upon the bank or savings and loan association, signed by
14 2 officers or employees designated by the Board.
15 Notwithstanding any other provision of this Section, the Board
16 may designate any of its members or any officer or employee of
17 the Authority to authorize the wire transfer of funds deposited
18 by the secretary-treasurer of funds in a bank or savings and
19 loan association for the payment of payroll and employee
20 benefits-related expenses.

21 No bank or savings and loan association shall receive
22 public funds as permitted by this Section unless it has
23 complied with the requirements established pursuant to Section
24 6 of the Public Funds Investment Act.

25 (b) If any officer or employee whose signature appears upon

1 any check or draft issued pursuant to this Act ceases (after
2 attaching his signature) to hold his or her office before the
3 delivery of such a check or draft to the payee, his or her
4 signature shall nevertheless be valid and sufficient for all
5 purposes with the same effect as if he or she had remained in
6 office until delivery thereof.

7 Section 1-112. Contracts with the Authority or casino
8 operator licensee; disclosure requirements.

9 (a) A bidder, offeror, or contractor must disclose the
10 names of all officers and directors. A bidder, offeror, or
11 contractor for contracts with the Authority or casino operator
12 licensee shall disclose the identity of every owner,
13 beneficiary, or person with beneficial interest of more than
14 1%, or shareholder entitled to receive more than 1% of the
15 total distributable income of any corporation, having any
16 interest in the contract in the bidder, offeror, or contractor.
17 The disclosure shall be in writing and attested to by an owner,
18 trustee, corporate official, or agent. If stock in a
19 corporation is publicly traded and there is no readily known
20 individual having greater than a 1% interest, then a statement
21 to that effect attested to by an officer or agent of the
22 corporation or shall fulfill the disclosure statement
23 requirement of this Section. A bidder, offeror, or contractor
24 shall notify the Authority of any changes in officers,
25 directors, ownership, or individuals having a beneficial

1 interest of more than 1%.

2 (b) A bidder, offeror, or contractor for contracts with an
3 annual value of \$10,000 or for a period to exceed one year
4 shall disclose all political contributions of the bidder,
5 offeror, or contractor and any affiliated person or entity.
6 Disclosure shall include at least the names and addresses of
7 the contributors and the dollar amounts of any contributions to
8 any political committee made within the previous 2 years. The
9 disclosure must be submitted to the Gaming Board with a copy of
10 the contract prior to Gaming Board approval of the contract.
11 The Gaming Board shall refuse to approve any contract that does
12 not include the required disclosure.

13 (c) As used in this Section:

14 "Contribution" means contribution as defined in Section
15 9-1.4 of the Election Code.

16 "Affiliated person" means (i) any person with any ownership
17 interest or distributive share of the bidding or contracting
18 entity in excess of 1%, (ii) executive employees of the bidding
19 or contracting entity, and (iii) the spouse and minor children
20 of any such persons.

21 "Affiliated entity" means (i) any parent or subsidiary of
22 the bidding or contracting entity, (ii) any member of the same
23 unitary business group, or (iii) any political committee for
24 which the bidding or contracting entity is the sponsoring
25 entity.

26 (d) The Gaming Board may direct the Authority or a casino

1 operator licensee to void a contract if a violation of this
2 Section occurs. The Authority may direct a casino operator
3 licensee to void a contract if a violation of this Section
4 occurs.

5 Section 1-115. Purchasing.

6 (a) All construction contracts and contracts for supplies,
7 materials, equipment, and services, when the cost thereof to
8 the Authority exceeds \$25,000, shall be let to the lowest
9 responsible bidder, after advertising for bids, except for the
10 following:

11 (1) When repair parts, accessories, equipment, or
12 services are required for equipment or services previously
13 furnished or contracted for;

14 (2) Professional services;

15 (3) When services such as water, light, heat, power,
16 telephone (other than long-distance service), or telegraph
17 are required;

18 (4) When contracts for the use, purchase, delivery,
19 movement, or installation of data processing equipment,
20 software, or services and telecommunications equipment,
21 software, and services are required;

22 (5) Casino management contracts, which shall be
23 awarded as set forth in Section 1-45 of this Act.

24 (b) All contracts involving less than \$25,000 shall be let
25 by competitive bidding whenever possible, and in any event in a

1 manner calculated to ensure the best interests of the public.

2 (c) In determining the responsibility of any bidder, the
3 Authority may take into account the bidder's (or an individual
4 having a beneficial interest, directly or indirectly, of more
5 than 1% in such bidding entity) past record of dealings with
6 the Authority, the bidder's experience, adequacy of equipment,
7 and ability to complete performance within the time set, and
8 other factors besides financial responsibility. No such
9 contract shall be awarded to any bidder other than the lowest
10 bidder (in case of purchase or expenditure) unless authorized
11 or approved by a vote of at least 2 members of the Board and
12 such action is accompanied by a written statement setting forth
13 the reasons for not awarding the contract to the highest or
14 lowest bidder, as the case may be. The statement shall be kept
15 on file in the principal office of the Authority and open to
16 public inspection.

17 (d) The Authority shall have the right to reject all bids
18 and to re-advertise for bids. If after any such
19 re-advertisement, no responsible and satisfactory bid, within
20 the terms of the re-advertisement, is received, the Authority
21 may award such contract without competitive bidding, provided
22 that the Gaming Board must approve the contract prior to its
23 execution. The contract must not be less advantageous to the
24 Authority than any valid bid received pursuant to
25 advertisement.

26 (e) Advertisements for bids and re-bids shall be published

1 at least once in a daily newspaper of general circulation
2 published in the City at least 10 calendar days before the time
3 for receiving bids, and such advertisements shall also be
4 posted on readily accessible bulletin boards in the principal
5 office of the Authority. Such advertisements shall state the
6 time and place for receiving and opening of bids and, by
7 reference to plans and specifications on file at the time of
8 the first publication or in the advertisement itself, shall
9 describe the character of the proposed contract in sufficient
10 detail to fully advise prospective bidders of their obligations
11 and to ensure free and open competitive bidding.

12 (f) All bids in response to advertisements shall be sealed
13 and shall be publicly opened by the Authority. All bidders
14 shall be entitled to be present in person or by
15 representatives. Cash or a certified or satisfactory cashier's
16 check, as a deposit of good faith, in a reasonable amount to be
17 fixed by the Authority before advertising for bids, shall be
18 required with the proposal of each bidder. A bond for faithful
19 performance of the contract with surety or sureties
20 satisfactory to the Authority and adequate insurance may be
21 required in reasonable amounts to be fixed by the Authority
22 before advertising for bids.

23 (g) The contract shall be awarded as promptly as possible
24 after the opening of bids. The bid of the successful bidder, as
25 well as the bids of the unsuccessful bidders, shall be placed
26 on file and be open to public inspection. All bids shall be

1 void if any disclosure of the terms of any bid in response to
2 an advertisement is made or permitted to be made by the
3 Authority before the time fixed for opening bids.

4 (h) Notice of each and every contract that is offered,
5 including renegotiated contracts and change orders, shall be
6 published in an online bulletin. The online bulletin must
7 include at least the date first offered, the date submission of
8 offers is due, the location that offers are to be submitted to,
9 a brief purchase description, the method of source selection,
10 information of how to obtain a comprehensive purchase
11 description and any disclosure and contract forms, and
12 encouragement to prospective vendors to hire qualified
13 veterans, as defined by Section 45-67 of the Illinois
14 Procurement Code, and Illinois residents discharged from any
15 Illinois adult correctional center. Notice of each and every
16 contract that is let or awarded, including renegotiated
17 contracts and change orders, shall be published in the online
18 bulletin and must include at least all of the information
19 specified in this item (j), as well as the name of the
20 successful responsible bidder or offeror, the contract price,
21 and the number of unsuccessful responsive bidders and any other
22 disclosure specified in this Section. This notice must be
23 posted in the online electronic bulletin prior to execution of
24 the contract.

25 ARTICLE 90.

1 Section 90-1. The State Officials and Employees Ethics Act
2 is amended by changing Sections 5-50, 20-10, and 20-15 as
3 follows:

4 (5 ILCS 430/5-50)

5 Sec. 5-50. Ex parte communications; special government
6 agents.

7 (a) This Section applies to ex parte communications made to
8 any agency listed in subsection (e).

9 (b) "Ex parte communication" means any written or oral
10 communication by any person that imparts or requests material
11 information or makes a material argument regarding potential
12 action concerning regulatory, quasi-adjudicatory, investment,
13 or licensing matters pending before or under consideration by
14 the agency. "Ex parte communication" does not include the
15 following: (i) statements by a person publicly made in a public
16 forum; (ii) statements regarding matters of procedure and
17 practice, such as format, the number of copies required, the
18 manner of filing, and the status of a matter; and (iii)
19 statements made by a State employee of the agency to the agency
20 head or other employees of that agency.

21 (b-5) An ex parte communication received by an agency,
22 agency head, or other agency employee from an interested party
23 or his or her official representative or attorney shall
24 promptly be memorialized and made a part of the record.

1 (c) An ex parte communication received by any agency,
2 agency head, or other agency employee, other than an ex parte
3 communication described in subsection (b-5), shall immediately
4 be reported to that agency's ethics officer by the recipient of
5 the communication and by any other employee of that agency who
6 responds to the communication. The ethics officer shall require
7 that the ex parte communication be promptly made a part of the
8 record. The ethics officer shall promptly file the ex parte
9 communication with the Executive Ethics Commission, including
10 all written communications, all written responses to the
11 communications, and a memorandum prepared by the ethics officer
12 stating the nature and substance of all oral communications,
13 the identity and job title of the person to whom each
14 communication was made, all responses made, the identity and
15 job title of the person making each response, the identity of
16 each person from whom the written or oral ex parte
17 communication was received, the individual or entity
18 represented by that person, any action the person requested or
19 recommended, and any other pertinent information. The
20 disclosure shall also contain the date of any ex parte
21 communication.

22 (d) "Interested party" means a person or entity whose
23 rights, privileges, or interests are the subject of or are
24 directly affected by a regulatory, quasi-adjudicatory,
25 investment, or licensing matter.

26 (e) This Section applies to the following agencies:

1 Executive Ethics Commission
2 Illinois Commerce Commission
3 Educational Labor Relations Board
4 State Board of Elections
5 ~~Illinois Gaming Board~~
6 Health Facilities Planning Board
7 Illinois Workers' Compensation Commission
8 Illinois Labor Relations Board
9 Illinois Liquor Control Commission
10 Pollution Control Board
11 Property Tax Appeal Board
12 ~~Illinois Racing Board~~
13 Illinois Purchased Care Review Board
14 Department of State Police Merit Board
15 Motor Vehicle Review Board
16 Prisoner Review Board
17 Civil Service Commission
18 Personnel Review Board for the Treasurer
19 Merit Commission for the Secretary of State
20 Merit Commission for the Office of the Comptroller
21 Court of Claims
22 Board of Review of the Department of Employment Security
23 Department of Insurance
24 Department of Professional Regulation and licensing boards
25 under the Department
26 Department of Public Health and licensing boards under the

1 Department
2 Office of Banks and Real Estate and licensing boards under
3 the Office
4 State Employees Retirement System Board of Trustees
5 Judges Retirement System Board of Trustees
6 General Assembly Retirement System Board of Trustees
7 Illinois Board of Investment
8 State Universities Retirement System Board of Trustees
9 Teachers Retirement System Officers Board of Trustees

10 (f) Any person who fails to (i) report an ex parte
11 communication to an ethics officer, (ii) make information part
12 of the record, or (iii) make a filing with the Executive Ethics
13 Commission as required by this Section or as required by
14 Section 5-165 of the Illinois Administrative Procedure Act
15 violates this Act.

16 (Source: P.A. 95-331, eff. 8-21-07.)

17 (5 ILCS 430/20-10)

18 Sec. 20-10. Offices of Executive Inspectors General.

19 (a) Six ~~Five~~ independent Offices of the Executive Inspector
20 General are created, one each for the Governor, the Attorney
21 General, the Secretary of State, the Comptroller, and the
22 Treasurer and one for gaming activities. Each Office shall be
23 under the direction and supervision of an Executive Inspector
24 General and shall be a fully independent office with separate
25 appropriations.

1 (b) The Governor, Attorney General, Secretary of State,
2 Comptroller, and Treasurer shall each appoint an Executive
3 Inspector General, and the Director of Gaming Enforcement shall
4 appoint an Executive Inspector General for gaming activities.
5 Each appointment must be made without regard to political
6 affiliation and solely on the basis of integrity and
7 demonstrated ability. Appointments shall be made by and with
8 the advice and consent of the Senate by three-fifths of the
9 elected members concurring by record vote. Any nomination not
10 acted upon by the Senate within 60 session days of the receipt
11 thereof shall be deemed to have received the advice and consent
12 of the Senate. If, during a recess of the Senate, there is a
13 vacancy in an office of Executive Inspector General, the
14 appointing authority shall make a temporary appointment until
15 the next meeting of the Senate when the appointing authority
16 shall make a nomination to fill that office. No person rejected
17 for an office of Executive Inspector General shall, except by
18 the Senate's request, be nominated again for that office at the
19 same session of the Senate or be appointed to that office
20 during a recess of that Senate.

21 Nothing in this Article precludes the appointment by the
22 Governor, Attorney General, Secretary of State, Comptroller,
23 or Treasurer of any other inspector general required or
24 permitted by law. The Governor, Attorney General, Secretary of
25 State, Comptroller, and Treasurer each may appoint an existing
26 inspector general as the Executive Inspector General required

1 by this Article, provided that such an inspector general is not
2 prohibited by law, rule, jurisdiction, qualification, or
3 interest from serving as the Executive Inspector General
4 required by this Article. An appointing authority may not
5 appoint a relative as an Executive Inspector General.

6 Each Executive Inspector General shall have the following
7 qualifications:

8 (1) has not been convicted of any felony under the laws
9 of this State, another State, or the United States;

10 (2) has earned a baccalaureate degree from an
11 institution of higher education; and

12 (3) has 5 or more years of cumulative service (A) with
13 a federal, State, or local law enforcement agency, at least
14 2 years of which have been in a progressive investigatory
15 capacity; (B) as a federal, State, or local prosecutor; (C)
16 as a senior manager or executive of a federal, State, or
17 local agency; (D) as a member, an officer, or a State or
18 federal judge; or (E) representing any combination of (A)
19 through (D).

20 The term of each initial Executive Inspector General shall
21 commence upon qualification and shall run through June 30,
22 2008. The initial appointments shall be made within 60 days
23 after the effective date of this Act.

24 After the initial term, each Executive Inspector General
25 shall serve for 5-year terms commencing on July 1 of the year
26 of appointment and running through June 30 of the fifth

1 following year. An Executive Inspector General may be
2 reappointed to one or more subsequent terms.

3 A vacancy occurring other than at the end of a term shall
4 be filled by the appointing authority only for the balance of
5 the term of the Executive Inspector General whose office is
6 vacant.

7 Terms shall run regardless of whether the position is
8 filled.

9 (c) The Executive Inspector General appointed by the
10 Attorney General shall have jurisdiction over the Attorney
11 General and all officers and employees of, and vendors and
12 others doing business with, State agencies within the
13 jurisdiction of the Attorney General. The Executive Inspector
14 General appointed by the Secretary of State shall have
15 jurisdiction over the Secretary of State and all officers and
16 employees of, and vendors and others doing business with, State
17 agencies within the jurisdiction of the Secretary of State. The
18 Executive Inspector General appointed by the Comptroller shall
19 have jurisdiction over the Comptroller and all officers and
20 employees of, and vendors and others doing business with, State
21 agencies within the jurisdiction of the Comptroller. The
22 Executive Inspector General appointed by the Treasurer shall
23 have jurisdiction over the Treasurer and all officers and
24 employees of, and vendors and others doing business with, State
25 agencies within the jurisdiction of the Treasurer. The
26 Executive Inspector General appointed by the Governor shall

1 have jurisdiction over the Governor, the Lieutenant Governor,
2 and all officers and employees of, and vendors and others doing
3 business with, executive branch State agencies under the
4 jurisdiction of the Executive Ethics Commission and not within
5 the jurisdiction of the Attorney General, the Secretary of
6 State, the Comptroller, ~~or~~ the Treasurer, or the Executive
7 Inspector General for gaming activities. The Executive
8 Inspector General for gaming activities appointed by the
9 Director of Gaming Enforcement has jurisdiction over the
10 Illinois Gaming Board, Illinois Racing Board, the Office of
11 Gaming Enforcement, and all officers and employees of those
12 agencies.

13 The jurisdiction of each Executive Inspector General is to
14 investigate allegations of fraud, waste, abuse, mismanagement,
15 misconduct, nonfeasance, misfeasance, malfeasance, or
16 violations of this Act or violations of other related laws and
17 rules.

18 (d) The minimum compensation for each Executive Inspector
19 General shall be determined by the Executive Ethics Commission.
20 The actual compensation for each Executive Inspector General
21 shall be determined by the appointing ~~executive branch~~
22 ~~constitutional~~ officer and must be at or above the minimum
23 compensation level set by the Executive Ethics Commission.
24 Subject to Section 20-45 of this Act, each Executive Inspector
25 General has full authority to organize his or her Office of the
26 Executive Inspector General, including the employment and

1 determination of the compensation of staff, such as deputies,
2 assistants, and other employees, as appropriations permit. A
3 separate appropriation shall be made for each Office of
4 Executive Inspector General.

5 (e) No Executive Inspector General or employee of the
6 Office of the Executive Inspector General may, during his or
7 her term of appointment or employment:

8 (1) become a candidate for any elective office;

9 (2) hold any other elected or appointed public office
10 except for appointments on governmental advisory boards or
11 study commissions or as otherwise expressly authorized by
12 law;

13 (3) be actively involved in the affairs of any
14 political party or political organization; or

15 (4) actively participate in any campaign for any
16 elective office.

17 In this subsection an appointed public office means a
18 position authorized by law that is filled by an appointing
19 authority as provided by law and does not include employment by
20 hiring in the ordinary course of business.

21 (e-1) No Executive Inspector General or employee of the
22 Office of the Executive Inspector General may, for one year
23 after the termination of his or her appointment or employment:

24 (1) become a candidate for any elective office;

25 (2) hold any elected public office; or

26 (3) hold any appointed State, county, or local judicial

1 office.

2 (e-2) The requirements of item (3) of subsection (e-1) may
3 be waived by the Executive Ethics Commission.

4 (f) An Executive Inspector General may be removed only for
5 cause and may be removed only by the appointing ~~constitutional~~
6 officer. At the time of the removal, the appointing
7 ~~constitutional~~ officer must report to the Executive Ethics
8 Commission the justification for the removal.

9 (Source: P.A. 93-617, eff. 12-9-03.)

10 (5 ILCS 430/20-15)

11 Sec. 20-15. Duties of the Executive Ethics Commission. In
12 addition to duties otherwise assigned by law, the Executive
13 Ethics Commission shall have the following duties:

14 (1) To promulgate rules governing the performance of
15 its duties and the exercise of its powers and governing the
16 investigations of the Executive Inspectors General. It is
17 declared to be in the public interest, safety, and welfare
18 that the Commission adopt emergency rules under the
19 Illinois Administrative Procedure Act to initially perform
20 its duties under this subsection.

21 (2) To conduct administrative hearings and rule on
22 matters brought before the Commission only upon the receipt
23 of pleadings filed by an Executive Inspector General and
24 not upon its own prerogative, but may appoint special
25 Executive Inspectors General as provided in Section 20-21.

1 Any other allegations of misconduct received by the
2 Commission from a person other than an Executive Inspector
3 General shall be referred to the Office of the appropriate
4 Executive Inspector General.

5 (3) To prepare and publish manuals and guides and,
6 working with the Office of the Attorney General, oversee
7 training of employees under its jurisdiction that explains
8 their duties.

9 (4) To prepare public information materials to
10 facilitate compliance, implementation, and enforcement of
11 this Act.

12 (5) To submit reports as required by this Act.

13 (6) To the extent authorized by this Act, to make
14 rulings, issue recommendations, and impose administrative
15 fines, if appropriate, in connection with the
16 implementation and interpretation of this Act. The powers
17 and duties of the Commission are limited to matters clearly
18 within the purview of this Act.

19 (7) To issue subpoenas with respect to matters pending
20 before the Commission, subject to the provisions of this
21 Article and in the discretion of the Commission, to compel
22 the attendance of witnesses for purposes of testimony and
23 the production of documents and other items for inspection
24 and copying.

25 (8) To appoint special Executive Inspectors General as
26 provided in Section 20-21.

1 (9) To review applications and appoint members to the
2 Nomination Panel established under the Illinois Gambling
3 Act.

4 (Source: P.A. 93-617, eff. 12-9-03.)

5 Section 90-2. The Executive Reorganization Implementation
6 Act is amended by changing Section 3.1 as follows:

7 (15 ILCS 15/3.1) (from Ch. 127, par. 1803.1)

8 Sec. 3.1. "Agency directly responsible to the Governor" or
9 "agency" means any office, officer, division, or part thereof,
10 and any other office, nonelective officer, department,
11 division, bureau, board, or commission in the executive branch
12 of State government, except that it does not apply to any
13 agency whose primary function is service to the General
14 Assembly or the Judicial Branch of State government, or to any
15 agency administered by the Attorney General, Secretary of
16 State, State Comptroller or State Treasurer. In addition the
17 term does not apply to the following agencies created by law
18 with the primary responsibility of exercising regulatory or
19 adjudicatory functions independently of the Governor:

- 20 (1) the State Board of Elections;
21 (2) the State Board of Education;
22 (3) the Illinois Commerce Commission;
23 (4) the Illinois Workers' Compensation Commission;
24 (5) the Civil Service Commission;

- 1 (6) the Fair Employment Practices Commission;
- 2 (7) the Pollution Control Board;
- 3 (8) the Department of State Police Merit Board;
- 4 (9) the Illinois Gaming Board;
- 5 (10) the Office of Gaming Enforcement; and
- 6 (11) the Illinois Racing Board.

7 (Source: P.A. 93-721, eff. 1-1-05.)

8 Section 90-5. The Alcoholism and Other Drug Abuse and
9 Dependency Act is amended by changing Section 5-20 as follows:

10 (20 ILCS 301/5-20)

11 Sec. 5-20. Compulsive gambling program.

12 (a) Subject to appropriation, the Department shall
13 establish a program for public education, research, and
14 training regarding problem and compulsive gambling and the
15 treatment and prevention of problem and compulsive gambling.
16 Subject to specific appropriation for these stated purposes,
17 the program must include all of the following:

18 (1) Establishment and maintenance of a toll-free "800"
19 telephone number to provide crisis counseling and referral
20 services to families experiencing difficulty as a result of
21 problem or compulsive gambling.

22 (2) Promotion of public awareness regarding the
23 recognition and prevention of problem and compulsive
24 gambling.

1 (3) Facilitation, through in-service training and
2 other means, of the availability of effective assistance
3 programs for problem and compulsive gamblers.

4 (4) Conducting studies to identify adults and
5 juveniles in this State who are, or who are at risk of
6 becoming, problem or compulsive gamblers.

7 (b) Subject to appropriation, the Department shall either
8 establish and maintain the program or contract with a private
9 or public entity for the establishment and maintenance of the
10 program. Subject to appropriation, either the Department or the
11 private or public entity shall implement the toll-free
12 telephone number, promote public awareness, and conduct
13 in-service training concerning problem and compulsive
14 gambling.

15 (c) Subject to appropriation, the Department shall produce
16 and supply the signs specified in Section 10.7 of the Illinois
17 Lottery Law, Section 34.1 of the Illinois Horse Racing Act of
18 1975, Section 4.3 of the Bingo License and Tax Act, Section 8.1
19 of the Charitable Games Act, and Section 13.1 of the Illinois
20 ~~Riverboat~~ Gambling Act.

21 (Source: P.A. 89-374, eff. 1-1-96; 89-626, eff. 8-9-96.)

22 Section 90-10. The Department of Revenue Law of the Civil
23 Administrative Code of Illinois is amended by changing Section
24 2505-305 as follows:

1 (20 ILCS 2505/2505-305) (was 20 ILCS 2505/39b15.1)

2 Sec. 2505-305. Investigators.

3 (a) The Department has the power to appoint investigators
4 to conduct all investigations, searches, seizures, arrests,
5 and other duties imposed under the provisions of any law
6 administered by the Department ~~or the Illinois Gaming Board~~.
7 Except as provided in subsection (c), these investigators have
8 and may exercise all the powers of peace officers solely for
9 the purpose of enforcing taxing measures administered by the
10 Department ~~or the Illinois Gaming Board~~.

11 (b) The Director must authorize to each investigator
12 employed under this Section and to any other employee of the
13 Department exercising the powers of a peace officer a distinct
14 badge that, on its face, (i) clearly states that the badge is
15 authorized by the Department and (ii) contains a unique
16 identifying number. No other badge shall be authorized by the
17 Department.

18 ~~(c) Investigators appointed under this Section who are~~
19 ~~assigned to the Illinois Gaming Board have and may exercise all~~
20 ~~the rights and powers of peace officers, provided that these~~
21 ~~powers shall be limited to offenses or violations occurring or~~
22 ~~committed on a riverboat or dock, as defined in subsections (d)~~
23 ~~and (f) of Section 4 of the Riverboat Gambling Act.~~

24 (Source: P.A. 91-239, eff. 1-1-00; 91-883, eff. 1-1-01; 92-493,
25 eff. 1-1-02.)

1 Section 90-12. The Illinois State Auditing Act is amended
2 by changing Section 3-1 as follows:

3 (30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

4 Sec. 3-1. Jurisdiction of Auditor General. The Auditor
5 General has jurisdiction over all State agencies to make post
6 audits and investigations authorized by or under this Act or
7 the Constitution.

8 The Auditor General has jurisdiction over local government
9 agencies and private agencies only:

10 (a) to make such post audits authorized by or under
11 this Act as are necessary and incidental to a post audit of
12 a State agency or of a program administered by a State
13 agency involving public funds of the State, but this
14 jurisdiction does not include any authority to review local
15 governmental agencies in the obligation, receipt,
16 expenditure or use of public funds of the State that are
17 granted without limitation or condition imposed by law,
18 other than the general limitation that such funds be used
19 for public purposes;

20 (b) to make investigations authorized by or under this
21 Act or the Constitution; and

22 (c) to make audits of the records of local government
23 agencies to verify actual costs of state-mandated programs
24 when directed to do so by the Legislative Audit Commission
25 at the request of the State Board of Appeals under the

1 State Mandates Act.

2 In addition to the foregoing, the Auditor General may
3 conduct an audit of the Metropolitan Pier and Exposition
4 Authority, the Regional Transportation Authority, the Suburban
5 Bus Division, the Commuter Rail Division and the Chicago
6 Transit Authority and any other subsidized carrier when
7 authorized by the Legislative Audit Commission. Such audit may
8 be a financial, management or program audit, or any combination
9 thereof.

10 The audit shall determine whether they are operating in
11 accordance with all applicable laws and regulations. Subject to
12 the limitations of this Act, the Legislative Audit Commission
13 may by resolution specify additional determinations to be
14 included in the scope of the audit.

15 In addition to the foregoing, the Auditor General must also
16 conduct a financial audit of the Illinois Sports Facilities
17 Authority's expenditures of public funds in connection with the
18 reconstruction, renovation, remodeling, extension, or
19 improvement of all or substantially all of any existing
20 "facility", as that term is defined in the Illinois Sports
21 Facilities Authority Act.

22 The Auditor General may also conduct an audit, when
23 authorized by the Legislative Audit Commission, of any hospital
24 which receives 10% or more of its gross revenues from payments
25 from the State of Illinois, Department of Healthcare and Family
26 Services (formerly Department of Public Aid), Medical

1 Assistance Program.

2 The Auditor General is authorized to conduct financial and
3 compliance audits of the Illinois Distance Learning Foundation
4 and the Illinois Conservation Foundation.

5 As soon as practical after the effective date of this
6 amendatory Act of 1995, the Auditor General shall conduct a
7 compliance and management audit of the City of Chicago and any
8 other entity with regard to the operation of Chicago O'Hare
9 International Airport, Chicago Midway Airport and Merrill C.
10 Meigs Field. The audit shall include, but not be limited to, an
11 examination of revenues, expenses, and transfers of funds;
12 purchasing and contracting policies and practices; staffing
13 levels; and hiring practices and procedures. When completed,
14 the audit required by this paragraph shall be distributed in
15 accordance with Section 3-14.

16 The Auditor General shall conduct a financial and
17 compliance and program audit of distributions from the
18 Municipal Economic Development Fund during the immediately
19 preceding calendar year pursuant to Section 8-403.1 of the
20 Public Utilities Act at no cost to the city, village, or
21 incorporated town that received the distributions.

22 The Auditor General must conduct an audit of the Health
23 Facilities Planning Board pursuant to Section 19.5 of the
24 Illinois Health Facilities Planning Act.

25 The Auditor General must conduct an audit of the Chicago
26 Casino Development Authority pursuant to Section 1-60 of the

1 Chicago Casino Development Authority Act.

2 The Auditor General of the State of Illinois shall annually
3 conduct or cause to be conducted a financial and compliance
4 audit of the books and records of any county water commission
5 organized pursuant to the Water Commission Act of 1985 and
6 shall file a copy of the report of that audit with the Governor
7 and the Legislative Audit Commission. The filed audit shall be
8 open to the public for inspection. The cost of the audit shall
9 be charged to the county water commission in accordance with
10 Section 6z-27 of the State Finance Act. The county water
11 commission shall make available to the Auditor General its
12 books and records and any other documentation, whether in the
13 possession of its trustees or other parties, necessary to
14 conduct the audit required. These audit requirements apply only
15 through July 1, 2007.

16 The Auditor General must conduct audits of the Rend Lake
17 Conservancy District as provided in Section 25.5 of the River
18 Conservancy Districts Act.

19 The Auditor General must conduct financial audits of the
20 Southeastern Illinois Economic Development Authority as
21 provided in Section 70 of the Southeastern Illinois Economic
22 Development Authority Act.

23 (Source: P.A. 95-331, eff. 8-21-07.)

24 Section 90-15. The State Finance Act is amended by changing
25 Section 8h and adding Sections 5.708, 5.709, and 6z-71 as

1 follows:

2 (30 ILCS 105/5.708 new)

3 Sec. 5.708. The GROW Fund.

4 (30 ILCS 105/5.709 new)

5 Sec. 5.709. The Focusing on Children, Uplifting Schools
6 (FOCUS) Fund.

7 (30 ILCS 105/6z-71 new)

8 Sec. 6z-71. FOCUS Fund.

9 (a) There is created the Focusing on Children, Uplifting
10 Schools (FOCUS) Fund as a special fund in the State treasury.
11 All money in the Fund shall be used, subject to appropriation,
12 by the State Board of Education as provided in this Section.

13 (b) The State Board of Education shall distribute the money
14 in the FOCUS Fund as follows:

15 (1) Twenty percent of money in the Fund must be
16 distributed to a school district organized under Article 34
17 of the School Code.

18 (2) The balance of the money in the Fund must be
19 distributed to school districts, except those organized
20 under Article 34 of the School Code as follows:

21 (A) Fifty percent of the balance must be
22 distributed on a per capita basis to depressed school
23 districts and school districts that accept for

1 enrollment military-dependent children whose parents
2 or guardians reside in federal military housing. To
3 determine which school districts qualify as depressed
4 school districts, the State Board shall use its final
5 data for the previous school year concerning those
6 school districts that have the lowest 30% of available
7 local resources, as defined under Section 18-8.05 of
8 the School Code.

9 (B) Thirty percent of the balance must be
10 distributed to school districts under the School
11 Safety and Educational Improvement Block Grant
12 Program.

13 (C) The remaining 20% of the balance must be
14 distributed as fast growth grants under Section
15 18-8.10 of the School Code to school districts that
16 qualify.

17 (c) All money distributed by the State Board of Education
18 from the FOCUS Fund must be used by schools and school
19 districts, as determined by rule of the State Board of
20 Education, for reducing class sizes, for math and reading
21 specialists, and for school counselors, including without
22 limitation those persons providing social, behavioral, and
23 academic counseling.

24 (30 ILCS 105/8h)

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

1 (a) Except as otherwise provided in this Section and
2 Section 8n of this Act, and notwithstanding any other State law
3 to the contrary, the Governor may, through June 30, 2007, from
4 time to time direct the State Treasurer and Comptroller to
5 transfer a specified sum from any fund held by the State
6 Treasurer to the General Revenue Fund in order to help defray
7 the State's operating costs for the fiscal year. The total
8 transfer under this Section from any fund in any fiscal year
9 shall not exceed the lesser of (i) 8% of the revenues to be
10 deposited into the fund during that fiscal year or (ii) an
11 amount that leaves a remaining fund balance of 25% of the July
12 1 fund balance of that fiscal year. In fiscal year 2005 only,
13 prior to calculating the July 1, 2004 final balances, the
14 Governor may calculate and direct the State Treasurer with the
15 Comptroller to transfer additional amounts determined by
16 applying the formula authorized in Public Act 93-839 to the
17 funds balances on July 1, 2003. No transfer may be made from a
18 fund under this Section that would have the effect of reducing
19 the available balance in the fund to an amount less than the
20 amount remaining unexpended and unreserved from the total
21 appropriation from that fund estimated to be expended for that
22 fiscal year. This Section does not apply to any funds that are
23 restricted by federal law to a specific use, to any funds in
24 the Motor Fuel Tax Fund, the Intercity Passenger Rail Fund, the
25 Hospital Provider Fund, the Medicaid Provider Relief Fund, the
26 Teacher Health Insurance Security Fund, the Reviewing Court

1 Alternative Dispute Resolution Fund, the Voters' Guide Fund,
2 the Foreign Language Interpreter Fund, the Lawyers' Assistance
3 Program Fund, the Supreme Court Federal Projects Fund, the
4 Supreme Court Special State Projects Fund, the Supplemental
5 Low-Income Energy Assistance Fund, the Good Samaritan Energy
6 Trust Fund, the Low-Level Radioactive Waste Facility
7 Development and Operation Fund, the Horse Racing Equity Trust
8 Fund, the Racing Industry Workers' Trust Fund, the Illinois
9 Equine Research Trust Fund, the Agricultural Premium Fund, the
10 Illinois Colt Stakes Purse Distribution Fund, the Horse Racing
11 Fund, the Illinois Thoroughbred Breeders Fund, the Illinois
12 Racing Quarter Horse Breeders Fund, the Illinois Standardbred
13 Breeders Fund, the Metabolic Screening and Treatment Fund, or
14 the Hospital Basic Services Preservation Fund, or to any funds
15 to which Section 70-50 of the Nurse Practice Act applies. No
16 transfers may be made under this Section from the Pet
17 Population Control Fund. Notwithstanding any other provision
18 of this Section, for fiscal year 2004, the total transfer under
19 this Section from the Road Fund or the State Construction
20 Account Fund shall not exceed the lesser of (i) 5% of the
21 revenues to be deposited into the fund during that fiscal year
22 or (ii) 25% of the beginning balance in the fund. For fiscal
23 year 2005 through fiscal year 2007, no amounts may be
24 transferred under this Section from the Road Fund, the State
25 Construction Account Fund, the Criminal Justice Information
26 Systems Trust Fund, the Wireless Service Emergency Fund, or the

1 Mandatory Arbitration Fund.

2 In determining the available balance in a fund, the
3 Governor may include receipts, transfers into the fund, and
4 other resources anticipated to be available in the fund in that
5 fiscal year.

6 The State Treasurer and Comptroller shall transfer the
7 amounts designated under this Section as soon as may be
8 practicable after receiving the direction to transfer from the
9 Governor.

10 (a-5) Transfers directed to be made under this Section on
11 or before February 28, 2006 that are still pending on May 19,
12 2006 (the effective date of Public Act 94-774) shall be
13 redirected as provided in Section 8n of this Act.

14 (b) This Section does not apply to: (i) the Ticket For The
15 Cure Fund; (ii) any fund established under the Community Senior
16 Services and Resources Act; or (iii) on or after January 1,
17 2006 (the effective date of Public Act 94-511), the Child Labor
18 and Day and Temporary Labor Enforcement Fund.

19 (c) This Section does not apply to the Demutualization
20 Trust Fund established under the Uniform Disposition of
21 Unclaimed Property Act.

22 (d) This Section does not apply to moneys set aside in the
23 Illinois State Podiatric Disciplinary Fund for podiatric
24 scholarships and residency programs under the Podiatric
25 Scholarship and Residency Act.

26 (e) Subsection (a) does not apply to, and no transfer may

1 be made under this Section from, the Pension Stabilization
2 Fund.

3 (f) Subsection (a) does not apply to, and no transfer may
4 be made under this Section from, the Illinois Power Agency
5 Operations Fund, the Illinois Power Agency Facilities Fund, the
6 Illinois Power Agency Debt Service Fund, and the Illinois Power
7 Agency Trust Fund.

8 (g) ~~(f)~~ This Section does not apply to the Veterans Service
9 Organization Reimbursement Fund.

10 (h) ~~(f)~~ This Section does not apply to the Supreme Court
11 Historic Preservation Fund.

12 (Source: P.A. 94-91, eff. 7-1-05; 94-120, eff. 7-6-05; 94-511,
13 eff. 1-1-06; 94-535, eff. 8-10-05; 94-639, eff. 8-22-05;
14 94-645, eff. 8-22-05; 94-648, eff. 1-1-06; 94-686, eff.
15 11-2-05; 94-691, eff. 11-2-05; 94-726, eff. 1-20-06; 94-773,
16 eff. 5-18-06; 94-774, eff. 5-19-06; 94-804, eff. 5-26-06;
17 94-839, eff. 6-6-06; 95-331, eff. 8-21-07; 95-410, eff.
18 8-24-07; 95-481, eff. 8-28-07; 95-629, eff. 9-25-07; 95-639,
19 eff. 10-5-07; 95-695, eff. 11-5-07; revised 11-2-07.)

20 (30 ILCS 105/5.26 rep.)

21 (30 ILCS 105/5.26a rep.)

22 Section 90-20. The State Finance Act is amended by
23 repealing Sections 5.26 and 5.26a.

24 Section 90-21. The Illinois Procurement Code is amended by

1 changing Section 50-70 as follows:

2 (30 ILCS 500/50-70)

3 Sec. 50-70. Additional provisions. This Code is subject to
4 applicable provisions of the following Acts:

5 (1) Article 33E of the Criminal Code of 1961;

6 (2) the Illinois Human Rights Act;

7 (3) the Discriminatory Club Act;

8 (4) the Illinois Governmental Ethics Act;

9 (5) the State Prompt Payment Act;

10 (6) the Public Officer Prohibited Activities Act;

11 (7) the Drug Free Workplace Act; ~~and~~

12 (8) the Illinois Power Agency Act; ~~and~~

13 (9) ~~(8)~~ the Employee Classification Act; and ~~and~~

14 (10) the Illinois Gambling Act.

15 (Source: P.A. 95-26, eff. 1-1-08; 95-481, eff. 8-28-07; revised
16 11-2-07.)

17 Section 90-21.5. The Illinois Income Tax Act is amended by
18 changing Section 201 as follows:

19 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

20 Sec. 201. Tax Imposed.

21 (a) In general. A tax measured by net income is hereby
22 imposed on every individual, corporation, trust and estate for
23 each taxable year ending after July 31, 1969 on the privilege

1 of earning or receiving income in or as a resident of this
2 State. Such tax shall be in addition to all other occupation or
3 privilege taxes imposed by this State or by any municipal
4 corporation or political subdivision thereof.

5 (b) Rates. The tax imposed by subsection (a) of this
6 Section shall be determined as follows, except as adjusted by
7 subsection (d-1):

8 (1) In the case of an individual, trust or estate, for
9 taxable years ending prior to July 1, 1989, an amount equal
10 to 2 1/2% of the taxpayer's net income for the taxable
11 year.

12 (2) In the case of an individual, trust or estate, for
13 taxable years beginning prior to July 1, 1989 and ending
14 after June 30, 1989, an amount equal to the sum of (i) 2
15 1/2% of the taxpayer's net income for the period prior to
16 July 1, 1989, as calculated under Section 202.3, and (ii)
17 3% of the taxpayer's net income for the period after June
18 30, 1989, as calculated under Section 202.3.

19 (3) In the case of an individual, trust or estate, for
20 taxable years beginning after June 30, 1989, an amount
21 equal to 3% of the taxpayer's net income for the taxable
22 year.

23 (4) (Blank).

24 (5) (Blank).

25 (6) In the case of a corporation, for taxable years
26 ending prior to July 1, 1989, an amount equal to 4% of the

1 taxpayer's net income for the taxable year.

2 (7) In the case of a corporation, for taxable years
3 beginning prior to July 1, 1989 and ending after June 30,
4 1989, an amount equal to the sum of (i) 4% of the
5 taxpayer's net income for the period prior to July 1, 1989,
6 as calculated under Section 202.3, and (ii) 4.8% of the
7 taxpayer's net income for the period after June 30, 1989,
8 as calculated under Section 202.3.

9 (8) In the case of a corporation, for taxable years
10 beginning after June 30, 1989, an amount equal to 4.8% of
11 the taxpayer's net income for the taxable year.

12 Surcharge; sale or exchange of assets, properties, and
13 intangibles of gaming licensees. For each of taxable years 2008
14 through 2017, a surcharge is imposed on all taxpayers on income
15 arising from the sale or exchange of capital assets,
16 depreciable business property, real property used in the trade
17 or business, and Section 197 intangibles (i) of an organization
18 licensee under the Illinois Horse Racing Act of 1975 and (ii)
19 of an owners licensee or an electronic gaming licensee under
20 the Illinois Gambling Act. The amount of the surcharge is equal
21 to the amount of federal income tax liability for the taxable
22 year attributable to those sales and exchanges. The Department
23 shall adopt rules necessary to implement and administer this
24 paragraph.

25 (c) Personal Property Tax Replacement Income Tax.
26 Beginning on July 1, 1979 and thereafter, in addition to such

1 income tax, there is also hereby imposed the Personal Property
2 Tax Replacement Income Tax measured by net income on every
3 corporation (including Subchapter S corporations), partnership
4 and trust, for each taxable year ending after June 30, 1979.
5 Such taxes are imposed on the privilege of earning or receiving
6 income in or as a resident of this State. The Personal Property
7 Tax Replacement Income Tax shall be in addition to the income
8 tax imposed by subsections (a) and (b) of this Section and in
9 addition to all other occupation or privilege taxes imposed by
10 this State or by any municipal corporation or political
11 subdivision thereof.

12 (d) Additional Personal Property Tax Replacement Income
13 Tax Rates. The personal property tax replacement income tax
14 imposed by this subsection and subsection (c) of this Section
15 in the case of a corporation, other than a Subchapter S
16 corporation and except as adjusted by subsection (d-1), shall
17 be an additional amount equal to 2.85% of such taxpayer's net
18 income for the taxable year, except that beginning on January
19 1, 1981, and thereafter, the rate of 2.85% specified in this
20 subsection shall be reduced to 2.5%, and in the case of a
21 partnership, trust or a Subchapter S corporation shall be an
22 additional amount equal to 1.5% of such taxpayer's net income
23 for the taxable year.

24 (d-1) Rate reduction for certain foreign insurers. In the
25 case of a foreign insurer, as defined by Section 35A-5 of the
26 Illinois Insurance Code, whose state or country of domicile

1 imposes on insurers domiciled in Illinois a retaliatory tax
2 (excluding any insurer whose premiums from reinsurance assumed
3 are 50% or more of its total insurance premiums as determined
4 under paragraph (2) of subsection (b) of Section 304, except
5 that for purposes of this determination premiums from
6 reinsurance do not include premiums from inter-affiliate
7 reinsurance arrangements), beginning with taxable years ending
8 on or after December 31, 1999, the sum of the rates of tax
9 imposed by subsections (b) and (d) shall be reduced (but not
10 increased) to the rate at which the total amount of tax imposed
11 under this Act, net of all credits allowed under this Act,
12 shall equal (i) the total amount of tax that would be imposed
13 on the foreign insurer's net income allocable to Illinois for
14 the taxable year by such foreign insurer's state or country of
15 domicile if that net income were subject to all income taxes
16 and taxes measured by net income imposed by such foreign
17 insurer's state or country of domicile, net of all credits
18 allowed or (ii) a rate of zero if no such tax is imposed on such
19 income by the foreign insurer's state of domicile. For the
20 purposes of this subsection (d-1), an inter-affiliate includes
21 a mutual insurer under common management.

22 (1) For the purposes of subsection (d-1), in no event
23 shall the sum of the rates of tax imposed by subsections
24 (b) and (d) be reduced below the rate at which the sum of:

25 (A) the total amount of tax imposed on such foreign
26 insurer under this Act for a taxable year, net of all

1 credits allowed under this Act, plus

2 (B) the privilege tax imposed by Section 409 of the
3 Illinois Insurance Code, the fire insurance company
4 tax imposed by Section 12 of the Fire Investigation
5 Act, and the fire department taxes imposed under
6 Section 11-10-1 of the Illinois Municipal Code,
7 equals 1.25% for taxable years ending prior to December 31,
8 2003, or 1.75% for taxable years ending on or after
9 December 31, 2003, of the net taxable premiums written for
10 the taxable year, as described by subsection (1) of Section
11 409 of the Illinois Insurance Code. This paragraph will in
12 no event increase the rates imposed under subsections (b)
13 and (d).

14 (2) Any reduction in the rates of tax imposed by this
15 subsection shall be applied first against the rates imposed
16 by subsection (b) and only after the tax imposed by
17 subsection (a) net of all credits allowed under this
18 Section other than the credit allowed under subsection (i)
19 has been reduced to zero, against the rates imposed by
20 subsection (d).

21 This subsection (d-1) is exempt from the provisions of
22 Section 250.

23 (e) Investment credit. A taxpayer shall be allowed a credit
24 against the Personal Property Tax Replacement Income Tax for
25 investment in qualified property.

26 (1) A taxpayer shall be allowed a credit equal to .5%

1 of the basis of qualified property placed in service during
2 the taxable year, provided such property is placed in
3 service on or after July 1, 1984. There shall be allowed an
4 additional credit equal to .5% of the basis of qualified
5 property placed in service during the taxable year,
6 provided such property is placed in service on or after
7 July 1, 1986, and the taxpayer's base employment within
8 Illinois has increased by 1% or more over the preceding
9 year as determined by the taxpayer's employment records
10 filed with the Illinois Department of Employment Security.
11 Taxpayers who are new to Illinois shall be deemed to have
12 met the 1% growth in base employment for the first year in
13 which they file employment records with the Illinois
14 Department of Employment Security. The provisions added to
15 this Section by Public Act 85-1200 (and restored by Public
16 Act 87-895) shall be construed as declaratory of existing
17 law and not as a new enactment. If, in any year, the
18 increase in base employment within Illinois over the
19 preceding year is less than 1%, the additional credit shall
20 be limited to that percentage times a fraction, the
21 numerator of which is .5% and the denominator of which is
22 1%, but shall not exceed .5%. The investment credit shall
23 not be allowed to the extent that it would reduce a
24 taxpayer's liability in any tax year below zero, nor may
25 any credit for qualified property be allowed for any year
26 other than the year in which the property was placed in

1 service in Illinois. For tax years ending on or after
2 December 31, 1987, and on or before December 31, 1988, the
3 credit shall be allowed for the tax year in which the
4 property is placed in service, or, if the amount of the
5 credit exceeds the tax liability for that year, whether it
6 exceeds the original liability or the liability as later
7 amended, such excess may be carried forward and applied to
8 the tax liability of the 5 taxable years following the
9 excess credit years if the taxpayer (i) makes investments
10 which cause the creation of a minimum of 2,000 full-time
11 equivalent jobs in Illinois, (ii) is located in an
12 enterprise zone established pursuant to the Illinois
13 Enterprise Zone Act and (iii) is certified by the
14 Department of Commerce and Community Affairs (now
15 Department of Commerce and Economic Opportunity) as
16 complying with the requirements specified in clause (i) and
17 (ii) by July 1, 1986. The Department of Commerce and
18 Community Affairs (now Department of Commerce and Economic
19 Opportunity) shall notify the Department of Revenue of all
20 such certifications immediately. For tax years ending
21 after December 31, 1988, the credit shall be allowed for
22 the tax year in which the property is placed in service,
23 or, if the amount of the credit exceeds the tax liability
24 for that year, whether it exceeds the original liability or
25 the liability as later amended, such excess may be carried
26 forward and applied to the tax liability of the 5 taxable

1 years following the excess credit years. The credit shall
2 be applied to the earliest year for which there is a
3 liability. If there is credit from more than one tax year
4 that is available to offset a liability, earlier credit
5 shall be applied first.

6 (2) The term "qualified property" means property
7 which:

8 (A) is tangible, whether new or used, including
9 buildings and structural components of buildings and
10 signs that are real property, but not including land or
11 improvements to real property that are not a structural
12 component of a building such as landscaping, sewer
13 lines, local access roads, fencing, parking lots, and
14 other appurtenances;

15 (B) is depreciable pursuant to Section 167 of the
16 Internal Revenue Code, except that "3-year property"
17 as defined in Section 168(c)(2)(A) of that Code is not
18 eligible for the credit provided by this subsection
19 (e);

20 (C) is acquired by purchase as defined in Section
21 179(d) of the Internal Revenue Code;

22 (D) is used in Illinois by a taxpayer who is
23 primarily engaged in manufacturing, or in mining coal
24 or fluorite, or in retailing, or was placed in service
25 on or after July 1, 2006 in a River Edge Redevelopment
26 Zone established pursuant to the River Edge

1 Redevelopment Zone Act; and

2 (E) has not previously been used in Illinois in
3 such a manner and by such a person as would qualify for
4 the credit provided by this subsection (e) or
5 subsection (f).

6 (3) For purposes of this subsection (e),
7 "manufacturing" means the material staging and production
8 of tangible personal property by procedures commonly
9 regarded as manufacturing, processing, fabrication, or
10 assembling which changes some existing material into new
11 shapes, new qualities, or new combinations. For purposes of
12 this subsection (e) the term "mining" shall have the same
13 meaning as the term "mining" in Section 613(c) of the
14 Internal Revenue Code. For purposes of this subsection (e),
15 the term "retailing" means the sale of tangible personal
16 property or services rendered in conjunction with the sale
17 of tangible consumer goods or commodities.

18 (4) The basis of qualified property shall be the basis
19 used to compute the depreciation deduction for federal
20 income tax purposes.

21 (5) If the basis of the property for federal income tax
22 depreciation purposes is increased after it has been placed
23 in service in Illinois by the taxpayer, the amount of such
24 increase shall be deemed property placed in service on the
25 date of such increase in basis.

26 (6) The term "placed in service" shall have the same

1 meaning as under Section 46 of the Internal Revenue Code.

2 (7) If during any taxable year, any property ceases to
3 be qualified property in the hands of the taxpayer within
4 48 months after being placed in service, or the situs of
5 any qualified property is moved outside Illinois within 48
6 months after being placed in service, the Personal Property
7 Tax Replacement Income Tax for such taxable year shall be
8 increased. Such increase shall be determined by (i)
9 recomputing the investment credit which would have been
10 allowed for the year in which credit for such property was
11 originally allowed by eliminating such property from such
12 computation and, (ii) subtracting such recomputed credit
13 from the amount of credit previously allowed. For the
14 purposes of this paragraph (7), a reduction of the basis of
15 qualified property resulting from a redetermination of the
16 purchase price shall be deemed a disposition of qualified
17 property to the extent of such reduction.

18 (8) Unless the investment credit is extended by law,
19 the basis of qualified property shall not include costs
20 incurred after December 31, 2008, except for costs incurred
21 pursuant to a binding contract entered into on or before
22 December 31, 2008.

23 (9) Each taxable year ending before December 31, 2000,
24 a partnership may elect to pass through to its partners the
25 credits to which the partnership is entitled under this
26 subsection (e) for the taxable year. A partner may use the

1 credit allocated to him or her under this paragraph only
2 against the tax imposed in subsections (c) and (d) of this
3 Section. If the partnership makes that election, those
4 credits shall be allocated among the partners in the
5 partnership in accordance with the rules set forth in
6 Section 704(b) of the Internal Revenue Code, and the rules
7 promulgated under that Section, and the allocated amount of
8 the credits shall be allowed to the partners for that
9 taxable year. The partnership shall make this election on
10 its Personal Property Tax Replacement Income Tax return for
11 that taxable year. The election to pass through the credits
12 shall be irrevocable.

13 For taxable years ending on or after December 31, 2000,
14 a partner that qualifies its partnership for a subtraction
15 under subparagraph (I) of paragraph (2) of subsection (d)
16 of Section 203 or a shareholder that qualifies a Subchapter
17 S corporation for a subtraction under subparagraph (S) of
18 paragraph (2) of subsection (b) of Section 203 shall be
19 allowed a credit under this subsection (e) equal to its
20 share of the credit earned under this subsection (e) during
21 the taxable year by the partnership or Subchapter S
22 corporation, determined in accordance with the
23 determination of income and distributive share of income
24 under Sections 702 and 704 and Subchapter S of the Internal
25 Revenue Code. This paragraph is exempt from the provisions
26 of Section 250.

1 (f) Investment credit; Enterprise Zone; River Edge
2 Redevelopment Zone.

3 (1) A taxpayer shall be allowed a credit against the
4 tax imposed by subsections (a) and (b) of this Section for
5 investment in qualified property which is placed in service
6 in an Enterprise Zone created pursuant to the Illinois
7 Enterprise Zone Act or, for property placed in service on
8 or after July 1, 2006, a River Edge Redevelopment Zone
9 established pursuant to the River Edge Redevelopment Zone
10 Act. For partners, shareholders of Subchapter S
11 corporations, and owners of limited liability companies,
12 if the liability company is treated as a partnership for
13 purposes of federal and State income taxation, there shall
14 be allowed a credit under this subsection (f) to be
15 determined in accordance with the determination of income
16 and distributive share of income under Sections 702 and 704
17 and Subchapter S of the Internal Revenue Code. The credit
18 shall be .5% of the basis for such property. The credit
19 shall be available only in the taxable year in which the
20 property is placed in service in the Enterprise Zone or
21 River Edge Redevelopment Zone and shall not be allowed to
22 the extent that it would reduce a taxpayer's liability for
23 the tax imposed by subsections (a) and (b) of this Section
24 to below zero. For tax years ending on or after December
25 31, 1985, the credit shall be allowed for the tax year in
26 which the property is placed in service, or, if the amount

1 of the credit exceeds the tax liability for that year,
2 whether it exceeds the original liability or the liability
3 as later amended, such excess may be carried forward and
4 applied to the tax liability of the 5 taxable years
5 following the excess credit year. The credit shall be
6 applied to the earliest year for which there is a
7 liability. If there is credit from more than one tax year
8 that is available to offset a liability, the credit
9 accruing first in time shall be applied first.

10 (2) The term qualified property means property which:

11 (A) is tangible, whether new or used, including
12 buildings and structural components of buildings;

13 (B) is depreciable pursuant to Section 167 of the
14 Internal Revenue Code, except that "3-year property"
15 as defined in Section 168(c)(2)(A) of that Code is not
16 eligible for the credit provided by this subsection
17 (f);

18 (C) is acquired by purchase as defined in Section
19 179(d) of the Internal Revenue Code;

20 (D) is used in the Enterprise Zone or River Edge
21 Redevelopment Zone by the taxpayer; and

22 (E) has not been previously used in Illinois in
23 such a manner and by such a person as would qualify for
24 the credit provided by this subsection (f) or
25 subsection (e).

26 (3) The basis of qualified property shall be the basis

1 used to compute the depreciation deduction for federal
2 income tax purposes.

3 (4) If the basis of the property for federal income tax
4 depreciation purposes is increased after it has been placed
5 in service in the Enterprise Zone or River Edge
6 Redevelopment Zone by the taxpayer, the amount of such
7 increase shall be deemed property placed in service on the
8 date of such increase in basis.

9 (5) The term "placed in service" shall have the same
10 meaning as under Section 46 of the Internal Revenue Code.

11 (6) If during any taxable year, any property ceases to
12 be qualified property in the hands of the taxpayer within
13 48 months after being placed in service, or the situs of
14 any qualified property is moved outside the Enterprise Zone
15 or River Edge Redevelopment Zone within 48 months after
16 being placed in service, the tax imposed under subsections
17 (a) and (b) of this Section for such taxable year shall be
18 increased. Such increase shall be determined by (i)
19 recomputing the investment credit which would have been
20 allowed for the year in which credit for such property was
21 originally allowed by eliminating such property from such
22 computation, and (ii) subtracting such recomputed credit
23 from the amount of credit previously allowed. For the
24 purposes of this paragraph (6), a reduction of the basis of
25 qualified property resulting from a redetermination of the
26 purchase price shall be deemed a disposition of qualified

1 property to the extent of such reduction.

2 (7) There shall be allowed an additional credit equal
3 to 0.5% of the basis of qualified property placed in
4 service during the taxable year in a River Edge
5 Redevelopment Zone, provided such property is placed in
6 service on or after July 1, 2006, and the taxpayer's base
7 employment within Illinois has increased by 1% or more over
8 the preceding year as determined by the taxpayer's
9 employment records filed with the Illinois Department of
10 Employment Security. Taxpayers who are new to Illinois
11 shall be deemed to have met the 1% growth in base
12 employment for the first year in which they file employment
13 records with the Illinois Department of Employment
14 Security. If, in any year, the increase in base employment
15 within Illinois over the preceding year is less than 1%,
16 the additional credit shall be limited to that percentage
17 times a fraction, the numerator of which is 0.5% and the
18 denominator of which is 1%, but shall not exceed 0.5%.

19 (g) Jobs Tax Credit; Enterprise Zone, River Edge
20 Redevelopment Zone, and Foreign Trade Zone or Sub-Zone.

21 (1) A taxpayer conducting a trade or business in an
22 enterprise zone or a High Impact Business designated by the
23 Department of Commerce and Economic Opportunity or for
24 taxable years ending on or after December 31, 2006, in a
25 River Edge Redevelopment Zone conducting a trade or
26 business in a federally designated Foreign Trade Zone or

1 Sub-Zone shall be allowed a credit against the tax imposed
2 by subsections (a) and (b) of this Section in the amount of
3 \$500 per eligible employee hired to work in the zone during
4 the taxable year.

5 (2) To qualify for the credit:

6 (A) the taxpayer must hire 5 or more eligible
7 employees to work in an enterprise zone, River Edge
8 Redevelopment Zone, or federally designated Foreign
9 Trade Zone or Sub-Zone during the taxable year;

10 (B) the taxpayer's total employment within the
11 enterprise zone, River Edge Redevelopment Zone, or
12 federally designated Foreign Trade Zone or Sub-Zone
13 must increase by 5 or more full-time employees beyond
14 the total employed in that zone at the end of the
15 previous tax year for which a jobs tax credit under
16 this Section was taken, or beyond the total employed by
17 the taxpayer as of December 31, 1985, whichever is
18 later; and

19 (C) the eligible employees must be employed 180
20 consecutive days in order to be deemed hired for
21 purposes of this subsection.

22 (3) An "eligible employee" means an employee who is:

23 (A) Certified by the Department of Commerce and
24 Economic Opportunity as "eligible for services"
25 pursuant to regulations promulgated in accordance with
26 Title II of the Job Training Partnership Act, Training

1 Services for the Disadvantaged or Title III of the Job
2 Training Partnership Act, Employment and Training
3 Assistance for Dislocated Workers Program.

4 (B) Hired after the enterprise zone, River Edge
5 Redevelopment Zone, or federally designated Foreign
6 Trade Zone or Sub-Zone was designated or the trade or
7 business was located in that zone, whichever is later.

8 (C) Employed in the enterprise zone, River Edge
9 Redevelopment Zone, or Foreign Trade Zone or Sub-Zone.
10 An employee is employed in an enterprise zone or
11 federally designated Foreign Trade Zone or Sub-Zone if
12 his services are rendered there or it is the base of
13 operations for the services performed.

14 (D) A full-time employee working 30 or more hours
15 per week.

16 (4) For tax years ending on or after December 31, 1985
17 and prior to December 31, 1988, the credit shall be allowed
18 for the tax year in which the eligible employees are hired.
19 For tax years ending on or after December 31, 1988, the
20 credit shall be allowed for the tax year immediately
21 following the tax year in which the eligible employees are
22 hired. If the amount of the credit exceeds the tax
23 liability for that year, whether it exceeds the original
24 liability or the liability as later amended, such excess
25 may be carried forward and applied to the tax liability of
26 the 5 taxable years following the excess credit year. The

1 credit shall be applied to the earliest year for which
2 there is a liability. If there is credit from more than one
3 tax year that is available to offset a liability, earlier
4 credit shall be applied first.

5 (5) The Department of Revenue shall promulgate such
6 rules and regulations as may be deemed necessary to carry
7 out the purposes of this subsection (g).

8 (6) The credit shall be available for eligible
9 employees hired on or after January 1, 1986.

10 (h) Investment credit; High Impact Business.

11 (1) Subject to subsections (b) and (b-5) of Section 5.5
12 of the Illinois Enterprise Zone Act, a taxpayer shall be
13 allowed a credit against the tax imposed by subsections (a)
14 and (b) of this Section for investment in qualified
15 property which is placed in service by a Department of
16 Commerce and Economic Opportunity designated High Impact
17 Business. The credit shall be .5% of the basis for such
18 property. The credit shall not be available (i) until the
19 minimum investments in qualified property set forth in
20 subdivision (a)(3)(A) of Section 5.5 of the Illinois
21 Enterprise Zone Act have been satisfied or (ii) until the
22 time authorized in subsection (b-5) of the Illinois
23 Enterprise Zone Act for entities designated as High Impact
24 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
25 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
26 Act, and shall not be allowed to the extent that it would

1 reduce a taxpayer's liability for the tax imposed by
2 subsections (a) and (b) of this Section to below zero. The
3 credit applicable to such investments shall be taken in the
4 taxable year in which such investments have been completed.
5 The credit for additional investments beyond the minimum
6 investment by a designated high impact business authorized
7 under subdivision (a) (3) (A) of Section 5.5 of the Illinois
8 Enterprise Zone Act shall be available only in the taxable
9 year in which the property is placed in service and shall
10 not be allowed to the extent that it would reduce a
11 taxpayer's liability for the tax imposed by subsections (a)
12 and (b) of this Section to below zero. For tax years ending
13 on or after December 31, 1987, the credit shall be allowed
14 for the tax year in which the property is placed in
15 service, or, if the amount of the credit exceeds the tax
16 liability for that year, whether it exceeds the original
17 liability or the liability as later amended, such excess
18 may be carried forward and applied to the tax liability of
19 the 5 taxable years following the excess credit year. The
20 credit shall be applied to the earliest year for which
21 there is a liability. If there is credit from more than one
22 tax year that is available to offset a liability, the
23 credit accruing first in time shall be applied first.

24 Changes made in this subdivision (h) (1) by Public Act
25 88-670 restore changes made by Public Act 85-1182 and
26 reflect existing law.

- 1 (2) The term qualified property means property which:
- 2 (A) is tangible, whether new or used, including
- 3 buildings and structural components of buildings;
- 4 (B) is depreciable pursuant to Section 167 of the
- 5 Internal Revenue Code, except that "3-year property"
- 6 as defined in Section 168(c)(2)(A) of that Code is not
- 7 eligible for the credit provided by this subsection
- 8 (h);
- 9 (C) is acquired by purchase as defined in Section
- 10 179(d) of the Internal Revenue Code; and
- 11 (D) is not eligible for the Enterprise Zone
- 12 Investment Credit provided by subsection (f) of this
- 13 Section.
- 14 (3) The basis of qualified property shall be the basis
- 15 used to compute the depreciation deduction for federal
- 16 income tax purposes.
- 17 (4) If the basis of the property for federal income tax
- 18 depreciation purposes is increased after it has been placed
- 19 in service in a federally designated Foreign Trade Zone or
- 20 Sub-Zone located in Illinois by the taxpayer, the amount of
- 21 such increase shall be deemed property placed in service on
- 22 the date of such increase in basis.
- 23 (5) The term "placed in service" shall have the same
- 24 meaning as under Section 46 of the Internal Revenue Code.
- 25 (6) If during any taxable year ending on or before
- 26 December 31, 1996, any property ceases to be qualified

1 property in the hands of the taxpayer within 48 months
2 after being placed in service, or the situs of any
3 qualified property is moved outside Illinois within 48
4 months after being placed in service, the tax imposed under
5 subsections (a) and (b) of this Section for such taxable
6 year shall be increased. Such increase shall be determined
7 by (i) recomputing the investment credit which would have
8 been allowed for the year in which credit for such property
9 was originally allowed by eliminating such property from
10 such computation, and (ii) subtracting such recomputed
11 credit from the amount of credit previously allowed. For
12 the purposes of this paragraph (6), a reduction of the
13 basis of qualified property resulting from a
14 redetermination of the purchase price shall be deemed a
15 disposition of qualified property to the extent of such
16 reduction.

17 (7) Beginning with tax years ending after December 31,
18 1996, if a taxpayer qualifies for the credit under this
19 subsection (h) and thereby is granted a tax abatement and
20 the taxpayer relocates its entire facility in violation of
21 the explicit terms and length of the contract under Section
22 18-183 of the Property Tax Code, the tax imposed under
23 subsections (a) and (b) of this Section shall be increased
24 for the taxable year in which the taxpayer relocated its
25 facility by an amount equal to the amount of credit
26 received by the taxpayer under this subsection (h).

1 (i) Credit for Personal Property Tax Replacement Income
2 Tax. For tax years ending prior to December 31, 2003, a credit
3 shall be allowed against the tax imposed by subsections (a) and
4 (b) of this Section for the tax imposed by subsections (c) and
5 (d) of this Section. This credit shall be computed by
6 multiplying the tax imposed by subsections (c) and (d) of this
7 Section by a fraction, the numerator of which is base income
8 allocable to Illinois and the denominator of which is Illinois
9 base income, and further multiplying the product by the tax
10 rate imposed by subsections (a) and (b) of this Section.

11 Any credit earned on or after December 31, 1986 under this
12 subsection which is unused in the year the credit is computed
13 because it exceeds the tax liability imposed by subsections (a)
14 and (b) for that year (whether it exceeds the original
15 liability or the liability as later amended) may be carried
16 forward and applied to the tax liability imposed by subsections
17 (a) and (b) of the 5 taxable years following the excess credit
18 year, provided that no credit may be carried forward to any
19 year ending on or after December 31, 2003. This credit shall be
20 applied first to the earliest year for which there is a
21 liability. If there is a credit under this subsection from more
22 than one tax year that is available to offset a liability the
23 earliest credit arising under this subsection shall be applied
24 first.

25 If, during any taxable year ending on or after December 31,
26 1986, the tax imposed by subsections (c) and (d) of this

1 Section for which a taxpayer has claimed a credit under this
2 subsection (i) is reduced, the amount of credit for such tax
3 shall also be reduced. Such reduction shall be determined by
4 recomputing the credit to take into account the reduced tax
5 imposed by subsections (c) and (d). If any portion of the
6 reduced amount of credit has been carried to a different
7 taxable year, an amended return shall be filed for such taxable
8 year to reduce the amount of credit claimed.

9 (j) Training expense credit. Beginning with tax years
10 ending on or after December 31, 1986 and prior to December 31,
11 2003, a taxpayer shall be allowed a credit against the tax
12 imposed by subsections (a) and (b) under this Section for all
13 amounts paid or accrued, on behalf of all persons employed by
14 the taxpayer in Illinois or Illinois residents employed outside
15 of Illinois by a taxpayer, for educational or vocational
16 training in semi-technical or technical fields or semi-skilled
17 or skilled fields, which were deducted from gross income in the
18 computation of taxable income. The credit against the tax
19 imposed by subsections (a) and (b) shall be 1.6% of such
20 training expenses. For partners, shareholders of subchapter S
21 corporations, and owners of limited liability companies, if the
22 liability company is treated as a partnership for purposes of
23 federal and State income taxation, there shall be allowed a
24 credit under this subsection (j) to be determined in accordance
25 with the determination of income and distributive share of
26 income under Sections 702 and 704 and subchapter S of the

1 Internal Revenue Code.

2 Any credit allowed under this subsection which is unused in
3 the year the credit is earned may be carried forward to each of
4 the 5 taxable years following the year for which the credit is
5 first computed until it is used. This credit shall be applied
6 first to the earliest year for which there is a liability. If
7 there is a credit under this subsection from more than one tax
8 year that is available to offset a liability the earliest
9 credit arising under this subsection shall be applied first. No
10 carryforward credit may be claimed in any tax year ending on or
11 after December 31, 2003.

12 (k) Research and development credit.

13 For tax years ending after July 1, 1990 and prior to
14 December 31, 2003, and beginning again for tax years ending on
15 or after December 31, 2004, a taxpayer shall be allowed a
16 credit against the tax imposed by subsections (a) and (b) of
17 this Section for increasing research activities in this State.
18 The credit allowed against the tax imposed by subsections (a)
19 and (b) shall be equal to 6 1/2% of the qualifying expenditures
20 for increasing research activities in this State. For partners,
21 shareholders of subchapter S corporations, and owners of
22 limited liability companies, if the liability company is
23 treated as a partnership for purposes of federal and State
24 income taxation, there shall be allowed a credit under this
25 subsection to be determined in accordance with the
26 determination of income and distributive share of income under

1 Sections 702 and 704 and subchapter S of the Internal Revenue
2 Code.

3 For purposes of this subsection, "qualifying expenditures"
4 means the qualifying expenditures as defined for the federal
5 credit for increasing research activities which would be
6 allowable under Section 41 of the Internal Revenue Code and
7 which are conducted in this State, "qualifying expenditures for
8 increasing research activities in this State" means the excess
9 of qualifying expenditures for the taxable year in which
10 incurred over qualifying expenditures for the base period,
11 "qualifying expenditures for the base period" means the average
12 of the qualifying expenditures for each year in the base
13 period, and "base period" means the 3 taxable years immediately
14 preceding the taxable year for which the determination is being
15 made.

16 Any credit in excess of the tax liability for the taxable
17 year may be carried forward. A taxpayer may elect to have the
18 unused credit shown on its final completed return carried over
19 as a credit against the tax liability for the following 5
20 taxable years or until it has been fully used, whichever occurs
21 first; provided that no credit earned in a tax year ending
22 prior to December 31, 2003 may be carried forward to any year
23 ending on or after December 31, 2003.

24 If an unused credit is carried forward to a given year from
25 2 or more earlier years, that credit arising in the earliest
26 year will be applied first against the tax liability for the

1 given year. If a tax liability for the given year still
2 remains, the credit from the next earliest year will then be
3 applied, and so on, until all credits have been used or no tax
4 liability for the given year remains. Any remaining unused
5 credit or credits then will be carried forward to the next
6 following year in which a tax liability is incurred, except
7 that no credit can be carried forward to a year which is more
8 than 5 years after the year in which the expense for which the
9 credit is given was incurred.

10 No inference shall be drawn from this amendatory Act of the
11 91st General Assembly in construing this Section for taxable
12 years beginning before January 1, 1999.

13 (1) Environmental Remediation Tax Credit.

14 (i) For tax years ending after December 31, 1997 and on
15 or before December 31, 2001, a taxpayer shall be allowed a
16 credit against the tax imposed by subsections (a) and (b)
17 of this Section for certain amounts paid for unreimbursed
18 eligible remediation costs, as specified in this
19 subsection. For purposes of this Section, "unreimbursed
20 eligible remediation costs" means costs approved by the
21 Illinois Environmental Protection Agency ("Agency") under
22 Section 58.14 of the Environmental Protection Act that were
23 paid in performing environmental remediation at a site for
24 which a No Further Remediation Letter was issued by the
25 Agency and recorded under Section 58.10 of the
26 Environmental Protection Act. The credit must be claimed

1 for the taxable year in which Agency approval of the
2 eligible remediation costs is granted. The credit is not
3 available to any taxpayer if the taxpayer or any related
4 party caused or contributed to, in any material respect, a
5 release of regulated substances on, in, or under the site
6 that was identified and addressed by the remedial action
7 pursuant to the Site Remediation Program of the
8 Environmental Protection Act. After the Pollution Control
9 Board rules are adopted pursuant to the Illinois
10 Administrative Procedure Act for the administration and
11 enforcement of Section 58.9 of the Environmental
12 Protection Act, determinations as to credit availability
13 for purposes of this Section shall be made consistent with
14 those rules. For purposes of this Section, "taxpayer"
15 includes a person whose tax attributes the taxpayer has
16 succeeded to under Section 381 of the Internal Revenue Code
17 and "related party" includes the persons disallowed a
18 deduction for losses by paragraphs (b), (c), and (f)(1) of
19 Section 267 of the Internal Revenue Code by virtue of being
20 a related taxpayer, as well as any of its partners. The
21 credit allowed against the tax imposed by subsections (a)
22 and (b) shall be equal to 25% of the unreimbursed eligible
23 remediation costs in excess of \$100,000 per site, except
24 that the \$100,000 threshold shall not apply to any site
25 contained in an enterprise zone as determined by the
26 Department of Commerce and Community Affairs (now

1 Department of Commerce and Economic Opportunity). The
2 total credit allowed shall not exceed \$40,000 per year with
3 a maximum total of \$150,000 per site. For partners and
4 shareholders of subchapter S corporations, there shall be
5 allowed a credit under this subsection to be determined in
6 accordance with the determination of income and
7 distributive share of income under Sections 702 and 704 and
8 subchapter S of the Internal Revenue Code.

9 (ii) A credit allowed under this subsection that is
10 unused in the year the credit is earned may be carried
11 forward to each of the 5 taxable years following the year
12 for which the credit is first earned until it is used. The
13 term "unused credit" does not include any amounts of
14 unreimbursed eligible remediation costs in excess of the
15 maximum credit per site authorized under paragraph (i).
16 This credit shall be applied first to the earliest year for
17 which there is a liability. If there is a credit under this
18 subsection from more than one tax year that is available to
19 offset a liability, the earliest credit arising under this
20 subsection shall be applied first. A credit allowed under
21 this subsection may be sold to a buyer as part of a sale of
22 all or part of the remediation site for which the credit
23 was granted. The purchaser of a remediation site and the
24 tax credit shall succeed to the unused credit and remaining
25 carry-forward period of the seller. To perfect the
26 transfer, the assignor shall record the transfer in the

1 chain of title for the site and provide written notice to
2 the Director of the Illinois Department of Revenue of the
3 assignor's intent to sell the remediation site and the
4 amount of the tax credit to be transferred as a portion of
5 the sale. In no event may a credit be transferred to any
6 taxpayer if the taxpayer or a related party would not be
7 eligible under the provisions of subsection (i).

8 (iii) For purposes of this Section, the term "site"
9 shall have the same meaning as under Section 58.2 of the
10 Environmental Protection Act.

11 (m) Education expense credit. Beginning with tax years
12 ending after December 31, 1999, a taxpayer who is the custodian
13 of one or more qualifying pupils shall be allowed a credit
14 against the tax imposed by subsections (a) and (b) of this
15 Section for qualified education expenses incurred on behalf of
16 the qualifying pupils. The credit shall be equal to 25% of
17 qualified education expenses, but in no event may the total
18 credit under this subsection claimed by a family that is the
19 custodian of qualifying pupils exceed \$500. In no event shall a
20 credit under this subsection reduce the taxpayer's liability
21 under this Act to less than zero. This subsection is exempt
22 from the provisions of Section 250 of this Act.

23 For purposes of this subsection:

24 "Qualifying pupils" means individuals who (i) are
25 residents of the State of Illinois, (ii) are under the age of
26 21 at the close of the school year for which a credit is

1 sought, and (iii) during the school year for which a credit is
2 sought were full-time pupils enrolled in a kindergarten through
3 twelfth grade education program at any school, as defined in
4 this subsection.

5 "Qualified education expense" means the amount incurred on
6 behalf of a qualifying pupil in excess of \$250 for tuition,
7 book fees, and lab fees at the school in which the pupil is
8 enrolled during the regular school year.

9 "School" means any public or nonpublic elementary or
10 secondary school in Illinois that is in compliance with Title
11 VI of the Civil Rights Act of 1964 and attendance at which
12 satisfies the requirements of Section 26-1 of the School Code,
13 except that nothing shall be construed to require a child to
14 attend any particular public or nonpublic school to qualify for
15 the credit under this Section.

16 "Custodian" means, with respect to qualifying pupils, an
17 Illinois resident who is a parent, the parents, a legal
18 guardian, or the legal guardians of the qualifying pupils.

19 (n) River Edge Redevelopment Zone site remediation tax
20 credit.

21 (i) For tax years ending on or after December 31, 2006,
22 a taxpayer shall be allowed a credit against the tax
23 imposed by subsections (a) and (b) of this Section for
24 certain amounts paid for unreimbursed eligible remediation
25 costs, as specified in this subsection. For purposes of
26 this Section, "unreimbursed eligible remediation costs"

1 means costs approved by the Illinois Environmental
2 Protection Agency ("Agency") under Section 58.14a of the
3 Environmental Protection Act that were paid in performing
4 environmental remediation at a site within a River Edge
5 Redevelopment Zone for which a No Further Remediation
6 Letter was issued by the Agency and recorded under Section
7 58.10 of the Environmental Protection Act. The credit must
8 be claimed for the taxable year in which Agency approval of
9 the eligible remediation costs is granted. The credit is
10 not available to any taxpayer if the taxpayer or any
11 related party caused or contributed to, in any material
12 respect, a release of regulated substances on, in, or under
13 the site that was identified and addressed by the remedial
14 action pursuant to the Site Remediation Program of the
15 Environmental Protection Act. Determinations as to credit
16 availability for purposes of this Section shall be made
17 consistent with rules adopted by the Pollution Control
18 Board pursuant to the Illinois Administrative Procedure
19 Act for the administration and enforcement of Section 58.9
20 of the Environmental Protection Act. For purposes of this
21 Section, "taxpayer" includes a person whose tax attributes
22 the taxpayer has succeeded to under Section 381 of the
23 Internal Revenue Code and "related party" includes the
24 persons disallowed a deduction for losses by paragraphs
25 (b), (c), and (f)(1) of Section 267 of the Internal Revenue
26 Code by virtue of being a related taxpayer, as well as any

1 of its partners. The credit allowed against the tax imposed
2 by subsections (a) and (b) shall be equal to 25% of the
3 unreimbursed eligible remediation costs in excess of
4 \$100,000 per site.

5 (ii) A credit allowed under this subsection that is
6 unused in the year the credit is earned may be carried
7 forward to each of the 5 taxable years following the year
8 for which the credit is first earned until it is used. This
9 credit shall be applied first to the earliest year for
10 which there is a liability. If there is a credit under this
11 subsection from more than one tax year that is available to
12 offset a liability, the earliest credit arising under this
13 subsection shall be applied first. A credit allowed under
14 this subsection may be sold to a buyer as part of a sale of
15 all or part of the remediation site for which the credit
16 was granted. The purchaser of a remediation site and the
17 tax credit shall succeed to the unused credit and remaining
18 carry-forward period of the seller. To perfect the
19 transfer, the assignor shall record the transfer in the
20 chain of title for the site and provide written notice to
21 the Director of the Illinois Department of Revenue of the
22 assignor's intent to sell the remediation site and the
23 amount of the tax credit to be transferred as a portion of
24 the sale. In no event may a credit be transferred to any
25 taxpayer if the taxpayer or a related party would not be
26 eligible under the provisions of subsection (i).

1 (iii) For purposes of this Section, the term "site"
2 shall have the same meaning as under Section 58.2 of the
3 Environmental Protection Act.

4 (iv) This subsection is exempt from the provisions of
5 Section 250.

6 (Source: P.A. 94-1021, eff. 7-12-06; 95-454, eff. 8-27-07.)

7 Section 90-22. The Illinois Pension Code is amended by
8 changing Sections 14-110, 14-111, 14-152.1, 18-127, and 18-169
9 as follows:

10 (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

11 Sec. 14-110. Alternative retirement annuity.

12 (a) Any member who has withdrawn from service with not less
13 than 20 years of eligible creditable service and has attained
14 age 55, and any member who has withdrawn from service with not
15 less than 25 years of eligible creditable service and has
16 attained age 50, regardless of whether the attainment of either
17 of the specified ages occurs while the member is still in
18 service, shall be entitled to receive at the option of the
19 member, in lieu of the regular or minimum retirement annuity, a
20 retirement annuity computed as follows:

21 (i) for periods of service as a noncovered employee: if
22 retirement occurs on or after January 1, 2001, 3% of final
23 average compensation for each year of creditable service;
24 if retirement occurs before January 1, 2001, 2 1/4% of

1 final average compensation for each of the first 10 years
2 of creditable service, 2 1/2% for each year above 10 years
3 to and including 20 years of creditable service, and 2 3/4%
4 for each year of creditable service above 20 years; and

5 (ii) for periods of eligible creditable service as a
6 covered employee: if retirement occurs on or after January
7 1, 2001, 2.5% of final average compensation for each year
8 of creditable service; if retirement occurs before January
9 1, 2001, 1.67% of final average compensation for each of
10 the first 10 years of such service, 1.90% for each of the
11 next 10 years of such service, 2.10% for each year of such
12 service in excess of 20 but not exceeding 30, and 2.30% for
13 each year in excess of 30.

14 Such annuity shall be subject to a maximum of 75% of final
15 average compensation if retirement occurs before January 1,
16 2001 or to a maximum of 80% of final average compensation if
17 retirement occurs on or after January 1, 2001.

18 These rates shall not be applicable to any service
19 performed by a member as a covered employee which is not
20 eligible creditable service. Service as a covered employee
21 which is not eligible creditable service shall be subject to
22 the rates and provisions of Section 14-108.

23 (b) For the purpose of this Section, "eligible creditable
24 service" means creditable service resulting from service in one
25 or more of the following positions:

26 (1) State policeman;

1 (2) fire fighter in the fire protection service of a
2 department;

3 (3) air pilot;

4 (4) special agent;

5 (5) investigator for the Secretary of State;

6 (6) conservation police officer;

7 (7) investigator for the Department of Revenue;

8 (7.5) investigator for the Office of Gaming
9 Enforcement;

10 (8) security employee of the Department of Human
11 Services;

12 (9) Central Management Services security police
13 officer;

14 (10) security employee of the Department of
15 Corrections or the Department of Juvenile Justice;

16 (11) dangerous drugs investigator;

17 (12) investigator for the Department of State Police;

18 (13) investigator for the Office of the Attorney
19 General;

20 (14) controlled substance inspector;

21 (15) investigator for the Office of the State's
22 Attorneys Appellate Prosecutor;

23 (16) Commerce Commission police officer;

24 (17) arson investigator;

25 (18) State highway maintenance worker.

26 A person employed in one of the positions specified in this

1 subsection is entitled to eligible creditable service for
2 service credit earned under this Article while undergoing the
3 basic police training course approved by the Illinois Law
4 Enforcement Training Standards Board, if completion of that
5 training is required of persons serving in that position. For
6 the purposes of this Code, service during the required basic
7 police training course shall be deemed performance of the
8 duties of the specified position, even though the person is not
9 a sworn peace officer at the time of the training.

10 (c) For the purposes of this Section:

11 (1) The term "state policeman" includes any title or
12 position in the Department of State Police that is held by
13 an individual employed under the State Police Act.

14 (2) The term "fire fighter in the fire protection
15 service of a department" includes all officers in such fire
16 protection service including fire chiefs and assistant
17 fire chiefs.

18 (3) The term "air pilot" includes any employee whose
19 official job description on file in the Department of
20 Central Management Services, or in the department by which
21 he is employed if that department is not covered by the
22 Personnel Code, states that his principal duty is the
23 operation of aircraft, and who possesses a pilot's license;
24 however, the change in this definition made by this
25 amendatory Act of 1983 shall not operate to exclude any
26 noncovered employee who was an "air pilot" for the purposes

1 of this Section on January 1, 1984.

2 (4) The term "special agent" means any person who by
3 reason of employment by the Division of Narcotic Control,
4 the Bureau of Investigation or, after July 1, 1977, the
5 Division of Criminal Investigation, the Division of
6 Internal Investigation, the Division of Operations, or any
7 other Division or organizational entity in the Department
8 of State Police is vested by law with duties to maintain
9 public order, investigate violations of the criminal law of
10 this State, enforce the laws of this State, make arrests
11 and recover property. The term "special agent" includes any
12 title or position in the Department of State Police that is
13 held by an individual employed under the State Police Act.

14 (5) The term "investigator for the Secretary of State"
15 means any person employed by the Office of the Secretary of
16 State and vested with such investigative duties as render
17 him ineligible for coverage under the Social Security Act
18 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
19 218(1)(1) of that Act.

20 A person who became employed as an investigator for the
21 Secretary of State between January 1, 1967 and December 31,
22 1975, and who has served as such until attainment of age
23 60, either continuously or with a single break in service
24 of not more than 3 years duration, which break terminated
25 before January 1, 1976, shall be entitled to have his
26 retirement annuity calculated in accordance with

1 subsection (a), notwithstanding that he has less than 20
2 years of credit for such service.

3 (6) The term "Conservation Police Officer" means any
4 person employed by the Division of Law Enforcement of the
5 Department of Natural Resources and vested with such law
6 enforcement duties as render him ineligible for coverage
7 under the Social Security Act by reason of Sections
8 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The
9 term "Conservation Police Officer" includes the positions
10 of Chief Conservation Police Administrator and Assistant
11 Conservation Police Administrator.

12 (7) The term "investigator for the Department of
13 Revenue" means any person employed by the Department of
14 Revenue and vested with such investigative duties as render
15 him ineligible for coverage under the Social Security Act
16 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
17 218(1)(1) of that Act.

18 (7.5) The term "investigator for the Office of Gaming
19 Enforcement" means any person employed as such by the
20 Office of Gaming Enforcement and vested with such peace
21 officer duties as render the person ineligible for coverage
22 under the Social Security Act by reason of Sections
23 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act.

24 (8) The term "security employee of the Department of
25 Human Services" means any person employed by the Department
26 of Human Services who (i) is employed at the Chester Mental

1 Health Center and has daily contact with the residents
2 thereof, (ii) is employed within a security unit at a
3 facility operated by the Department and has daily contact
4 with the residents of the security unit, (iii) is employed
5 at a facility operated by the Department that includes a
6 security unit and is regularly scheduled to work at least
7 50% of his or her working hours within that security unit,
8 or (iv) is a mental health police officer. "Mental health
9 police officer" means any person employed by the Department
10 of Human Services in a position pertaining to the
11 Department's mental health and developmental disabilities
12 functions who is vested with such law enforcement duties as
13 render the person ineligible for coverage under the Social
14 Security Act by reason of Sections 218(d)(5)(A),
15 218(d)(8)(D) and 218(1)(1) of that Act. "Security unit"
16 means that portion of a facility that is devoted to the
17 care, containment, and treatment of persons committed to
18 the Department of Human Services as sexually violent
19 persons, persons unfit to stand trial, or persons not
20 guilty by reason of insanity. With respect to past
21 employment, references to the Department of Human Services
22 include its predecessor, the Department of Mental Health
23 and Developmental Disabilities.

24 The changes made to this subdivision (c)(8) by Public
25 Act 92-14 apply to persons who retire on or after January
26 1, 2001, notwithstanding Section 1-103.1.

1 (9) "Central Management Services security police
2 officer" means any person employed by the Department of
3 Central Management Services who is vested with such law
4 enforcement duties as render him ineligible for coverage
5 under the Social Security Act by reason of Sections
6 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

7 (10) For a member who first became an employee under
8 this Article before July 1, 2005, the term "security
9 employee of the Department of Corrections or the Department
10 of Juvenile Justice" means any employee of the Department
11 of Corrections or the Department of Juvenile Justice or the
12 former Department of Personnel, and any member or employee
13 of the Prisoner Review Board, who has daily contact with
14 inmates or youth by working within a correctional facility
15 or Juvenile facility operated by the Department of Juvenile
16 Justice or who is a parole officer or an employee who has
17 direct contact with committed persons in the performance of
18 his or her job duties. For a member who first becomes an
19 employee under this Article on or after July 1, 2005, the
20 term means an employee of the Department of Corrections or
21 the Department of Juvenile Justice who is any of the
22 following: (i) officially headquartered at a correctional
23 facility or Juvenile facility operated by the Department of
24 Juvenile Justice, (ii) a parole officer, (iii) a member of
25 the apprehension unit, (iv) a member of the intelligence
26 unit, (v) a member of the sort team, or (vi) an

1 investigator.

2 (11) The term "dangerous drugs investigator" means any
3 person who is employed as such by the Department of Human
4 Services.

5 (12) The term "investigator for the Department of State
6 Police" means a person employed by the Department of State
7 Police who is vested under Section 4 of the Narcotic
8 Control Division Abolition Act with such law enforcement
9 powers as render him ineligible for coverage under the
10 Social Security Act by reason of Sections 218(d)(5)(A),
11 218(d)(8)(D) and 218(1)(1) of that Act.

12 (13) "Investigator for the Office of the Attorney
13 General" means any person who is employed as such by the
14 Office of the Attorney General and is vested with such
15 investigative duties as render him ineligible for coverage
16 under the Social Security Act by reason of Sections
17 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For
18 the period before January 1, 1989, the term includes all
19 persons who were employed as investigators by the Office of
20 the Attorney General, without regard to social security
21 status.

22 (14) "Controlled substance inspector" means any person
23 who is employed as such by the Department of Professional
24 Regulation and is vested with such law enforcement duties
25 as render him ineligible for coverage under the Social
26 Security Act by reason of Sections 218(d)(5)(A),

1 218(d)(8)(D) and 218(1)(1) of that Act. The term
2 "controlled substance inspector" includes the Program
3 Executive of Enforcement and the Assistant Program
4 Executive of Enforcement.

5 (15) The term "investigator for the Office of the
6 State's Attorneys Appellate Prosecutor" means a person
7 employed in that capacity on a full time basis under the
8 authority of Section 7.06 of the State's Attorneys
9 Appellate Prosecutor's Act.

10 (16) "Commerce Commission police officer" means any
11 person employed by the Illinois Commerce Commission who is
12 vested with such law enforcement duties as render him
13 ineligible for coverage under the Social Security Act by
14 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and
15 218(1)(1) of that Act.

16 (17) "Arson investigator" means any person who is
17 employed as such by the Office of the State Fire Marshal
18 and is vested with such law enforcement duties as render
19 the person ineligible for coverage under the Social
20 Security Act by reason of Sections 218(d)(5)(A),
21 218(d)(8)(D), and 218(1)(1) of that Act. A person who was
22 employed as an arson investigator on January 1, 1995 and is
23 no longer in service but not yet receiving a retirement
24 annuity may convert his or her creditable service for
25 employment as an arson investigator into eligible
26 creditable service by paying to the System the difference

1 between the employee contributions actually paid for that
2 service and the amounts that would have been contributed if
3 the applicant were contributing at the rate applicable to
4 persons with the same social security status earning
5 eligible creditable service on the date of application.

6 (18) The term "State highway maintenance worker" means
7 a person who is either of the following:

8 (i) A person employed on a full-time basis by the
9 Illinois Department of Transportation in the position
10 of highway maintainer, highway maintenance lead
11 worker, highway maintenance lead/lead worker, heavy
12 construction equipment operator, power shovel
13 operator, or bridge mechanic; and whose principal
14 responsibility is to perform, on the roadway, the
15 actual maintenance necessary to keep the highways that
16 form a part of the State highway system in serviceable
17 condition for vehicular traffic.

18 (ii) A person employed on a full-time basis by the
19 Illinois State Toll Highway Authority in the position
20 of equipment operator/laborer H-4, equipment
21 operator/laborer H-6, welder H-4, welder H-6,
22 mechanical/electrical H-4, mechanical/electrical H-6,
23 water/sewer H-4, water/sewer H-6, sign maker/hanger
24 H-4, sign maker/hanger H-6, roadway lighting H-4,
25 roadway lighting H-6, structural H-4, structural H-6,
26 painter H-4, or painter H-6; and whose principal

1 responsibility is to perform, on the roadway, the
2 actual maintenance necessary to keep the Authority's
3 tollways in serviceable condition for vehicular
4 traffic.

5 (d) A security employee of the Department of Corrections or
6 the Department of Juvenile Justice, and a security employee of
7 the Department of Human Services who is not a mental health
8 police officer, shall not be eligible for the alternative
9 retirement annuity provided by this Section unless he or she
10 meets the following minimum age and service requirements at the
11 time of retirement:

12 (i) 25 years of eligible creditable service and age 55;

13 or

14 (ii) beginning January 1, 1987, 25 years of eligible
15 creditable service and age 54, or 24 years of eligible
16 creditable service and age 55; or

17 (iii) beginning January 1, 1988, 25 years of eligible
18 creditable service and age 53, or 23 years of eligible
19 creditable service and age 55; or

20 (iv) beginning January 1, 1989, 25 years of eligible
21 creditable service and age 52, or 22 years of eligible
22 creditable service and age 55; or

23 (v) beginning January 1, 1990, 25 years of eligible
24 creditable service and age 51, or 21 years of eligible
25 creditable service and age 55; or

26 (vi) beginning January 1, 1991, 25 years of eligible

1 creditable service and age 50, or 20 years of eligible
2 creditable service and age 55.

3 Persons who have service credit under Article 16 of this
4 Code for service as a security employee of the Department of
5 Corrections or the Department of Juvenile Justice, or the
6 Department of Human Services in a position requiring
7 certification as a teacher may count such service toward
8 establishing their eligibility under the service requirements
9 of this Section; but such service may be used only for
10 establishing such eligibility, and not for the purpose of
11 increasing or calculating any benefit.

12 (e) If a member enters military service while working in a
13 position in which eligible creditable service may be earned,
14 and returns to State service in the same or another such
15 position, and fulfills in all other respects the conditions
16 prescribed in this Article for credit for military service,
17 such military service shall be credited as eligible creditable
18 service for the purposes of the retirement annuity prescribed
19 in this Section.

20 (f) For purposes of calculating retirement annuities under
21 this Section, periods of service rendered after December 31,
22 1968 and before October 1, 1975 as a covered employee in the
23 position of special agent, conservation police officer, mental
24 health police officer, or investigator for the Secretary of
25 State, shall be deemed to have been service as a noncovered
26 employee, provided that the employee pays to the System prior

1 to retirement an amount equal to (1) the difference between the
2 employee contributions that would have been required for such
3 service as a noncovered employee, and the amount of employee
4 contributions actually paid, plus (2) if payment is made after
5 July 31, 1987, regular interest on the amount specified in item
6 (1) from the date of service to the date of payment.

7 For purposes of calculating retirement annuities under
8 this Section, periods of service rendered after December 31,
9 1968 and before January 1, 1982 as a covered employee in the
10 position of investigator for the Department of Revenue shall be
11 deemed to have been service as a noncovered employee, provided
12 that the employee pays to the System prior to retirement an
13 amount equal to (1) the difference between the employee
14 contributions that would have been required for such service as
15 a noncovered employee, and the amount of employee contributions
16 actually paid, plus (2) if payment is made after January 1,
17 1990, regular interest on the amount specified in item (1) from
18 the date of service to the date of payment.

19 (g) A State policeman may elect, not later than January 1,
20 1990, to establish eligible creditable service for up to 10
21 years of his service as a policeman under Article 3, by filing
22 a written election with the Board, accompanied by payment of an
23 amount to be determined by the Board, equal to (i) the
24 difference between the amount of employee and employer
25 contributions transferred to the System under Section 3-110.5,
26 and the amounts that would have been contributed had such

1 contributions been made at the rates applicable to State
2 policemen, plus (ii) interest thereon at the effective rate for
3 each year, compounded annually, from the date of service to the
4 date of payment.

5 Subject to the limitation in subsection (i), a State
6 policeman may elect, not later than July 1, 1993, to establish
7 eligible creditable service for up to 10 years of his service
8 as a member of the County Police Department under Article 9, by
9 filing a written election with the Board, accompanied by
10 payment of an amount to be determined by the Board, equal to
11 (i) the difference between the amount of employee and employer
12 contributions transferred to the System under Section 9-121.10
13 and the amounts that would have been contributed had those
14 contributions been made at the rates applicable to State
15 policemen, plus (ii) interest thereon at the effective rate for
16 each year, compounded annually, from the date of service to the
17 date of payment.

18 (h) Subject to the limitation in subsection (i), a State
19 policeman or investigator for the Secretary of State may elect
20 to establish eligible creditable service for up to 12 years of
21 his service as a policeman under Article 5, by filing a written
22 election with the Board on or before January 31, 1992, and
23 paying to the System by January 31, 1994 an amount to be
24 determined by the Board, equal to (i) the difference between
25 the amount of employee and employer contributions transferred
26 to the System under Section 5-236, and the amounts that would

1 have been contributed had such contributions been made at the
2 rates applicable to State policemen, plus (ii) interest thereon
3 at the effective rate for each year, compounded annually, from
4 the date of service to the date of payment.

5 Subject to the limitation in subsection (i), a State
6 policeman, conservation police officer, or investigator for
7 the Secretary of State may elect to establish eligible
8 creditable service for up to 10 years of service as a sheriff's
9 law enforcement employee under Article 7, by filing a written
10 election with the Board on or before January 31, 1993, and
11 paying to the System by January 31, 1994 an amount to be
12 determined by the Board, equal to (i) the difference between
13 the amount of employee and employer contributions transferred
14 to the System under Section 7-139.7, and the amounts that would
15 have been contributed had such contributions been made at the
16 rates applicable to State policemen, plus (ii) interest thereon
17 at the effective rate for each year, compounded annually, from
18 the date of service to the date of payment.

19 Subject to the limitation in subsection (i), a State
20 policeman, conservation police officer, or investigator for
21 the Secretary of State may elect to establish eligible
22 creditable service for up to 5 years of service as a police
23 officer under Article 3, a policeman under Article 5, a
24 sheriff's law enforcement employee under Article 7, a member of
25 the county police department under Article 9, or a police
26 officer under Article 15 by filing a written election with the

1 Board and paying to the System an amount to be determined by
2 the Board, equal to (i) the difference between the amount of
3 employee and employer contributions transferred to the System
4 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4
5 and the amounts that would have been contributed had such
6 contributions been made at the rates applicable to State
7 policemen, plus (ii) interest thereon at the effective rate for
8 each year, compounded annually, from the date of service to the
9 date of payment.

10 (i) The total amount of eligible creditable service
11 established by any person under subsections (g), (h), (j), (k),
12 and (l) of this Section shall not exceed 12 years.

13 (j) Subject to the limitation in subsection (i), an
14 investigator for the Office of the State's Attorneys Appellate
15 Prosecutor or a controlled substance inspector may elect to
16 establish eligible creditable service for up to 10 years of his
17 service as a policeman under Article 3 or a sheriff's law
18 enforcement employee under Article 7, by filing a written
19 election with the Board, accompanied by payment of an amount to
20 be determined by the Board, equal to (1) the difference between
21 the amount of employee and employer contributions transferred
22 to the System under Section 3-110.6 or 7-139.8, and the amounts
23 that would have been contributed had such contributions been
24 made at the rates applicable to State policemen, plus (2)
25 interest thereon at the effective rate for each year,
26 compounded annually, from the date of service to the date of

1 payment.

2 (k) Subject to the limitation in subsection (i) of this
3 Section, an alternative formula employee may elect to establish
4 eligible creditable service for periods spent as a full-time
5 law enforcement officer or full-time corrections officer
6 employed by the federal government or by a state or local
7 government located outside of Illinois, for which credit is not
8 held in any other public employee pension fund or retirement
9 system. To obtain this credit, the applicant must file a
10 written application with the Board by March 31, 1998,
11 accompanied by evidence of eligibility acceptable to the Board
12 and payment of an amount to be determined by the Board, equal
13 to (1) employee contributions for the credit being established,
14 based upon the applicant's salary on the first day as an
15 alternative formula employee after the employment for which
16 credit is being established and the rates then applicable to
17 alternative formula employees, plus (2) an amount determined by
18 the Board to be the employer's normal cost of the benefits
19 accrued for the credit being established, plus (3) regular
20 interest on the amounts in items (1) and (2) from the first day
21 as an alternative formula employee after the employment for
22 which credit is being established to the date of payment.

23 (l) Subject to the limitation in subsection (i), a security
24 employee of the Department of Corrections may elect, not later
25 than July 1, 1998, to establish eligible creditable service for
26 up to 10 years of his or her service as a policeman under

1 Article 3, by filing a written election with the Board,
2 accompanied by payment of an amount to be determined by the
3 Board, equal to (i) the difference between the amount of
4 employee and employer contributions transferred to the System
5 under Section 3-110.5, and the amounts that would have been
6 contributed had such contributions been made at the rates
7 applicable to security employees of the Department of
8 Corrections, plus (ii) interest thereon at the effective rate
9 for each year, compounded annually, from the date of service to
10 the date of payment.

11 (m) The amendatory changes to this Section made by this
12 amendatory Act of the 94th General Assembly apply only to: (1)
13 security employees of the Department of Juvenile Justice
14 employed by the Department of Corrections before the effective
15 date of this amendatory Act of the 94th General Assembly and
16 transferred to the Department of Juvenile Justice by this
17 amendatory Act of the 94th General Assembly; and (2) persons
18 employed by the Department of Juvenile Justice on or after the
19 effective date of this amendatory Act of the 94th General
20 Assembly who are required by subsection (b) of Section 3-2.5-15
21 of the Unified Code of Corrections to have a bachelor's or
22 advanced degree from an accredited college or university with a
23 specialization in criminal justice, education, psychology,
24 social work, or a closely related social science or, in the
25 case of persons who provide vocational training, who are
26 required to have adequate knowledge in the skill for which they

1 are providing the vocational training.

2 (Source: P.A. 94-4, eff. 6-1-05; 94-696, eff. 6-1-06; 95-530,
3 eff. 8-28-07.)

4 (40 ILCS 5/14-111) (from Ch. 108 1/2, par. 14-111)

5 Sec. 14-111. Re-entry After retirement.

6 (a) An annuitant who re-enters the service of a department
7 and receives compensation on a regular payroll shall receive no
8 payments of the retirement annuity during the time he is so
9 employed, with the following exceptions:

10 (1) An annuitant who is employed by a department while
11 he or she is a continuing participant in the General
12 Assembly Retirement System under Sections 2-117.1 and
13 14-105.4 will not be considered to have made a re-entry
14 after retirement within the meaning of this Section for the
15 duration of such continuing participation. Any person who
16 is a continuing participant under Sections 2-117.1 and
17 14-105.4 on the effective date of this amendatory Act of
18 1991 and whose retirement annuity has been suspended under
19 this Section shall be entitled to receive from the System a
20 sum equal to the annuity payments that have been withheld
21 under this Section, and shall receive the benefit of this
22 amendment without regard to Section 1-103.1.

23 (2) An annuitant who accepts temporary employment from
24 such a department for a period not exceeding 75 working
25 days in any calendar year is not considered to make a

1 re-entry after retirement within the meaning of this
2 Section. Any part of a day on temporary employment is
3 considered a full day of employment.

4 (3) An annuitant who accepts employment as a member of
5 the Illinois Gaming Board or as the Director of Gaming
6 Enforcement may elect to not participate in this System
7 with respect to that service. An annuitant who elects to
8 not participate in this System with respect to that service
9 is not considered to make a re-entry after retirement
10 within the meaning of this Section.

11 (b) If such person re-enters the service of a department,
12 not as a temporary employee, contributions to the system shall
13 begin as of the date of re-employment and additional creditable
14 service shall begin to accrue. He shall assume the status of a
15 member entitled to all rights and privileges in the system,
16 including death and disability benefits, excluding a refund of
17 contributions.

18 Upon subsequent retirement, his retirement annuity shall
19 consist of:

20 (1) the amounts of the annuities terminated by re-entry
21 into service; and

22 (2) the amount of the additional retirement annuity
23 earned by the member during the period of additional
24 membership service which shall not be subject to
25 reversionary annuity if any.

26 The total retirement annuity shall not, however, exceed the

1 maximum applicable to the member at the time of original
2 retirement. In the computation of any such retirement annuity,
3 the time that the member was on retirement shall not interrupt
4 the continuity of service for the computation of final average
5 compensation and the additional membership service shall be
6 considered, together with service rendered before the previous
7 retirement, in establishing final average compensation.

8 A person who re-enters the service of a department within 3
9 years after retiring may qualify to have the retirement annuity
10 computed as though the member had not previously retired by
11 paying to the System, within 5 years after re-entry and prior
12 to subsequent retirement, in a lump sum or in installment
13 payments in accordance with such rules as may be adopted by the
14 Board, an amount equal to all retirement payments received,
15 including any payments received in accordance with subsection
16 (c) or (d) of Section 14-130, plus regular interest from the
17 date retirement payments were suspended to the date of
18 repayment.

19 (Source: P.A. 86-1488; 87-794.)

20 (40 ILCS 5/14-152.1)

21 Sec. 14-152.1. Application and expiration of new benefit
22 increases.

23 (a) As used in this Section, "new benefit increase" means
24 an increase in the amount of any benefit provided under this
25 Article, or an expansion of the conditions of eligibility for

1 any benefit under this Article, that results from an amendment
2 to this Code that takes effect after June 1, 2005 (the
3 effective date of Public Act 94-4) ~~this amendatory Act of the~~
4 ~~94th General Assembly~~. "New benefit increase", however, does
5 not include any benefit increase resulting from the changes
6 made to this Article by this amendatory Act of the 95th General
7 Assembly.

8 (b) Notwithstanding any other provision of this Code or any
9 subsequent amendment to this Code, every new benefit increase
10 is subject to this Section and shall be deemed to be granted
11 only in conformance with and contingent upon compliance with
12 the provisions of this Section.

13 (c) The Public Act enacting a new benefit increase must
14 identify and provide for payment to the System of additional
15 funding at least sufficient to fund the resulting annual
16 increase in cost to the System as it accrues.

17 Every new benefit increase is contingent upon the General
18 Assembly providing the additional funding required under this
19 subsection. The Commission on Government Forecasting and
20 Accountability shall analyze whether adequate additional
21 funding has been provided for the new benefit increase and
22 shall report its analysis to the Public Pension Division of the
23 Department of Financial and Professional Regulation. A new
24 benefit increase created by a Public Act that does not include
25 the additional funding required under this subsection is null
26 and void. If the Public Pension Division determines that the

1 additional funding provided for a new benefit increase under
2 this subsection is or has become inadequate, it may so certify
3 to the Governor and the State Comptroller and, in the absence
4 of corrective action by the General Assembly, the new benefit
5 increase shall expire at the end of the fiscal year in which
6 the certification is made.

7 (d) Every new benefit increase shall expire 5 years after
8 its effective date or on such earlier date as may be specified
9 in the language enacting the new benefit increase or provided
10 under subsection (c). This does not prevent the General
11 Assembly from extending or re-creating a new benefit increase
12 by law.

13 (e) Except as otherwise provided in the language creating
14 the new benefit increase, a new benefit increase that expires
15 under this Section continues to apply to persons who applied
16 and qualified for the affected benefit while the new benefit
17 increase was in effect and to the affected beneficiaries and
18 alternate payees of such persons, but does not apply to any
19 other person, including without limitation a person who
20 continues in service after the expiration date and did not
21 apply and qualify for the affected benefit while the new
22 benefit increase was in effect.

23 (Source: P.A. 94-4, eff. 6-1-05.)

24 (40 ILCS 5/18-127) (from Ch. 108 1/2, par. 18-127)

25 Sec. 18-127. Retirement annuity - suspension on

1 reemployment.

2 (a) A participant receiving a retirement annuity who is
3 regularly employed for compensation by an employer other than a
4 county, in any capacity, shall have his or her retirement
5 annuity payments suspended during such employment. Upon
6 termination of such employment, retirement annuity payments at
7 the previous rate shall be resumed.

8 If such a participant resumes service as a judge, he or she
9 shall receive credit for any additional service. Upon
10 subsequent retirement, his or her retirement annuity shall be
11 the amount previously granted, plus the amount earned by the
12 additional judicial service under the provisions in effect
13 during the period of such additional service. However, if the
14 participant was receiving the maximum rate of annuity at the
15 time of re-employment, he or she may elect, in a written
16 direction filed with the board, not to receive any additional
17 service credit during the period of re-employment. In such
18 case, contributions shall not be required during the period of
19 re-employment. Any such election shall be irrevocable.

20 (b) Beginning January 1, 1991, any participant receiving a
21 retirement annuity who accepts temporary employment from an
22 employer other than a county for a period not exceeding 75
23 working days in any calendar year shall not be deemed to be
24 regularly employed for compensation or to have resumed service
25 as a judge for the purposes of this Article. A day shall be
26 considered a working day if the annuitant performs on it any of

1 his duties under the temporary employment agreement.

2 (c) Except as provided in subsection (a), beginning January
3 1, 1993, retirement annuities shall not be subject to
4 suspension upon resumption of employment for an employer, and
5 any retirement annuity that is then so suspended shall be
6 reinstated on that date.

7 (d) The changes made in this Section by this amendatory Act
8 of 1993 shall apply to judges no longer in service on its
9 effective date, as well as to judges serving on or after that
10 date.

11 (e) A participant receiving a retirement annuity under this
12 Article who (i) serves as a part-time employee in any of the
13 following positions: Legislative Inspector General, Special
14 Legislative Inspector General, employee of the Office of the
15 Legislative Inspector General, Executive Director of the
16 Legislative Ethics Commission, or staff of the Legislative
17 Ethics Commission or (ii) serves on the Illinois Gaming Board
18 or as the Director of Gaming Enforcement, but has not elected
19 to participate in the Article 14 System with respect to that
20 service, shall not be deemed to be regularly employed for
21 compensation by an employer other than a county, nor to have
22 resumed service as a judge, on the basis of that service, and
23 the retirement annuity payments and other benefits of that
24 person under this Code shall not be suspended, diminished, or
25 otherwise impaired solely as a consequence of that service.
26 This subsection (e) applies without regard to whether the

1 person is in service as a judge under this Article on or after
2 the effective date of this amendatory Act of the 93rd General
3 Assembly. In this subsection, a "part-time employee" is a
4 person who is not required to work at least 35 hours per week.
5 The changes made to this subsection (e) by this amendatory Act
6 of the 95th General Assembly apply without regard to whether
7 the person is in service as a judge under this Article on or
8 after the effective date of this amendatory Act of the 95th
9 General Assembly.

10 (f) A participant receiving a retirement annuity under this
11 Article who has made an election under Section 1-123 and who is
12 serving either as legal counsel in the Office of the Governor
13 or as Chief Deputy Attorney General shall not be deemed to be
14 regularly employed for compensation by an employer other than a
15 county, nor to have resumed service as a judge, on the basis of
16 that service, and the retirement annuity payments and other
17 benefits of that person under this Code shall not be suspended,
18 diminished, or otherwise impaired solely as a consequence of
19 that service. This subsection (f) applies without regard to
20 whether the person is in service as a judge under this Article
21 on or after the effective date of this amendatory Act of the
22 93rd General Assembly.

23 (Source: P.A. 93-685, eff. 7-8-04; 93-1069, eff. 1-15-05.)

24 (40 ILCS 5/18-169)

25 Sec. 18-169. Application and expiration of new benefit

1 increases.

2 (a) As used in this Section, "new benefit increase" means
3 an increase in the amount of any benefit provided under this
4 Article, or an expansion of the conditions of eligibility for
5 any benefit under this Article, that results from an amendment
6 to this Code that takes effect after June 1, 2005 (the
7 effective date Public Act 94-4) ~~of this amendatory Act of the~~
8 ~~94th General Assembly~~. "New benefit increase", however, does
9 not include any benefit increase resulting from the changes
10 made to this Article by this amendatory Act of the 95th General
11 Assembly.

12 (b) Notwithstanding any other provision of this Code or any
13 subsequent amendment to this Code, every new benefit increase
14 is subject to this Section and shall be deemed to be granted
15 only in conformance with and contingent upon compliance with
16 the provisions of this Section.

17 (c) The Public Act enacting a new benefit increase must
18 identify and provide for payment to the System of additional
19 funding at least sufficient to fund the resulting annual
20 increase in cost to the System as it accrues.

21 Every new benefit increase is contingent upon the General
22 Assembly providing the additional funding required under this
23 subsection. The Commission on Government Forecasting and
24 Accountability shall analyze whether adequate additional
25 funding has been provided for the new benefit increase and
26 shall report its analysis to the Public Pension Division of the

1 Department of Financial and Professional Regulation. A new
2 benefit increase created by a Public Act that does not include
3 the additional funding required under this subsection is null
4 and void. If the Public Pension Division determines that the
5 additional funding provided for a new benefit increase under
6 this subsection is or has become inadequate, it may so certify
7 to the Governor and the State Comptroller and, in the absence
8 of corrective action by the General Assembly, the new benefit
9 increase shall expire at the end of the fiscal year in which
10 the certification is made.

11 (d) Every new benefit increase shall expire 5 years after
12 its effective date or on such earlier date as may be specified
13 in the language enacting the new benefit increase or provided
14 under subsection (c). This does not prevent the General
15 Assembly from extending or re-creating a new benefit increase
16 by law.

17 (e) Except as otherwise provided in the language creating
18 the new benefit increase, a new benefit increase that expires
19 under this Section continues to apply to persons who applied
20 and qualified for the affected benefit while the new benefit
21 increase was in effect and to the affected beneficiaries and
22 alternate payees of such persons, but does not apply to any
23 other person, including without limitation a person who
24 continues in service after the expiration date and did not
25 apply and qualify for the affected benefit while the new
26 benefit increase was in effect.

1 (Source: P.A. 94-4, eff. 6-1-05.)

2 Section 90-25. The Joliet Regional Port District Act is
3 amended by changing Section 5.1 as follows:

4 (70 ILCS 1825/5.1) (from Ch. 19, par. 255.1)

5 Sec. 5.1. Riverboat gambling. Notwithstanding any other
6 provision of this Act, the District may not regulate the
7 operation, conduct, or navigation of any riverboat gambling
8 casino licensed under the Illinois ~~Riverboat~~ Gambling Act, and
9 the District may not license, tax, or otherwise levy any
10 assessment of any kind on any riverboat gambling casino
11 licensed under the Illinois ~~Riverboat~~ Gambling Act. The General
12 Assembly declares that the powers to regulate the operation,
13 conduct, and navigation of riverboat gambling casinos and to
14 license, tax, and levy assessments upon riverboat gambling
15 casinos are exclusive powers of the State of Illinois and the
16 Illinois Gaming Board as provided in the Illinois ~~Riverboat~~
17 Gambling Act.

18 (Source: P.A. 87-1175.)

19 Section 90-27. The School Code is amended by changing
20 Sections 1A-8, 3-7, 3-15.5, 10-9, 10-22.45, 23-3, 23-6, and
21 33-5 and by adding Sections 3-15.4a, 10-17b, 10-17c, 10-17d,
22 10-20.40, 34-18.34, 34-18.35, 34-18.36, 34-18.37, and 34-18.38
23 as follows:

1 (105 ILCS 5/1A-8) (from Ch. 122, par. 1A-8)

2 Sec. 1A-8. Powers of the Board in Assisting Districts
3 Deemed in Financial Difficulties or Financial Mismanagement
4 Difficulties. To promote the financial integrity of school
5 districts, the State Board of Education shall be provided the
6 necessary powers to promote sound financial management and
7 continue operation of the public schools.

8 The State Superintendent of Education may require a school
9 district, including any district subject to Article 34A of this
10 Code, to share financial information relevant to a proper
11 investigation of the district's financial condition and the
12 delivery of appropriate State financial, technical, and
13 consulting services to the district if the district (i) has
14 been designated, through the State Board of Education's School
15 District Financial Profile System, as on financial warning or
16 financial watch status, (ii) has failed to file an annual
17 financial report, annual budget, deficit reduction plan, or
18 other financial information as required by law, ~~or~~ (iii) has
19 been identified, through the district's annual audit or other
20 financial and management information, as in serious financial
21 difficulty in the current or next school year, or (iv) has been
22 identified as having been engaged in a continuing and repeated
23 pattern of documented and substantiated mismanagement of
24 district funds. In addition to financial, technical, and
25 consulting services provided by the State Board of Education,

1 at the request of a school district, the State Superintendent
2 may provide for an independent financial consultant to assist
3 the district review its financial condition and options.

4 The State Board of Education, after proper investigation of
5 a district's financial condition, may certify that a district,
6 including any district subject to Article 34A, is in financial
7 difficulty when any of the following conditions occur:

8 (1) The district has issued school or teacher orders
9 for wages as permitted in Sections 8-16, 32-7.2 and 34-76
10 of this Code;

11 (2) The district has issued tax anticipation warrants
12 or tax anticipation notes in anticipation of a second
13 year's taxes when warrants or notes in anticipation of
14 current year taxes are still outstanding, as authorized by
15 Sections 17-16, 34-23, 34-59 and 34-63 of this Code, or has
16 issued short-term debt against 2 future revenue sources,
17 such as, but not limited to, tax anticipation warrants and
18 general State Aid certificates or tax anticipation
19 warrants and revenue anticipation notes;

20 (3) The district has for 2 consecutive years shown an
21 excess of expenditures and other financing uses over
22 revenues and other financing sources and beginning fund
23 balances on its annual financial report for the aggregate
24 totals of the Educational, Operations and Maintenance,
25 Transportation, and Working Cash Funds;

26 (4) The district refuses to provide financial

1 information or cooperate with the State Superintendent in
2 an investigation of the district's financial condition.

3 No school district shall be certified by the State Board of
4 Education to be in financial difficulty by reason of any of the
5 above circumstances arising as a result of the failure of the
6 county to make any distribution of property tax money due the
7 district at the time such distribution is due; or if the
8 district clearly demonstrates to the satisfaction of the State
9 Board of Education at the time of its determination that such
10 condition no longer exists.

11 The State Board of Education, after proper investigation of
12 a school district having been identified as having been engaged
13 in a continuing and repeated pattern of documented and
14 substantiated mismanagement of district funds, may certify
15 that the district, including any district subject to Article
16 34A of this Code, is in financial mismanagement difficulty when
17 any of the following conditions occur:

18 (1) The district has been engaged in a continuing and
19 repeated pattern of documented and substantiated acts of
20 mismanagement in regard to hiring staff who do not meet
21 minimal certification requirements for the positions being
22 filled or who do not meet the customary qualifications held
23 by those occupying similar positions in other school
24 districts.

25 (2) The district has been engaged in a continuing and
26 repeated pattern of documented and substantiated acts of

1 neglecting the district's building conditions as to have
2 placed students in physical danger.

3 (3) The district has been engaged in a continuing and
4 repeated pattern of documented and substantiated acts of
5 fiscal fraud or misappropriation of district funds.

6 If the State Board of Education certifies that a district
7 in a city with 500,000 inhabitants or more is in financial
8 difficulty or financial mismanagement difficulty, the State
9 Board shall so notify the Governor and the Mayor of the city in
10 which the district is located. The State Board of Education may
11 require school districts certified in financial difficulty,
12 except those districts subject to Article 34A, to develop,
13 adopt and submit a financial plan or financial mismanagement
14 improvement plan within 45 days after certification of
15 financial difficulty or financial mismanagement difficulty.
16 The ~~financial~~ plan shall be developed according to guidelines
17 presented to the district by the State Board of Education
18 within 14 days of certification. Such guidelines shall address
19 the specific nature of each district's financial difficulties
20 or financial mismanagement difficulties. Any proposed budget
21 of the district shall be consistent with the ~~financial~~ plan
22 submitted to and approved by the State Board of Education.

23 A district certified to be in financial difficulty or
24 financial mismanagement difficulty, other than a district
25 subject to Article 34A, shall report to the State Board of
26 Education at such times and in such manner as the State Board

1 may direct, concerning the district's compliance with each
2 financial plan or financial mismanagement improvement plan.

3 The State Board may review the district's operations, obtain
4 budgetary data and financial statements, require the district
5 to produce reports, and have access to any other information in
6 the possession of the district that it deems relevant. The
7 State Board may issue recommendations or directives within its
8 powers to the district to assist in compliance with the
9 ~~financial~~ plan. The district shall produce such budgetary data,
10 financial statements, reports and other information and comply
11 with such directives. If the State Board of Education
12 determines that a district has failed to comply with its
13 ~~financial~~ plan, the State Board of Education may rescind
14 approval of the plan and appoint a Financial Oversight Panel
15 for the district as provided in Section 1B-4. This action shall
16 be taken only after the district has been given notice and an
17 opportunity to appear before the State Board of Education to
18 discuss its failure to comply with its ~~financial~~ plan.

19 No bonds, notes, teachers orders, tax anticipation
20 warrants or other evidences of indebtedness shall be issued or
21 sold by a school district or be legally binding upon or
22 enforceable against a local board of education of a district
23 certified to be in financial difficulty unless and until the
24 financial plan required under this Section has been approved by
25 the State Board of Education.

26 Any financial watch list distributed by the State Board of

1 Education pursuant to this Section shall designate those school
2 districts on the watch list that would not otherwise be on the
3 watch list were it not for the inability or refusal of the
4 State of Illinois to make timely disbursements of any payments
5 due school districts or to fully reimburse school districts for
6 mandated categorical programs pursuant to reimbursement
7 formulas provided in this School Code.

8 (Source: P.A. 94-234, eff. 7-1-06.)

9 (105 ILCS 5/3-7) (from Ch. 122, par. 3-7)

10 Sec. 3-7. Failure to prepare and forward information. If
11 the trustees of schools of any township in Class II county
12 school units, or any school district which forms a part of a
13 Class II county school unit but which is not subject to the
14 jurisdiction of the trustees of schools of any township in
15 which such district is located, or any school district in any
16 Class I county school units fail to prepare and forward or
17 cause to be prepared and forwarded to the regional
18 superintendent of schools, reports required by this Act, the
19 regional superintendent of schools shall furnish such
20 information or he shall employ a person or persons to furnish
21 such information, as far as practicable. Such person shall have
22 access to the books, records and papers of the school district
23 to enable him or them to prepare such reports, and the school
24 district shall permit such person or persons to examine such
25 books, records and papers at such time and such place as such

1 person or persons may desire for the purpose aforesaid. For
2 such services the regional superintendent of schools shall bill
3 the district an amount to cover the cost of preparation of such
4 reports if he employs a person to prepare such reports.

5 Each school district shall, as of June 30 of each year,
6 cause an audit of its accounts to be made by a person lawfully
7 qualified to practice public accounting as regulated by the
8 Illinois Public Accounting Act. Such audit shall include (i)
9 development of a risk assessment of district operations, (ii)
10 an annual review and update of the risk assessment, and (iii)
11 an annual management letter that analyzes significant risk
12 assessment findings, recommends changes for strengthening
13 controls and reducing identified risks, and specifies
14 timeframes for implementation of these recommendations, as
15 well as financial statements of the district applicable to the
16 type of records required by other sections of this Act and in
17 addition shall set forth the scope of audit and shall include
18 the professional opinion signed by the auditor, or if such an
19 opinion is denied by the auditor, shall set forth the reasons
20 for such denial. Each school district shall on or before
21 October 15 of each year, submit an original and one copy of the
22 ~~such~~ audit to the regional superintendent of schools in the
23 educational service region having jurisdiction in which case
24 the regional superintendent of schools shall be relieved of
25 responsibility in regard to the accounts of the school
26 district. If any school district fails to supply the regional

1 superintendent of schools with a copy of such audit report on
2 or before October 15, or within such time extended by the
3 regional superintendent of schools from that date, not to
4 exceed 60 days, then it shall be the responsibility of the
5 regional superintendent of schools having jurisdiction to
6 cause such audit to be made by employing an accountant licensed
7 to practice in the State of Illinois to conduct such audit and
8 shall bill the district for such services, or shall with the
9 personnel of his office make such audit to his satisfaction and
10 bill the district for such service. In the latter case, if the
11 audit is made by personnel employed in the office of the
12 regional superintendent of schools having jurisdiction, then
13 the regional superintendent of schools shall not be relieved of
14 the responsibility as to the accountability of the school
15 district. The copy of the audit shall be forwarded by the
16 regional superintendent to the State Board of Education on or
17 before November 15 of each year and shall be filed by the State
18 Board of Education. Beginning on July 1, 2008, all school
19 districts shall utilize a competitive request for proposals
20 process at least once every 5 years when contracting for such
21 an annual audit.

22 Each school district that is the administrative district
23 for several school districts operating under a joint agreement
24 as authorized by this Act shall, as of June 30 each year, cause
25 an audit of the accounts of the joint agreement to be made by a
26 person lawfully qualified to practice public accounting as

1 regulated by the Illinois Public Accounting Act. Such audit
2 shall include (i) development of a risk assessment of district
3 operations, (ii) an annual review and update of the risk
4 assessment, and (iii) an annual management letter that analyzes
5 significant risk assessment findings, recommends changes for
6 strengthening controls and reducing identified risks, and
7 specifies timeframes for implementation of these
8 recommendations, as well as financial statements of the
9 operation of the joint agreement applicable to the type of
10 records required by this Act and, in addition, shall set forth
11 the scope of the audit and shall include the professional
12 opinion signed by the auditor, or if such an opinion is denied,
13 the auditor shall set forth the reason for such denial. Each
14 administrative district of a joint agreement shall on or before
15 October 15 each year, submit an original and one copy of such
16 audit to the regional superintendent of schools in the
17 educational service region having jurisdiction in which case
18 the regional superintendent of schools shall be relieved of
19 responsibility in regard to the accounts of the joint
20 agreement. The copy of the audit shall be forwarded by the
21 regional superintendent to the State Board of Education on or
22 before November 15 of each year and shall be filed by the State
23 Board of Education. The cost of such an audit shall be
24 apportioned among and paid by the several districts who are
25 parties to the joint agreement, in the same manner as other
26 costs and expenses accruing to the districts jointly. Beginning

1 on July 1, 2008, all school districts operating under a joint
2 agreement shall utilize a competitive request for proposals
3 process at least once every 5 years when contracting for such
4 an annual audit.

5 The State Board of Education shall determine the adequacy
6 of the audits. All audits shall be kept on file in the office
7 of the State Board of Education.

8 (Source: P.A. 86-1441; 87-473.)

9 (105 ILCS 5/3-15.4a new)

10 Sec. 3-15.4a. Investigation of complaints. To investigate
11 complaints of misconduct by members of a school board or
12 employees of a school district.

13 (105 ILCS 5/3-15.5) (from Ch. 122, par. 3-15.5)

14 Sec. 3-15.5. Removal of school board members. To remove any
15 member of a school board from office for negligent or wilful
16 failure to perform his or her official duties, after a complete
17 investigation that results in such claims being substantiated.

18 (Source: Laws 1961, p. 31.)

19 (105 ILCS 5/10-9) (from Ch. 122, par. 10-9)

20 Sec. 10-9. Interest of board member, district employee, or
21 general counsel in contracts.

22 (a) No school board member, employee of the school
23 district, or general counsel shall be interested, directly or

1 indirectly, in his own name or in the name of any other person,
2 association, trust or corporation, in any contract, work or
3 business of the district or in the sale of any article,
4 whenever the expense, price or consideration of the contract,
5 work, business or sale is paid either from the treasury or by
6 any assessment levied by any statute or ordinance. No school
7 board member, employee of the school district, or general
8 counsel shall be interested, directly or indirectly, in the
9 purchase of any property which (1) belongs to the district, or
10 (2) is sold for taxes or assessments, or (3) is sold by virtue
11 of legal process at the suit of the district.

12 (b) However, any board member may provide materials,
13 merchandise, property, services or labor, if:

14 A. the contract is with a person, firm, partnership,
15 association, corporation or cooperative association in
16 which the board member has less than a 7 1/2% share in the
17 ownership; and

18 B. such interested board member publicly discloses the
19 nature and extent of his interest prior to or during
20 deliberations concerning the proposed award of the
21 contract; and

22 C. such interested board member abstains from voting on
23 the award of the contract, though he shall be considered
24 present for the purposes of establishing a quorum; and

25 D. such contract is approved by a majority vote of
26 those board members presently holding office; and

1 E. the contract is awarded after sealed bids to the
2 lowest responsible bidder if the amount of the contract
3 exceeds \$1500, or awarded without bidding if the amount of
4 the contract is less than \$1500; and

5 F. the award of the contract would not cause the
6 aggregate amount of all such contracts so awarded to the
7 same person, firm, association, partnership, corporation
8 or cooperative association in the same fiscal year to
9 exceed \$25,000.

10 (c) In addition to the above exemption, any board member
11 may provide materials, merchandise, property, services or
12 labor if:

13 A. the award of the contract is approved by a majority
14 vote of the board provided that any such interested member
15 shall abstain from voting; and

16 B. the amount of the contract does not exceed \$1,000;
17 and

18 C. the award of the contract would not cause the
19 aggregate amount of all such contracts so awarded to the
20 same person, firm, association, partnership, corporation,
21 or cooperative association in the same fiscal year to
22 exceed \$2,000, except with respect to a board member of a
23 school district in which the materials, merchandise,
24 property, services, or labor to be provided under the
25 contract are not available from any other person, firm,
26 association, partnership, corporation, or cooperative

1 association in the district, in which event the award of
2 the contract shall not cause the aggregate amount of all
3 contracts so awarded to that same person, firm,
4 association, partnership, or cooperative association in
5 the same fiscal year to exceed \$5,000; and

6 D. such interested member publicly discloses the
7 nature and extent of his interest prior to or during
8 deliberations concerning the proposed award of the
9 contract; and

10 E. such interested member abstains from voting on the
11 award of the contract, though he shall be considered
12 present for the purposes of establishing a quorum.

13 (d) (Blank). ~~In addition to exemptions otherwise~~
14 ~~authorized by this Section, any board member may purchase for~~
15 ~~use as the board member's primary place of residence a house~~
16 ~~constructed by the district's vocational education students on~~
17 ~~the same basis that any other person would be entitled to~~
18 ~~purchase the property. The sale of the house by the district~~
19 ~~must comply with the requirements set forth in Section 5-22 of~~
20 ~~The School Code.~~

21 (e) A contract for the procurement of public utility
22 services by a district with a public utility company is not
23 barred by this Section by one or more members of the board
24 being an officer or employee of the public utility company or
25 holding an ownership interest of no more than 7 1/2% in the
26 public utility company, or holding an ownership interest of any

1 size if the school district has a population of less than 7,500
2 and the public utility's rates are approved by the Illinois
3 Commerce Commission. An elected or appointed member of the
4 board having such an interest shall be deemed not to have a
5 prohibited interest under this Section.

6 (f) Nothing contained in this Section, including the
7 restrictions set forth in subsections (b), (c), (d) and (e),
8 shall preclude a contract of deposit of monies, loans or other
9 financial services by a school district with a local bank or
10 local savings and loan association, regardless of whether a
11 member or members of the governing body of the school district
12 are interested in such bank or savings and loan association as
13 an officer or employee or as a holder of less than 7 1/2% of the
14 total ownership interest. A member or members holding such an
15 interest in such a contract shall not be deemed to be holding a
16 prohibited interest for purposes of this Act. Such interested
17 member or members of the governing body must publicly state the
18 nature and extent of their interest during deliberations
19 concerning the proposed award of such a contract, but shall not
20 participate in any further deliberations concerning the
21 proposed award. Such interested member or members shall not
22 vote on such a proposed award. Any member or members abstaining
23 from participation in deliberations and voting under this
24 Section may be considered present for purposes of establishing
25 a quorum. Award of such a contract shall require approval by a
26 majority vote of those members presently holding office.

1 Consideration and award of any such contract in which a member
2 or members are interested may only be made at a regularly
3 scheduled public meeting of the governing body of the school
4 district.

5 (g) Any school board member, employee of the school
6 district, or general counsel who violates this Section is
7 guilty of a Class 4 felony and in addition thereto any office
8 held by such person so convicted shall become vacant and shall
9 be so declared as part of the judgment of the court.

10 (Source: P.A. 89-244, eff. 8-4-95.)

11 (105 ILCS 5/10-17b new)

12 Sec. 10-17b. Financial policies. Each school board shall
13 adopt a formal, written financial policy. The policy may
14 include information in the following areas:

15 (1) Debt capacity, issuance, and management.

16 (2) Capital asset management.

17 (3) Reserve or stabilization funds.

18 (4) Periodic budget to actual comparison reports.

19 (5) Fees and charges.

20 (6) The use of one-time revenue.

21 (7) Risk management.

22 (8) Purchasing.

23 (9) Vehicle acquisition and maintenance.

24 The school board shall make the policy publicly available.

1 (105 ILCS 5/10-17c new)

2 Sec. 10-17c. Long-term financial plan. Each school board
3 shall develop a long-term financial plan that extends over at
4 least a 3-year period and that is updated and approved
5 annually. The plan must include multi-year forecasts of
6 revenues, expenditures, and debt. The school board may make the
7 plan available to the public by publishing it as a separate
8 document and submitting it with the annual budget or by posting
9 the plan as a document on the school district's Internet
10 website, if any. The forecasts that are the foundation of the
11 plan must be available to participants in the budget process
12 before budgetary decisions are made. The public must be
13 provided opportunities for providing dialog with respect to the
14 long-term financial planning process.

15 (105 ILCS 5/10-17d new)

16 Sec. 10-17d. Capital improvement plan. Each school board
17 shall develop a 5-year capital improvement plan that is updated
18 and approved annually. The plan must include a summary list of
19 the description of the capital projects to be completed over
20 the next 5 years, along with projected expenditures, and
21 revenue sources. The school board shall make the plan available
22 to the public. The school board shall hold a public hearing on
23 the capital improvement plan, which hearing may be held at a
24 regularly scheduled meeting of the board.

1 (105 ILCS 5/10-20.40 new)

2 Sec. 10-20.40. School district financial accountability.

3 (a) A school board shall annually include a user-friendly
4 executive summary as part of the district's budget. The
5 executive summary shall include all of the following:

6 (1) The district's major goals and objectives.

7 (2) A discussion of the major financial factors and
8 trends affecting the budget, such as changes in revenues,
9 enrollment, and debt.

10 (3) A description of the budget process.

11 (4) An overview of revenues and expenditures for all
12 funds, including 3 to 5 years of prior trends.

13 (5) An explanation of significant financial and
14 demographic trends.

15 (6) An explanation of the reasons for a budget deficit
16 and an explanation of how the deficit is being addressed.

17 (7) A budget forecast for 3 to 5 years in the future.

18 (8) Student enrollment trends, including a future
19 forecast.

20 (9) The number of personnel by type.

21 (10) Changes in debt burden.

22 (b) A school board shall annually include in the full
23 budget document the following items; any or all of the
24 following items may be published as separate documents provided
25 that they are explicitly referenced in the annual budget and
26 provided that they are made publicly available at the same time

1 as the budget document:

2 (1) An organizational chart.

3 (2) Formal financial policies.

4 (3) The district's long-term financial plan or a
5 summary of the long-term financial plan.

6 (4) The district's capital improvement plan or a
7 summary of the capital improvement plan.

8 (5) Beginning one year after the effective date of this
9 amendatory Act of the 95th General Assembly, a listing of
10 school board members who have completed required financial
11 management training under subsection (c) of this Section.

12 (c) All school board members must complete at least 4 hours
13 of training on their financial oversight, accountability, and
14 fiduciary responsibilities. The training must be completed
15 within a year after the effective date of this amendatory Act
16 of the 95th General Assembly or within a year after election
17 and may be provided by an association established under this
18 Code for the purpose of training school board members or by
19 other qualified providers approved by the State Board of
20 Education, in conjunction with an association so established.

21 (105 ILCS 5/10-22.45) (from Ch. 122, par. 10-22.45)

22 Sec. 10-22.45. A school board shall ~~to~~ establish an audit
23 committee, which may include ~~and to appoint~~ members of the
24 board, ~~or~~ other appropriate officers, or persons who do not
25 serve on the board ~~to the committee~~, to review audit reports

1 and any other financial reports and documents, including
2 management letters prepared by or on behalf of the board.

3 (Source: P.A. 82-644.)

4 (105 ILCS 5/23-3) (from Ch. 122, par. 23-3)

5 Sec. 23-3. Filing copy of constitution, by-laws and
6 amendments. Within 30 days after the adoption by any such
7 association of its constitution or by-laws or any amendment
8 thereto, it shall file a copy thereof, certified by its
9 president and executive director, with the Governor, the State
10 Superintendent of Education, ~~Public Instruction~~ and the
11 regional county superintendent of schools of each region county
12 in which it has any membership.

13 (Source: Laws 1961, p. 31.)

14 (105 ILCS 5/23-6) (from Ch. 122, par. 23-6)

15 Sec. 23-6. Annual report. Each association shall make an
16 annual report within 60 days after the close of its fiscal year
17 to the Governor, the State Board of Education and the regional
18 superintendent of schools of each region in which it has
19 members, setting forth the activities of the association for
20 the preceding fiscal year, the institutes held, the subjects
21 discussed, and the attendance, and shall furnish the Governor,
22 the State Board of Education and such regional superintendents
23 with copies of all publications sent to its members. The
24 association shall include the board training topics offered and

1 the number of school board members that availed themselves of
2 professional development and training.

3 (Source: P.A. 81-1508.)

4 (105 ILCS 5/33-5) (from Ch. 122, par. 33-5)

5 Sec. 33-5. Interest in contracts or transactions. No member
6 ~~or employee~~ of the board, employee of the school district, or
7 general counsel shall be directly or indirectly interested in
8 any contract, work, or business of the district, or in the sale
9 of any article, the expense, price or consideration of which is
10 paid by the district; nor in the purchase of any real estate or
11 property belonging to the district, or which shall be sold by
12 virtue of legal process at the suit of the district. Whoever
13 violates any provision of this Section shall be guilty of a
14 Class A misdemeanor.

15 (Source: P.A. 77-2267.)

16 (105 ILCS 5/34-18.34 new)

17 Sec. 34-18.34. Financial policies. The board shall adopt a
18 formal, written financial policy. The policy may include
19 information in the following areas:

20 (1) Debt capacity, issuance, and management.

21 (2) Capital asset management.

22 (3) Reserve or stabilization funds.

23 (4) Periodic budget to actual comparison reports.

24 (5) Fees and charges.

1 (6) The use of one-time revenue.

2 (7) Risk management.

3 (8) Purchasing.

4 (9) Vehicle acquisition and maintenance.

5 The board shall make the policy publicly available.

6 (105 ILCS 5/34-18.35 new)

7 Sec. 34-18.35. Long-term financial plan. The board shall
8 develop a long-term financial plan that extends over at least a
9 3-year period and that is updated and approved annually. The
10 plan must include multi-year forecasts of revenues,
11 expenditures, and debt. The board may make the plan available
12 to the public by publishing it as a separate document and
13 submitting it with the annual budget or by posting the plan as
14 a document on the school district's Internet website. The
15 forecasts that are the foundation of the plan must be available
16 to participants in the budget process before budgetary
17 decisions are made. The public must be provided opportunities
18 for providing dialog with respect to the long-term financial
19 planning process.

20 (105 ILCS 5/34-18.36 new)

21 Sec. 34-18.36. Capital improvement plan. The board shall
22 develop a 5-year capital improvement plan that is updated and
23 approved annually. The plan must include a summary list of the
24 description of the capital projects to be completed over the

1 next 5 years, along with projected expenditures, and revenue
2 sources. The board shall make the plan available to the public.
3 The board shall hold a public hearing on the capital
4 improvement plan, which hearing may be held at a regularly
5 scheduled meeting of the board.

6 (105 ILCS 5/34-18.37 new)

7 Sec. 34-18.37. School district financial accountability.

8 (a) The board shall annually include a user-friendly
9 executive summary as part of the district's budget. The
10 executive summary shall include all of the following:

11 (1) The district's major goals and objectives.

12 (2) A discussion of the major financial factors and
13 trends affecting the budget, such as changes in revenues,
14 enrollment, and debt.

15 (3) A description of the budget process.

16 (4) An overview of revenues and expenditures for all
17 funds, including 3 to 5 years of prior trends.

18 (5) An explanation of significant financial and
19 demographic trends.

20 (6) An explanation of the reasons for a budget deficit
21 and an explanation of how the deficit is being addressed.

22 (7) A budget forecast for 3 to 5 years in the future.

23 (8) Student enrollment trends, including a future
24 forecast.

25 (9) The number of personnel by type.

1 (10) Changes in debt burden.

2 (b) The board shall annually include in the full budget
3 document the following items; any or all of the following items
4 may be published as separate documents provided that they are
5 explicitly referenced in the annual budget and provided that
6 they are made publicly available at the same time as the budget
7 document:

8 (1) An organizational chart.

9 (2) Formal financial policies.

10 (3) The district's long-term financial plan or a
11 summary of the long-term financial plan.

12 (4) The district's capital improvement plan or a
13 summary of the capital improvement plan.

14 (5) Beginning one year after the effective date of this
15 amendatory Act of the 95th General Assembly, a listing of
16 board members who have completed required financial
17 management training under subsection (c) of this Section.

18 (c) All board members must complete at least 4 hours of
19 training on their financial oversight, accountability, and
20 fiduciary responsibilities. The training must be completed
21 within a year after the effective date of this amendatory Act
22 of the 95th General Assembly or within a year after appointment
23 and may be provided by an association established under this
24 Code for the purpose of training school board members or by
25 other qualified providers approved by the State Board of
26 Education, in conjunction with an association so established.

1 (105 ILCS 5/34-18.38 new)

2 Sec. 34-18.38. Audit committee. The board shall establish
3 an audit committee, which may include members of the board,
4 other appropriate officers, or persons who do not serve on the
5 board, to review audit reports and any other financial reports
6 and documents, including management letters prepared by or on
7 behalf of the board.

8 Section 90-30. The Consumer Installment Loan Act is amended
9 by changing Section 12.5 as follows:

10 (205 ILCS 670/12.5)

11 Sec. 12.5. Limited purpose branch.

12 (a) Upon the written approval of the Director, a licensee
13 may maintain a limited purpose branch for the sole purpose of
14 making loans as permitted by this Act. A limited purpose branch
15 may include an automatic loan machine. No other activity shall
16 be conducted at the site, including but not limited to,
17 accepting payments, servicing the accounts, or collections.

18 (b) The licensee must submit an application for a limited
19 purpose branch to the Director on forms prescribed by the
20 Director with an application fee of \$300. The approval for the
21 limited purpose branch must be renewed concurrently with the
22 renewal of the licensee's license along with a renewal fee of
23 \$300 for the limited purpose branch.

1 (c) The books, accounts, records, and files of the limited
2 purpose branch's transactions shall be maintained at the
3 licensee's licensed location. The licensee shall notify the
4 Director of the licensed location at which the books, accounts,
5 records, and files shall be maintained.

6 (d) The licensee shall prominently display at the limited
7 purpose branch the address and telephone number of the
8 licensee's licensed location.

9 (e) No other business shall be conducted at the site of the
10 limited purpose branch unless authorized by the Director.

11 (f) The Director shall make and enforce reasonable rules
12 for the conduct of a limited purpose branch.

13 (g) A limited purpose branch may not be located in ~~within~~
14 ~~1,000 feet of~~ a facility operated by an inter-track wagering
15 licensee or an organization licensee subject to the Illinois
16 Horse Racing Act of 1975, on a riverboat, in a casino, or in an
17 electronic gaming facility subject to the Illinois Riverboat
18 Gambling Act, or within 1,000 feet of any such ~~the~~ location ~~at~~
19 ~~which the riverboat docks.~~

20 (Source: P.A. 90-437, eff. 1-1-98.)

21 Section 90-35. The Illinois Horse Racing Act of 1975 is
22 amended by changing Sections 1.2, 1.3, 3.071, 3.077, 3.12,
23 3.20, 3.22, 3.23, 4, 5, 6, 7, 9, 20, 25, 26, 26.1, 27, 28.1, 30,
24 30.5, 31, 36, 42, 45, 54, and 54.5 and adding Sections 2.5,
25 3.24, 3.25, 3.26, 3.27, 3.28, 3.29, 6.5, 12.5, 21.5, 31.2,

1 31.3, 34.3, 56, and 57 as follows:

2 (230 ILCS 5/1.2)

3 Sec. 1.2. Legislative intent. This Act is intended to
4 benefit the people of the State of Illinois by encouraging the
5 breeding and production of race horses, assisting economic
6 development, and promoting Illinois tourism. The General
7 Assembly finds and declares it to be the public policy of the
8 State of Illinois to:

9 (a) support and enhance Illinois' horse racing industry,
10 which is a significant component within the agribusiness
11 industry;

12 (b) ensure that Illinois' horse racing industry remains
13 competitive with neighboring states;

14 (c) stimulate growth within Illinois' horse racing
15 industry, thereby encouraging new investment and development
16 to produce additional tax revenues and to create additional
17 jobs;

18 (d) promote the further growth of tourism;

19 (e) encourage the breeding of thoroughbred and
20 standardbred horses in this State; and

21 (f) ensure that public confidence and trust in the
22 credibility and integrity of racing operations and the
23 regulatory process is maintained.

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

1 (230 ILCS 5/1.3)

2 Sec. 1.3. Legislative findings.

3 (a) The General Assembly finds that the Illinois gaming
4 industry is a single industry consisting of horse racing, ~~and~~
5 riverboat and casino gambling, and electronic gaming. Reports
6 issued by the Economic and Fiscal Commission (now Commission on
7 Government Forecasting and Accountability) in 1992, 1994, and
8 1998 have found that horse racing and riverboat gambling:

9 (1) "share many of the same characteristics" and are
10 "more alike than different";

11 (2) are planned events;

12 (3) have similar odds of winning;

13 (4) occur in similar settings; and

14 (5) compete with each other for limited gaming dollars.

15 (b) The General Assembly declares it to be the public
16 policy of this State to ensure the viability of all ~~both horse~~
17 ~~racing and riverboat~~ aspects of the Illinois gaming industry.

18 (Source: P.A. 95-331, eff. 8-21-07.)

19 (230 ILCS 5/2.5 new)

20 Sec. 2.5. Separation from Department of Revenue. On the
21 effective date of this amendatory Act of the 95th General
22 Assembly, all of the powers, duties, assets, liabilities,
23 employees, contracts, property, records, pending business, and
24 unexpended appropriations of the Department of Revenue related
25 to the administration and enforcement of this Act are

1 transferred to the Illinois Racing Board.

2 The status and rights of the transferred employees, and the
3 rights of the State of Illinois and its agencies, under the
4 Personnel Code and applicable collective bargaining agreements
5 or under any pension, retirement, or annuity plan are not
6 affected (except as provided in the Illinois Pension Code) by
7 that transfer or by any other provision of this amendatory Act
8 of the 95th General Assembly.

9 (230 ILCS 5/3.071) (from Ch. 8, par. 37-3.071)

10 Sec. 3.071. Inter-track wagering. "Inter-track Wagering"
11 means a legal wager on the outcome of a simultaneously
12 televised horse race taking place at an Illinois race track
13 placed or accepted at any location authorized to accept wagers
14 under this Act, excluding the Illinois race track at which that
15 horse race is being conducted, and advance deposit wagering
16 through an advance deposit wagering licensee.

17 (Source: P.A. 89-16, eff. 5-30-95.)

18 (230 ILCS 5/3.077)

19 Sec. 3.077. Non-host licensee. "Non-host licensee" means a
20 licensee operating concurrently with a host track, but does not
21 include an advance deposit wagering licensee.

22 (Source: P.A. 89-16, eff. 5-30-95.)

23 (230 ILCS 5/3.12) (from Ch. 8, par. 37-3.12)

1 Sec. 3.12. Pari-mutuel system of wagering. "Pari-mutuel
2 system of wagering" means a form of wagering on the outcome of
3 horse races in which wagers are made in various denominations
4 on a horse or horses and all wagers for each race are pooled
5 and held by a licensee for distribution in a manner approved by
6 the Board. Wagers may be placed via any method or at any
7 location authorized under this Act.

8 (Source: P.A. 89-16, eff. 5-30-95.)

9 (230 ILCS 5/3.20)

10 Sec. 3.20. Licensee. "Licensee" means an individual
11 organization licensee, an inter-track wagering licensee, an ~~or~~
12 inter-track wagering location licensee, or an advance deposit
13 wagering licensee, as the context of this Act requires.

14 (Source: P.A. 89-16, eff. 5-30-95.)

15 (230 ILCS 5/3.22)

16 Sec. 3.22. Wagering facility. "Wagering facility" means
17 any location at which a licensee, other than an advance deposit
18 wagering licensee, may accept or receive pari-mutuel wagers
19 under this Act.

20 (Source: P.A. 89-16, eff. 5-30-95.)

21 (230 ILCS 5/3.23)

22 Sec. 3.23. Wagering. "Wagering" means, collectively, the
23 pari-mutuel system of wagering, inter-track wagering, ~~and~~

1 simulcast wagering, and advance deposit wagering.

2 (Source: P.A. 89-16, eff. 5-30-95.)

3 (230 ILCS 5/3.24 new)

4 Sec. 3.24. Adjusted gross receipts. "Adjusted gross
5 receipts" means the gross receipts from electronic gaming less
6 winnings paid to wagerers.

7 (230 ILCS 5/3.25 new)

8 Sec. 3.25. Electronic gaming. "Electronic gaming" means
9 slot machine gambling, video games of chance, and electronic
10 games as defined in the Illinois Gambling Act, that is
11 conducted at a race track pursuant to an electronic gaming
12 license.

13 (230 ILCS 5/3.26 new)

14 Sec. 3.26. Electronic gaming license. "Electronic gaming
15 license" means a license to conduct electronic gaming issued
16 under Section 56.

17 (230 ILCS 5/3.27 new)

18 Sec. 3.27. Electronic gaming facility. "Electronic gaming
19 facility" means that portion of an organization licensee's race
20 track facility at which electronic gaming is conducted.

21 (230 ILCS 5/3.28 new)

1 Sec. 3.28. Advance deposit wagering licensee. "Advance
2 deposit wagering licensee" means a person licensed by the Board
3 to conduct advance deposit wagering. An advance deposit
4 wagering licensee shall be an organization licensee or a person
5 or third party who contracts with an organization licensee in
6 order to conduct advance deposit wagering.

7 (230 ILCS 5/3.29 new)

8 Sec. 3.29. Advance deposit wagering. "Advance deposit
9 wagering" means a method of pari-mutuel wagering in which an
10 individual may establish an account, deposit money into the
11 account, and use the account balance to pay for pari-mutuel
12 wagering authorized by this Act. An advance deposit wager may
13 be placed in person at a wagering facility or from any other
14 location via a telephone-type device or any other electronic
15 means. Any person who accepts an advance deposit wager who is
16 not licensed by the Board as an advance deposit wagering
17 licensee shall be considered in violation of this Act and the
18 Criminal Code of 1961. Any advance deposit wager placed in
19 person at a wagering facility shall be deemed to have been
20 placed at that wagering facility.

21 (230 ILCS 5/4) (from Ch. 8, par. 37-4)

22 Sec. 4. Until the effective date of this amendatory Act of
23 the 95th General Assembly, the ~~The~~ Board shall consist of 11
24 members to be appointed by the Governor with the advice and

1 consent of the Senate, not more than 6 of whom shall be of the
2 same political party, and one of whom shall be designated by
3 the Governor to be chairman.

4 Beginning on the effective date of this amendatory Act of
5 the 95th General Assembly, the Board shall consist of 7 members
6 appointed by the Governor from nominations presented to the
7 Governor by the Nomination Panel and with the advice and
8 consent of the Senate. Notwithstanding any provision of this
9 Section to the contrary, the term of office of each member of
10 the Board sitting on the effective date of this amendatory Act
11 of the 95th General Assembly ends on that date and those
12 members shall hold office only until their successors are
13 appointed and qualified pursuant to this amendatory Act.

14 Each member shall have a reasonable knowledge of harness or
15 thoroughbred racing practices and procedure and of the
16 principles of harness or thoroughbred racing and breeding and,
17 at the time of his appointment, shall be a resident of the
18 State of Illinois and shall have resided therein for a period
19 of at least 5 years next preceding his appointment and
20 qualification and he shall be a qualified voter therein and not
21 less than 25 years of age. The Board should reflect the ethnic,
22 cultural, and geographic diversity of the State.

23 (Source: P.A. 91-798, eff. 7-9-00.)

24 (230 ILCS 5/5) (from Ch. 8, par. 37-5)

25 Sec. 5. As soon as practicable following the effective date

1 of this amendatory Act of 1995, the Governor shall appoint,
2 with the advice and consent of the Senate, members to the Board
3 as follows: 3 members for terms expiring July 1, 1996; 3
4 members for terms expiring July 1, 1998; and 3 members for
5 terms expiring July 1, 2000. Of the 2 additional members
6 appointed pursuant to this amendatory Act of the 91st General
7 Assembly, the initial term of one member shall expire on July
8 1, 2002 and the initial term of the other member shall expire
9 on July 1, 2004. Thereafter, the terms of office of the Board
10 members shall be 6 years. Incumbent members on the effective
11 date of this amendatory Act of 1995 shall continue to serve
12 only until their successors are appointed and have qualified.

13 The terms of office of the initial Board members appointed
14 pursuant to this amendatory Act of the 95th General Assembly
15 will commence from the effective date of this amendatory Act
16 and run as follows, to be determined by lot: one for a term
17 expiring July 1 of the year following confirmation, 2 for a
18 term expiring July 1 two years following confirmation, 2 for a
19 term expiring July 1 three years following confirmation, and 2
20 for a term expiring July 1 four years following confirmation.
21 Upon the expiration of the foregoing terms, the successors of
22 such members shall serve a term of 4 years and until their
23 successors are appointed and qualified for like terms.

24 Each member of the Board shall receive \$300 per day for
25 each day the Board meets and for each day the member conducts a
26 hearing pursuant to Section 16 of this Act, provided that no

1 Board member shall receive more than \$5,000 in such fees during
2 any calendar year, or an amount set by the Compensation Review
3 Board, whichever is greater. Members of the Board shall also be
4 reimbursed for all actual and necessary expenses and
5 disbursements incurred in the execution of their official
6 duties.

7 (Source: P.A. 91-357, eff. 7-29-99; 91-798, eff. 7-9-00.)

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

9 Sec. 6. Restrictions on Board members.

10 (a) No person shall be appointed a member of the Board or
11 continue to be a member of the Board if the person or any
12 member of their immediate family is a member of the Board of
13 Directors, employee, or financially interested in any of the
14 following: (i) any licensee or other person who has applied for
15 racinq dates to the Board, or the operations thereof including,
16 but not limited to, concessions, data processing, track
17 maintenance, track security and pari mutuel operations,
18 located, scheduled or doing business within the State of
19 Illinois, (ii) any licensee or other person in any race horse
20 competing at a meeting under the Board's jurisdiction, or (iii)
21 any licensee under the Illinois Gambling Act. ~~No person shall~~
22 be appointed a member of the Board or continue to be a member
23 of the Board who is (or any member of whose family is) a member
24 of the Board of Directors of, or who is a person financially
25 interested in, any licensee or other person who has applied for

1 ~~racetrack dates to the Board, or the operations thereof including,~~
2 ~~but not limited to, concessions, data processing, track~~
3 ~~maintenance, track security and pari-mutuel operations,~~
4 ~~located, scheduled or doing business within the State of~~
5 ~~Illinois, or in any race horse competing at a meeting under the~~
6 ~~Board's jurisdiction. No Board member shall hold any other~~
7 ~~public office for which he shall receive compensation other~~
8 ~~than necessary travel or other incidental expenses.~~

9 (b) No person shall be a member of the Board who is not of
10 good moral character or who has been convicted of, or is under
11 indictment for, a felony under the laws of Illinois or any
12 other state, or the United States.

13 (c) No member of the Board or employee shall engage in any
14 political activity. For the purposes of this Section,
15 "political" means any activity in support of or in connection
16 with any campaign for State or local elective office or any
17 political organization, but does not include activities (i)
18 relating to the support of opposition of any executive,
19 legislative, or administrative action (as those terms are
20 defined in Section 2 of the Lobbyist Registration Act), (ii)
21 relating to collective bargaining, or (iii) that are otherwise
22 in furtherance of the person's official State duties or
23 governmental and public service functions.

24 (d) Board members and employees may not engage in
25 communications or any activity that may cause or have the
26 appearance of causing a conflict of interest. A conflict of

1 interest exists if a situation influences or creates the
2 appearance that it may influence judgment or performance of
3 regulatory duties and responsibilities. This prohibition shall
4 extend to any act identified by Board action that, in the
5 judgment of the Board, could represent the potential for or the
6 appearance of a conflict of interest.

7 (e) Board members and employees may not accept any gift,
8 gratuity, service, compensation, travel, lodging, or thing of
9 value, with the exception of unsolicited items of an incidental
10 nature, from any person, corporation, or entity doing business
11 with the Board.

12 (f) A Board member or employee shall not use or attempt to
13 use his or her official position to secure, or attempt to
14 secure, any privilege, advantage, favor, or influence for
15 himself or herself or others. No Board member or employee of
16 the Authority may attempt, in any way, to influence any person
17 or corporation doing business with the Authority or any
18 officer, agent, or employee thereof to hire or contract with
19 any person or corporation for any compensated work.

20 (Source: P.A. 89-16, eff. 5-30-95.)

21 (230 ILCS 5/6.5 new)

22 Sec. 6.5. Ex parte communications.

23 (a) For the purpose of this Section:

24 "Ex parte communication" means any written or oral
25 communication by any person that imparts or requests material

1 information or makes a material argument regarding potential
2 action concerning regulatory, quasi regulatory, investment, or
3 licensing matters pending before or under consideration by the
4 Illinois Racing Board. "Ex parte communication" does not
5 include the following: (i) statements by a person publicly made
6 in a public forum; (ii) statements regarding matters of
7 procedure and practice, such as format, the number of copies
8 required, the manner of filing, and the status of a matter;
9 (iii) statements regarding recommendation for pending or
10 approved legislation; (iv) statements made by a State employee
11 of the agency to the agency head or other employees of that
12 agency.

13 "Interested party" means a person or entity whose rights,
14 privileges, or interests are the subject of or are directly
15 affected by a regulatory, quasi-adjudicatory, investment, or
16 licensing matter of the Board.

17 (b) A constitutional officer, a member of the General
18 Assembly, a special government agent as that term is defined in
19 Section 4A-101 of the Illinois Governmental Ethics Act, a
20 director, secretary, or other employee of the executive branch
21 of the State, an employee of the legislative branch of the
22 State, or an interested party may not engage in any ex parte
23 communication with a member of the Board or an employee. A
24 member of the Board or an employee must immediately report any
25 ex parte communication to the Board's Ethics Officer. A
26 violation of this subsection (b) is a Class 4 felony.

1 (c) A constitutional officer, a member of the General
2 Assembly, a special government agent as that term is defined in
3 Section 4A-101 of the Illinois Governmental Ethics Act, a
4 director, secretary, or other employee of the executive branch
5 of the State, an employee of the legislative branch of the
6 State, or an interested party may not engage in any ex parte
7 communication with a nominee for a position on the Board. A
8 person is deemed a nominee once he or she has submitted
9 information to the Nomination Panel. A nominee must immediately
10 report any ex parte communication to the Board's Ethics
11 Officer. A violation of this subsection (c) is a Class 4
12 felony.

13 (230 ILCS 5/7) (from Ch. 8, par. 37-7)

14 Sec. 7. Vacancies in the Board shall be filled for the
15 unexpired term in like manner as original appointments. Each
16 member of the Board shall be eligible for reappointment,
17 subject to the nomination process of the Nomination Panel, by
18 ~~in the discretion of~~ the Governor with the advice and consent
19 of the Senate.

20 (Source: P.A. 79-1185.)

21 (230 ILCS 5/9) (from Ch. 8, par. 37-9)

22 Sec. 9. The Board shall have all powers necessary and
23 proper to fully and effectively execute the provisions of this
24 Act, including, but not limited to, the following:

1 (a) The Board is vested with jurisdiction and supervision
2 over all race meetings in this State, over all licensees doing
3 business in this State, over all occupation licensees, and over
4 all persons on the facilities of any licensee. Such
5 jurisdiction shall include the power to issue licenses to the
6 Illinois Department of Agriculture authorizing the pari-mutuel
7 system of wagering on harness and Quarter Horse races held (1)
8 at the Illinois State Fair in Sangamon County, and (2) at the
9 DuQuoin State Fair in Perry County. The jurisdiction of the
10 Board shall also include the power to issue licenses to county
11 fairs which are eligible to receive funds pursuant to the
12 Agricultural Fair Act, as now or hereafter amended, or their
13 agents, authorizing the pari-mutuel system of wagering on horse
14 races conducted at the county fairs receiving such licenses.
15 Such licenses shall be governed by subsection (n) of this
16 Section.

17 Upon application, the Board shall issue a license to the
18 Illinois Department of Agriculture to conduct harness and
19 Quarter Horse races at the Illinois State Fair and at the
20 DuQuoin State Fairgrounds during the scheduled dates of each
21 fair. The Board shall not require and the Department of
22 Agriculture shall be exempt from the requirements of Sections
23 15.3, 18 and 19, paragraphs (a)(2), (b), (c), (d), (e), (e-5),
24 (e-10), (f), (g), and (h) of Section 20, and Sections 21, 24
25 and 25. The Board and the Department of Agriculture may extend
26 any or all of these exemptions to any contractor or agent

1 engaged by the Department of Agriculture to conduct its race
2 meetings when the Board determines that this would best serve
3 the public interest and the interest of horse racing.

4 Notwithstanding any provision of law to the contrary, it
5 shall be lawful for any licensee to operate pari-mutuel
6 wagering or contract with the Department of Agriculture to
7 operate pari-mutuel wagering at the DuQuoin State Fairgrounds
8 or for the Department to enter into contracts with a licensee,
9 employ its owners, employees or agents and employ such other
10 occupation licensees as the Department deems necessary in
11 connection with race meetings and wagerings.

12 (b) The Board is vested with the full power to promulgate
13 reasonable rules and regulations for the purpose of
14 administering the provisions of this Act and to prescribe
15 reasonable rules, regulations and conditions under which all
16 horse race meetings or wagering in the State shall be
17 conducted. Such reasonable rules and regulations are to provide
18 for the prevention of practices detrimental to the public
19 interest and to promote the best interests of horse racing and
20 to impose penalties for violations thereof.

21 (c) The Board, and any person or persons to whom it
22 delegates this power, is vested with the power to enter the
23 facilities and other places of business of any licensee to
24 determine whether there has been compliance with the provisions
25 of this Act and its rules and regulations.

26 (d) ~~The Board, and any person or persons to whom it~~

1 ~~delegates this power, is vested with the authority to~~
2 ~~investigate alleged violations of the provisions of this Act,~~
3 ~~its reasonable rules and regulations, orders and final~~
4 ~~decisions;~~ the Board shall take appropriate disciplinary
5 action against any licensee or occupation licensee for
6 violation thereof or institute appropriate legal action for the
7 enforcement thereof.

8 (e) The Board, the Office of Gaming Enforcement, and any
9 person or persons to whom it delegates this power, may eject or
10 exclude from any race meeting or the facilities of any
11 licensee, or any part thereof, any occupation licensee or any
12 other individual whose conduct or reputation is such that his
13 or her presence on those facilities may, in the opinion of the
14 Board, call into question the honesty and integrity of horse
15 racing or wagering or interfere with the orderly conduct of
16 horse racing or wagering; provided, however, that no person
17 shall be excluded or ejected from the facilities of any
18 licensee solely on the grounds of race, color, creed, national
19 origin, ancestry, or sex. The power to eject or exclude an
20 occupation licensee or other individual may be exercised for
21 just cause by the licensee, ~~or~~ the Board, or the Office of
22 Gaming Enforcement, subject to subsequent hearing by the Board
23 as to the propriety of said exclusion.

24 (f) The Board is vested with the power to acquire,
25 establish, maintain and operate (or provide by contract to
26 maintain and operate) testing laboratories and related

1 facilities, for the purpose of conducting saliva, blood, urine
2 and other tests on the horses run or to be run in any horse race
3 meeting and to purchase all equipment and supplies deemed
4 necessary or desirable in connection with any such testing
5 laboratories and related facilities and all such tests.

6 (f-5) The Department of Agriculture is vested with the
7 power to acquire, establish, maintain, and operate (or provide
8 by contract to maintain and operate) testing laboratories and
9 related facilities for the purpose of conducting saliva, blood,
10 urine, and other tests on the horses run or to be run in any
11 county fair horse race meeting and of purchasing all equipment
12 and supplies deemed necessary or desirable in connection with
13 any such testing laboratories and related facilities and all
14 such tests in any county fair horse race.

15 (g) The Board may require that the records, including
16 financial or other statements of any licensee or any person
17 affiliated with the licensee who is involved directly or
18 indirectly in the activities of any licensee as regulated under
19 this Act to the extent that those financial or other statements
20 relate to such activities be kept in such manner as prescribed
21 by the Board, and that Board employees shall have access to
22 those records during reasonable business hours. Within 120 days
23 of the end of its fiscal year, each licensee shall transmit to
24 the Board an audit of the financial transactions and condition
25 of the licensee's total operations. All audits shall be
26 conducted by certified public accountants. Each certified

1 public accountant must be registered in the State of Illinois
2 under the Illinois Public Accounting Act. The compensation for
3 each certified public accountant shall be paid directly by the
4 licensee to the certified public accountant. A licensee shall
5 also submit any other financial or related information the
6 Board deems necessary to effectively administer this Act and
7 all rules, regulations, and final decisions promulgated under
8 this Act.

9 (h) The Board shall name and appoint in the manner provided
10 by the rules and regulations of the Board: an Executive
11 Director; a State director of mutuels; State veterinarians and
12 representatives to take saliva, blood, urine and other tests on
13 horses; licensing personnel; revenue inspectors; and State
14 seasonal employees (excluding admission ticket sellers and
15 mutuel clerks). All of those named and appointed as provided in
16 this subsection shall serve during the pleasure of the Board;
17 their compensation shall be determined by the Board and be paid
18 in the same manner as other employees of the Board under this
19 Act.

20 (i) The Board shall require that there shall be 3 stewards
21 at each horse race meeting, at least 2 of whom shall be named
22 and appointed by the Board. Stewards appointed or approved by
23 the Board, while performing duties required by this Act or by
24 the Board, shall be entitled to the same rights and immunities
25 as granted to Board members and Board employees in Section 10
26 of this Act.

1 (j) The Board may discharge any Board employee who fails or
2 refuses for any reason to comply with the rules and regulations
3 of the Board, or who, in the opinion of the Board, is guilty of
4 fraud, dishonesty or who is proven to be incompetent. The Board
5 shall have no right or power to determine who shall be
6 officers, directors or employees of any licensee, or their
7 salaries except the Board may, by rule, require that all or any
8 officials or employees in charge of or whose duties relate to
9 the actual running of races be approved by the Board.

10 (k) The Board is vested with the power to appoint delegates
11 to execute any of the powers granted to it under this Section
12 for the purpose of administering this Act and any rules or
13 regulations promulgated in accordance with this Act.

14 (l) The Board is vested with the power to impose civil
15 penalties of up to \$5,000 against an individual and up to
16 \$10,000 against a licensee for each violation of any provision
17 of this Act, any rules adopted by the Board, any order of the
18 Board or any other action which, in the Board's discretion, is
19 a detriment or impediment to horse racing or wagering.

20 (m) The Board is vested with the power to prescribe a form
21 to be used by licensees as an application for employment for
22 employees of each licensee.

23 (n) The Board shall have the power to issue a license to
24 any county fair, or its agent, authorizing the conduct of the
25 pari-mutuel system of wagering. The Board is vested with the
26 full power to promulgate reasonable rules, regulations and

1 conditions under which all horse race meetings licensed
2 pursuant to this subsection shall be held and conducted,
3 including rules, regulations and conditions for the conduct of
4 the pari-mutuel system of wagering. The rules, regulations and
5 conditions shall provide for the prevention of practices
6 detrimental to the public interest and for the best interests
7 of horse racing, and shall prescribe penalties for violations
8 thereof. Any authority granted the Board under this Act shall
9 extend to its jurisdiction and supervision over county fairs,
10 or their agents, licensed pursuant to this subsection. However,
11 the Board may waive any provision of this Act or its rules or
12 regulations which would otherwise apply to such county fairs or
13 their agents.

14 (o) Whenever the Board is authorized or required by law to
15 consider some aspect of criminal history record information for
16 the purpose of carrying out its statutory powers and
17 responsibilities, then, upon request and payment of fees in
18 conformance with the requirements of Section 2605-400 of the
19 Department of State Police Law (20 ILCS 2605/2605-400), the
20 Department of State Police is authorized to furnish, pursuant
21 to positive identification, such information contained in
22 State files as is necessary to fulfill the request.

23 (p) To insure the convenience, comfort, and wagering
24 accessibility of race track patrons, to provide for the
25 maximization of State revenue, and to generate increases in
26 purse allotments to the horsemen, the Board shall require any

1 licensee to staff the pari-mutuel department with adequate
2 personnel.

3 (Source: P.A. 91-239, eff. 1-1-00.)

4 (230 ILCS 5/12.5 new)

5 Sec. 12.5. Contractor disclosure of political
6 contributions.

7 (a) As used in this Section:

8 "Contracts" means any agreement for services or goods for a
9 period to exceed one year or with an annual value of at least
10 \$10,000.

11 "Contribution" means contribution as defined in this Act.

12 "Affiliated person" means (i) any person with any ownership
13 interest or distributive share of the bidding or contracting
14 entity in excess of 5%, (ii) executive employees of the bidding
15 or contracting entity, and (iii) the spouse and minor children
16 of any such persons.

17 "Affiliated entity" means (i) any parent or subsidiary of
18 the bidding or contracting entity, (ii) any member of the same
19 unitary business group, or (iii) any political committee for
20 which the bidding or contracting entity is the sponsoring
21 entity.

22 (b) A bidder, offeror, or contractor for contracts with a
23 licensee shall disclose all political contributions of the
24 bidder, offeror, or contractor and any affiliated person or
25 entity. Such disclosure must accompany any contract. The

1 disclosure must be submitted to the Board with a copy of the
2 contract prior to Board approval of the contract. The
3 disclosure of each successful bidder or offeror shall become
4 part of the publicly available record.

5 (c) Disclosure by the bidder, offeror, or contractor shall
6 include at least the names and addresses of the contributors
7 and the dollar amounts of any contributions to any political
8 committee made within the previous 2 years.

9 (d) The Board shall refuse to approve any contract that
10 does not include the required disclosure. The Board must
11 include the disclosure on its website.

12 (230 ILCS 5/20) (from Ch. 8, par. 37-20)

13 Sec. 20. (a) Any person desiring to conduct a horse race
14 meeting may apply to the Board for an organization license. The
15 application shall be made on a form prescribed and furnished by
16 the Board. The application shall specify:

17 (1) the dates on which it intends to conduct the horse
18 race meeting, which dates shall be provided under Section
19 21;

20 (2) the hours of each racing day between which it
21 intends to hold or conduct horse racing at such meeting;

22 (3) the location where it proposes to conduct the
23 meeting; and

24 (4) any other information the Board may reasonably
25 require.

1 (b) A separate application for an organization license
2 shall be filed for each horse race meeting which such person
3 proposes to hold. Any such application, if made by an
4 individual, or by any individual as trustee, shall be signed
5 and verified under oath by such individual. If made by
6 individuals or a partnership, it shall be signed and verified
7 under oath by at least 2 of such individuals or members of such
8 partnership as the case may be. If made by an association,
9 corporation, corporate trustee or any other entity, it shall be
10 signed by the president and attested by the secretary or
11 assistant secretary under the seal of such association, trust
12 or corporation if it has a seal, and shall also be verified
13 under oath by one of the signing officers.

14 (c) The application shall specify the name of the persons,
15 association, trust, or corporation making such application and
16 the post office address of the applicant; if the applicant is a
17 trustee, the names and addresses of the beneficiaries; if a
18 corporation, the names and post office addresses of all
19 officers, stockholders and directors; or if such stockholders
20 hold stock as a nominee or fiduciary, the names and post office
21 addresses of these persons, partnerships, corporations, or
22 trusts who are the beneficial owners thereof or who are
23 beneficially interested therein; and if a partnership, the
24 names and post office addresses of all partners, general or
25 limited; if the applicant is a corporation, the name of the
26 state of its incorporation shall be specified.

1 (d) The applicant shall execute and file with the Board a
2 good faith affirmative action plan to recruit, train, and
3 upgrade minorities in all classifications within the
4 association.

5 (e) With such application there shall be delivered to the
6 Board a certified check or bank draft payable to the order of
7 the Board for an amount equal to \$1,000. All applications for
8 the issuance of an organization license shall be filed with the
9 Board before August 1 of the year prior to the year for which
10 application is made and shall be acted upon by the Board at a
11 meeting to be held on such date as shall be fixed by the Board
12 during the last 15 days of September of such prior year. At
13 such meeting, the Board shall announce the award of the racing
14 meets, live racing schedule, and designation of host track to
15 the applicants and its approval or disapproval of each
16 application. No announcement shall be considered binding until
17 a formal order is executed by the Board, which shall be
18 executed no later than October 15 of that prior year. Absent
19 the agreement of the affected organization licensees, the Board
20 shall not grant overlapping race meetings to 2 or more tracks
21 that are within 100 miles of each other to conduct the
22 thoroughbred racing.

23 (e-1) In awarding racing dates for calendar year 2008 and
24 thereafter, the Board shall award at least 625 racing days. In
25 awarding racing dates under this subsection (e-1), the Board
26 shall have the discretion to allocate those racing dates among

1 organization licensees. Of the total racing days awarded, the
2 Board must reserve an amount of racing days to standardbred
3 races in an amount equal to 90% of the amount of days awarded
4 to standardbred races in calendar year 2005. Each racing day
5 awarded for standardbred races must be comprised of at least 12
6 races, with not less than 8 horses competing per race.

7 (e-2) In each county in which an organization licensee is
8 located, the Board shall award a minimum total of 25
9 standardbred racing dates to one or more organization
10 licensees.

11 (e-3) The Board may waive the requirements of subsection
12 (e-1) only if a lesser schedule of live racing is appropriate
13 because of (A) weather or unsafe track conditions due to acts
14 of God; (B) an agreement between the organization licensee and
15 the associations representing the largest number of owners,
16 trainers, jockeys, or standardbred drivers who race horses at
17 that organization licensee's racing meeting; or (C) a finding
18 by the Board of extraordinary circumstances and that it was in
19 the best interest of the public and the sport to conduct fewer
20 days of live racing.

21 (e-4) For each calendar year after 2007 in which an
22 electronic gaming licensee requests a number of racing days
23 under its organization license that is less than 90% of the
24 number of days of live racing it was awarded in 2007, the
25 electronic gaming licensee may not conduct electronic gaming.

26 (e-5) In reviewing an application for the purpose of

1 granting an organization license consistent with the best
2 interests of the public and the sport of horse racing, the
3 Board shall consider:

4 (1) the character, reputation, experience, and
5 financial integrity of the applicant and of any other
6 separate person that either:

7 (i) controls the applicant, directly or
8 indirectly, or

9 (ii) is controlled, directly or indirectly, by
10 that applicant or by a person who controls, directly or
11 indirectly, that applicant;

12 (2) the applicant's facilities or proposed facilities
13 for conducting horse racing;

14 (3) the total revenue without regard to Section 32.1 to
15 be derived by the State and horsemen from the applicant's
16 conducting a race meeting;

17 (4) the applicant's good faith affirmative action plan
18 to recruit, train, and upgrade minorities in all employment
19 classifications;

20 (5) the applicant's financial ability to purchase and
21 maintain adequate liability and casualty insurance;

22 (6) the applicant's proposed and prior year's
23 promotional and marketing activities and expenditures of
24 the applicant associated with those activities;

25 (7) an agreement, if any, among organization licensees
26 as provided in subsection (b) of Section 21 of this Act;

1 and

2 (8) the extent to which the applicant exceeds or meets
3 other standards for the issuance of an organization license
4 that the Board shall adopt by rule.

5 In granting organization licenses and allocating dates for
6 horse race meetings, the Board shall have discretion to
7 determine an overall schedule, including required simulcasts
8 of Illinois races by host tracks that will, in its judgment, be
9 conducive to the best interests of the public and the sport of
10 horse racing.

11 (e-10) The Illinois Administrative Procedure Act shall
12 apply to administrative procedures of the Board under this Act
13 for the granting of an organization license, except that (1)
14 notwithstanding the provisions of subsection (b) of Section
15 10-40 of the Illinois Administrative Procedure Act regarding
16 cross-examination, the Board may prescribe rules limiting the
17 right of an applicant or participant in any proceeding to award
18 an organization license to conduct cross-examination of
19 witnesses at that proceeding where that cross-examination
20 would unduly obstruct the timely award of an organization
21 license under subsection (e) of Section 20 of this Act; (2) the
22 provisions of Section 10-45 of the Illinois Administrative
23 Procedure Act regarding proposals for decision are excluded
24 under this Act; (3) notwithstanding the provisions of
25 subsection (a) of Section 10-60 of the Illinois Administrative
26 Procedure Act regarding ex parte communications, the Board may

1 prescribe rules allowing ex parte communications with
2 applicants or participants in a proceeding to award an
3 organization license where conducting those communications
4 would be in the best interest of racing, provided all those
5 communications are made part of the record of that proceeding
6 pursuant to subsection (c) of Section 10-60 of the Illinois
7 Administrative Procedure Act; (4) the provisions of Section 14a
8 of this Act and the rules of the Board promulgated under that
9 Section shall apply instead of the provisions of Article 10 of
10 the Illinois Administrative Procedure Act regarding
11 administrative law judges; and (5) the provisions of subsection
12 (d) of Section 10-65 of the Illinois Administrative Procedure
13 Act that prevent summary suspension of a license pending
14 revocation or other action shall not apply.

15 (f) The Board may allot racing dates to an organization
16 licensee for more than one calendar year but for no more than 3
17 successive calendar years in advance, provided that the Board
18 shall review such allotment for more than one calendar year
19 prior to each year for which such allotment has been made. The
20 granting of an organization license to a person constitutes a
21 privilege to conduct a horse race meeting under the provisions
22 of this Act, and no person granted an organization license
23 shall be deemed to have a vested interest, property right, or
24 future expectation to receive an organization license in any
25 subsequent year as a result of the granting of an organization
26 license. Organization licenses shall be subject to revocation

1 if the organization licensee has violated any provision of this
2 Act or the rules and regulations promulgated under this Act or
3 has been convicted of a crime or has failed to disclose or has
4 stated falsely any information called for in the application
5 for an organization license. Any organization license
6 revocation proceeding shall be in accordance with Section 16
7 regarding suspension and revocation of occupation licenses.

8 (f-5) If, (i) an applicant does not file an acceptance of
9 the racing dates awarded by the Board as required under part
10 (1) of subsection (h) of this Section 20, or (ii) an
11 organization licensee has its license suspended or revoked
12 under this Act, the Board, upon conducting an emergency hearing
13 as provided for in this Act, may reaward on an emergency basis
14 pursuant to rules established by the Board, racing dates not
15 accepted or the racing dates associated with any suspension or
16 revocation period to one or more organization licensees, new
17 applicants, or any combination thereof, upon terms and
18 conditions that the Board determines are in the best interest
19 of racing, provided, the organization licensees or new
20 applicants receiving the awarded racing dates file an
21 acceptance of those reawarded racing dates as required under
22 paragraph (1) of subsection (h) of this Section 20 and comply
23 with the other provisions of this Act. The Illinois
24 Administrative Procedures Act shall not apply to the
25 administrative procedures of the Board in conducting the
26 emergency hearing and the reallocation of racing dates on an

1 emergency basis.

2 (g) (Blank).

3 (h) The Board shall send the applicant a copy of its
4 formally executed order by certified mail addressed to the
5 applicant at the address stated in his application, which
6 notice shall be mailed within 5 days of the date the formal
7 order is executed.

8 Each applicant notified shall, within 10 days after receipt
9 of the final executed order of the Board awarding racing dates:

10 (1) file with the Board an acceptance of such award in
11 the form prescribed by the Board;

12 (2) pay to the Board an additional amount equal to \$110
13 for each racing date awarded; and

14 (3) file with the Board the bonds required in Sections
15 21 and 25 at least 20 days prior to the first day of each
16 race meeting.

17 Upon compliance with the provisions of paragraphs (1), (2), and
18 (3) of this subsection (h), the applicant shall be issued an
19 organization license.

20 If any applicant fails to comply with this Section or fails
21 to pay the organization license fees herein provided, no
22 organization license shall be issued to such applicant.

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

24 (230 ILCS 5/21.5 new)

25 Sec. 21.5. License fees; deposit.

1 (a) The Board shall annually determine the annual cost of
2 maintaining control and regulatory activities contemplated by
3 this Act for each individual licensee. The Office of Gaming
4 Enforcement shall certify to the Board actual and prospective
5 costs of the investigative and enforcement functions of the
6 Office. These costs, together with the general operating
7 expenses of the Board, shall be the basis for the fee imposed
8 on each licensee. Each individual licensee's fees shall be
9 based upon disproportionate costs for each individual
10 licensee.

11 (b) Upon issuance or the first renewal of an organization
12 license after the effective date of this amendatory Act of the
13 95th General Assembly, an organization licensee shall deposit
14 \$100,000 into a fund held by the Director of the Office of
15 Gaming Enforcement separate from State moneys. The moneys in
16 the fund shall be used by the Director of the Office of Gaming
17 Enforcement for the purpose of conducting any investigation
18 concerning that licensee. Upon each subsequent renewal of an
19 organization license, the organization licensee shall deposit
20 the amount necessary to bring the moneys in the fund
21 attributable to that licensee to \$100,000.

22 (230 ILCS 5/25) (from Ch. 8, par. 37-25)

23 Sec. 25. Admission fee.

24 (a) There shall be paid to the Board at such time or times
25 as it shall prescribe, the sum of fifteen cents (15¢) for each

1 person entering the grounds or enclosure of each organization
2 licensee and inter-track wagering licensee upon a ticket of
3 admission except as provided in subsection (b) of this Section
4 and subsection (g) of Section 27 of this Act. If tickets are
5 issued for more than one day then the sum of fifteen cents
6 (15¢) shall be paid for each person using such ticket on each
7 day that the same shall be used. Provided, however, that no
8 charge shall be made on tickets of admission issued to and in
9 the name of directors, officers, agents or employees of the
10 organization licensee, or inter-track wagering licensee, or to
11 owners, trainers, jockeys, drivers and their employees or to
12 any person or persons entering the grounds or enclosure for the
13 transaction of business in connection with such race meeting.
14 The organization licensee or inter-track wagering licensee
15 may, if it desires, collect such amount from each ticket holder
16 in addition to the amount or amounts charged for such ticket of
17 admission.

18 Accurate records and books shall at all times be kept and
19 maintained by the organization licensees and inter-track
20 wagering licensees showing the admission tickets issued and
21 used on each racing day and the attendance thereat of each
22 horse racing meeting. The Board or its duly authorized
23 representative or representatives shall at all reasonable
24 times have access to the admission records of any organization
25 licensee and inter-track wagering licensee for the purpose of
26 examining and checking the same and ascertaining whether or not

1 the proper amount has been or is being paid the State of
2 Illinois as herein provided. The Board shall also require,
3 before issuing any license, that the licensee shall execute and
4 deliver to it a bond, payable to the State of Illinois, in such
5 sum as it shall determine, not, however, in excess of fifty
6 thousand dollars (\$50,000), with a surety or sureties to be
7 approved by it, conditioned for the payment of all sums due and
8 payable or collected by it under this Section upon admission
9 fees received for any particular racing meetings. The Board may
10 also from time to time require sworn statements of the number
11 or numbers of such admissions and may prescribe blanks upon
12 which such reports shall be made. Any organization licensee or
13 inter-track wagering licensee failing or refusing to pay the
14 amount found to be due as herein provided, shall be deemed
15 guilty of a business offense and upon conviction shall be
16 punished by a fine of not more than five thousand dollars
17 (\$5,000) in addition to the amount due from such organization
18 licensee or inter-track wagering licensee as herein provided.
19 All fines paid into court by an organization licensee or
20 inter-track wagering licensee found guilty of violating this
21 Section shall be transmitted and paid over by the clerk of the
22 court to the Board.

23 (b) A person who exits the grounds or enclosure of each
24 organization licensee and inter-track wagering licensee and
25 reenters such grounds or enclosure within the same day shall be
26 subject to only the initial admissions tax.

1 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)

2 (230 ILCS 5/26) (from Ch. 8, par. 37-26)

3 Sec. 26. Wagering.

4 (a) Any licensee may conduct and supervise the pari-mutuel
5 system of wagering, as defined in Section 3.12 of this Act, on
6 horse races conducted by an Illinois organization licensee or
7 conducted at a racetrack located in another state or country
8 and televised in Illinois in accordance with subsection (g) of
9 Section 26 of this Act. Subject to the prior consent of the
10 Board, licensees may supplement any pari-mutuel pool in order
11 to guarantee a minimum distribution. Such pari-mutuel method of
12 wagering shall not, under any circumstances if conducted under
13 the provisions of this Act, be held or construed to be
14 unlawful, other statutes of this State to the contrary
15 notwithstanding. Subject to rules for advance wagering
16 promulgated by the Board, any licensee may accept wagers in
17 advance of the day of the race wagered upon occurs.

18 (b) Except as otherwise provided in Section 56, no other
19 method of betting, pool making, wagering or gambling shall be
20 used or permitted by the licensee. Each licensee may retain,
21 subject to the payment of all applicable taxes and purses, an
22 amount not to exceed 17% of all money wagered under subsection
23 (a) of this Section, except as may otherwise be permitted under
24 this Act.

25 (b-5) An individual may place a wager under the pari-mutuel

1 system from any licensed location authorized under this Act
2 provided that wager is electronically recorded in the manner
3 described in Section 3.12 of this Act. Any wager made
4 electronically by an individual while physically on the
5 premises of a licensee shall be deemed to have been made at the
6 premises of that licensee.

7 (c) Until January 1, 2000, the sum held by any licensee for
8 payment of outstanding pari-mutuel tickets, if unclaimed prior
9 to December 31 of the next year, shall be retained by the
10 licensee for payment of such tickets until that date. Within
11 days thereafter, the balance of such sum remaining unclaimed,
12 less any uncashed supplements contributed by such licensee for
13 the purpose of guaranteeing minimum distributions of any
14 pari-mutuel pool, shall be paid to the Illinois Veterans'
15 Rehabilitation Fund of the State treasury, except as provided
16 in subsection (g) of Section 27 of this Act.

17 (c-5) Beginning January 1, 2000, the sum held by any
18 licensee for payment of outstanding pari-mutuel tickets, if
19 unclaimed prior to December 31 of the next year, shall be
20 retained by the licensee for payment of such tickets until that
21 date; except that the balance of the sum of all outstanding
22 pari-mutuel tickets generated from simulcast wagering by an
23 organization licensee located in Madison County or any licensee
24 that derives its license from that organization licensee shall
25 be evenly distributed between the organization licensee and the
26 purse account of the organization licensee. Additionally, the

1 balance of the sum of all outstanding pari-mutuel tickets
2 generated from inter-track wagering from an organization
3 licensee located in Madison County shall be evenly distributed
4 between the purse account of the organization licensee from
5 which the inter-track wagering licensee and the inter-track
6 wagering location licensee derive their licenses and the
7 organization licensee. Within 10 days thereafter, the balance
8 of such sum remaining unclaimed, less any uncashed supplements
9 contributed by such licensee for the purpose of guaranteeing
10 minimum distributions of any pari-mutuel pool, shall be evenly
11 distributed to the purse account of the organization licensee
12 and the organization licensee.

13 (d) A pari-mutuel ticket shall be honored until December 31
14 of the next calendar year, and the licensee shall pay the same
15 and may charge the amount thereof against unpaid money
16 similarly accumulated on account of pari-mutuel tickets not
17 presented for payment.

18 (e) No licensee shall knowingly permit any minor, other
19 than an employee of such licensee or an owner, trainer, jockey,
20 driver, or employee thereof, to be admitted during a racing
21 program unless accompanied by a parent or guardian, or any
22 minor to be a patron of the pari-mutuel system of wagering
23 conducted or supervised by it. The admission of any
24 unaccompanied minor, other than an employee of the licensee or
25 an owner, trainer, jockey, driver, or employee thereof at a
26 race track is a Class C misdemeanor.

1 (f) Notwithstanding the other provisions of this Act, an
2 organization licensee may contract with an entity in another
3 state or country to permit any legal wagering entity in another
4 state or country to accept wagers solely within such other
5 state or country on races conducted by the organization
6 licensee in this State. Beginning January 1, 2000, these wagers
7 shall not be subject to State taxation. Until January 1, 2000,
8 when the out-of-State entity conducts a pari-mutuel pool
9 separate from the organization licensee, a privilege tax equal
10 to 7 1/2% of all monies received by the organization licensee
11 from entities in other states or countries pursuant to such
12 contracts is imposed on the organization licensee, and such
13 privilege tax shall be remitted to the Department of Revenue
14 within 48 hours of receipt of the moneys from the simulcast.
15 When the out-of-State entity conducts a combined pari-mutuel
16 pool with the organization licensee, the tax shall be 10% of
17 all monies received by the organization licensee with 25% of
18 the receipts from this 10% tax to be distributed to the county
19 in which the race was conducted.

20 An organization licensee may permit one or more of its
21 races to be utilized for pari-mutuel wagering at one or more
22 locations in other states and may transmit audio and visual
23 signals of races the organization licensee conducts to one or
24 more locations outside the State or country and may also permit
25 pari-mutuel pools in other states or countries to be combined
26 with its gross or net wagering pools or with wagering pools

1 established by other states.

2 (g) A host track may accept interstate simulcast wagers on
3 horse races conducted in other states or countries and shall
4 control the number of signals and types of breeds of racing in
5 its simulcast program, subject to the disapproval of the Board.
6 The Board may prohibit a simulcast program only if it finds
7 that the simulcast program is clearly adverse to the integrity
8 of racing. The host track simulcast program shall include the
9 signal of live racing of all organization licensees. All
10 non-host licensees shall carry the host track simulcast program
11 and accept wagers on all races included as part of the
12 simulcast program upon which wagering is permitted. The costs
13 and expenses of the host track and non-host licensees
14 associated with interstate simulcast wagering, other than the
15 interstate commission fee, shall be borne by the host track and
16 all non-host licensees incurring these costs. The interstate
17 commission fee shall not exceed 5% of Illinois handle on the
18 interstate simulcast race or races without prior approval of
19 the Board. The Board shall promulgate rules under which it may
20 permit interstate commission fees in excess of 5%. The
21 interstate commission fee and other fees charged by the sending
22 racetrack, including, but not limited to, satellite decoder
23 fees, shall be uniformly applied to the host track and all
24 non-host licensees.

25 Notwithstanding any other provision of this Act and with
26 the consent of the horsemen association representing the

1 largest number of owners, trainers, jockeys, or standardbred
2 drivers who race horses at that organization licensee's racing
3 meeting, an organization licensee may maintain a system whereby
4 advance deposit wagering may take place or may contract with
5 another person to carry out a system of advance deposit
6 wagering. Any modifications or renegotiations to a contract
7 entered into under this subsection shall also be subject to the
8 consent of that horsemen association. All advance deposit
9 wagers placed from within Illinois must be placed through a
10 Board-approved advance deposit wagering licensee; no other
11 entity may accept an advance deposit wager from a person within
12 Illinois. All advance deposit wagering is subject to any rules
13 adopted by the Board. The Board may adopt rules necessary to
14 regulate advance deposit wagering through the use of emergency
15 rulemaking in accordance with Section 5-45 of the Illinois
16 Administrative Procedure Act. The General Assembly finds that
17 the adoption of rules to regulate advance deposit wagering is
18 deemed an emergency and necessary for the public interest,
19 safety, and welfare. After payment of the State pari-mutuel
20 tax, an advance deposit wagering licensee may retain all moneys
21 as agreed to by contract with an organization licensee. Any
22 moneys retained by the organization licensee from advance
23 deposit wagering, not including moneys retained by the advance
24 deposit wagering licensee, shall be paid 50% to the
25 organization licensee's purse account, with the purse account
26 share for races that start on or after 6:30 a.m. but before

1 6:30 p.m. Illinois time allocated to thoroughbred purses and
2 the purse account share for races that start on or after 6:30
3 p.m. but before 6:30 a.m. Illinois time allocated to
4 standardbred purses, and 50% to the organization licensee. All
5 breakage from advance deposit wagering shall be allocated as
6 provided in Section 26.1. To the extent any fees from advance
7 deposit wagering conducted in Illinois for wagers in Illinois
8 or other states have been placed in escrow or otherwise
9 withheld from wagers pending a determination of the legality of
10 advance deposit wagering, no action shall be brought to declare
11 such wagers or the disbursement of any fees previously escrowed
12 illegal.

13 (1) Between the hours of 6:30 a.m. and 6:30 p.m. an
14 intertrack wagering licensee other than the host track may
15 supplement the host track simulcast program with
16 additional simulcast races or race programs, provided that
17 between January 1 and the third Friday in February of any
18 year, inclusive, if no live thoroughbred racing is
19 occurring in Illinois during this period, only
20 thoroughbred races may be used for supplemental interstate
21 simulcast purposes. The Board shall withhold approval for a
22 supplemental interstate simulcast only if it finds that the
23 simulcast is clearly adverse to the integrity of racing. A
24 supplemental interstate simulcast may be transmitted from
25 an intertrack wagering licensee to its affiliated non-host
26 licensees. The interstate commission fee for a

1 supplemental interstate simulcast shall be paid by the
2 non-host licensee and its affiliated non-host licensees
3 receiving the simulcast.

4 (2) Between the hours of 6:30 p.m. and 6:30 a.m. an
5 intertrack wagering licensee other than the host track may
6 receive supplemental interstate simulcasts only with the
7 consent of the host track, except when the Board finds that
8 the simulcast is clearly adverse to the integrity of
9 racing. Consent granted under this paragraph (2) to any
10 intertrack wagering licensee shall be deemed consent to all
11 non-host licensees. The interstate commission fee for the
12 supplemental interstate simulcast shall be paid by all
13 participating non-host licensees.

14 (3) Each licensee conducting interstate simulcast
15 wagering may retain, subject to the payment of all
16 applicable taxes and the purses, an amount not to exceed
17 17% of all money wagered. If any licensee conducts the
18 pari-mutuel system wagering on races conducted at
19 racetracks in another state or country, each such race or
20 race program shall be considered a separate racing day for
21 the purpose of determining the daily handle and computing
22 the privilege tax of that daily handle as provided in
23 subsection (a) of Section 27. Until January 1, 2000, from
24 the sums permitted to be retained pursuant to this
25 subsection, each intertrack wagering location licensee
26 shall pay 1% of the pari-mutuel handle wagered on simulcast

1 waging to the Horse Racing Tax Allocation Fund, subject
2 to the provisions of subparagraph (B) of paragraph (11) of
3 subsection (h) of Section 26 of this Act.

4 (4) A licensee who receives an interstate simulcast may
5 combine its gross or net pools with pools at the sending
6 racetracks pursuant to rules established by the Board. All
7 licensees combining their gross pools at a sending
8 racetrack shall adopt the take-out percentages of the
9 sending racetrack. A licensee may also establish a separate
10 pool and takeout structure for wagering purposes on races
11 conducted at race tracks outside of the State of Illinois.
12 The licensee may permit pari-mutuel wagers placed in other
13 states or countries to be combined with its gross or net
14 wagering pools or other wagering pools.

15 (5) After the payment of the interstate commission fee
16 (except for the interstate commission fee on a supplemental
17 interstate simulcast, which shall be paid by the host track
18 and by each non-host licensee through the host-track) and
19 all applicable State and local taxes, except as provided in
20 subsection (g) of Section 27 of this Act, the remainder of
21 moneys retained from simulcast wagering pursuant to this
22 subsection (g), and Section 26.2 shall be divided as
23 follows:

24 (A) For interstate simulcast wagers made at a host
25 track, 50% to the host track and 50% to purses at the
26 host track.

1 (B) For wagers placed on interstate simulcast
2 races, supplemental simulcasts as defined in
3 subparagraphs (1) and (2), and separately pooled races
4 conducted outside of the State of Illinois made at a
5 non-host licensee, 25% to the host track, 25% to the
6 non-host licensee, and 50% to the purses at the host
7 track.

8 (6) Notwithstanding any provision in this Act to the
9 contrary, non-host licensees who derive their licenses
10 from a track located in a county with a population in
11 excess of 230,000 and that borders the Mississippi River
12 may receive supplemental interstate simulcast races at all
13 times subject to Board approval, which shall be withheld
14 only upon a finding that a supplemental interstate
15 simulcast is clearly adverse to the integrity of racing.

16 (7) Notwithstanding any provision of this Act to the
17 contrary, after payment of all applicable State and local
18 taxes and interstate commission fees, non-host licensees
19 who derive their licenses from a track located in a county
20 with a population in excess of 230,000 and that borders the
21 Mississippi River shall retain 50% of the retention from
22 interstate simulcast wagers and shall pay 50% to purses at
23 the track from which the non-host licensee derives its
24 license as follows:

25 (A) Between January 1 and the third Friday in
26 February, inclusive, if no live thoroughbred racing is

1 occurring in Illinois during this period, when the
2 interstate simulcast is a standardbred race, the purse
3 share to its standardbred purse account;

4 (B) Between January 1 and the third Friday in
5 February, inclusive, if no live thoroughbred racing is
6 occurring in Illinois during this period, and the
7 interstate simulcast is a thoroughbred race, the purse
8 share to its interstate simulcast purse pool to be
9 distributed under paragraph (10) of this subsection
10 (g);

11 (C) Between January 1 and the third Friday in
12 February, inclusive, if live thoroughbred racing is
13 occurring in Illinois, between 6:30 a.m. and 6:30 p.m.
14 the purse share from wagers made during this time
15 period to its thoroughbred purse account and between
16 6:30 p.m. and 6:30 a.m. the purse share from wagers
17 made during this time period to its standardbred purse
18 accounts;

19 (D) Between the third Saturday in February and
20 December 31, when the interstate simulcast occurs
21 between the hours of 6:30 a.m. and 6:30 p.m., the purse
22 share to its thoroughbred purse account;

23 (E) Between the third Saturday in February and
24 December 31, when the interstate simulcast occurs
25 between the hours of 6:30 p.m. and 6:30 a.m., the purse
26 share to its standardbred purse account.

1 (7.1) Notwithstanding any other provision of this Act
2 to the contrary, if no standardbred racing is conducted at
3 a racetrack located in Madison County during any calendar
4 year beginning on or after January 1, 2002, all moneys
5 derived by that racetrack from simulcast wagering and
6 inter-track wagering that (1) are to be used for purses and
7 (2) are generated between the hours of 6:30 p.m. and 6:30
8 a.m. during that calendar year shall be paid as follows:

9 (A) If the licensee that conducts horse racing at
10 that racetrack requests from the Board at least as many
11 racing dates as were conducted in calendar year 2000,
12 80% shall be paid to its thoroughbred purse account;
13 and

14 (B) Twenty percent shall be deposited into the
15 Illinois Colt Stakes Purse Distribution Fund and shall
16 be paid to purses for standardbred races for Illinois
17 conceived and foaled horses conducted at any county
18 fairgrounds. The moneys deposited into the Fund
19 pursuant to this subparagraph (B) shall be deposited
20 within 2 weeks after the day they were generated, shall
21 be in addition to and not in lieu of any other moneys
22 paid to standardbred purses under this Act, and shall
23 not be commingled with other moneys paid into that
24 Fund. The moneys deposited pursuant to this
25 subparagraph (B) shall be allocated as provided by the
26 Department of Agriculture, with the advice and

1 assistance of the Illinois Standardbred Breeders Fund
2 Advisory Board.

3 (7.2) Notwithstanding any other provision of this Act
4 to the contrary, if no thoroughbred racing is conducted at
5 a racetrack located in Madison County during any calendar
6 year beginning on or after January 1, 2002, all moneys
7 derived by that racetrack from simulcast wagering and
8 inter-track wagering that (1) are to be used for purses and
9 (2) are generated between the hours of 6:30 a.m. and 6:30
10 p.m. during that calendar year shall be deposited as
11 follows:

12 (A) If the licensee that conducts horse racing at
13 that racetrack requests from the Board at least as many
14 racing dates as were conducted in calendar year 2000,
15 80% shall be deposited into its standardbred purse
16 account; and

17 (B) Twenty percent shall be deposited into the
18 Illinois Colt Stakes Purse Distribution Fund, which is
19 created as a non-appropriated trust fund administered
20 by the Department of Agriculture and held separate and
21 apart from State moneys. Moneys deposited into the
22 Illinois Colt Stakes Purse Distribution Fund pursuant
23 to this subparagraph (B) may be used (i) at the
24 discretion of the Department, for drug testing as
25 authorized in Section 34.3 of this Act and for
26 distribution to Illinois county fairs to supplement

1 premiums offered in junior classes and (ii) by the
2 Department of Agriculture for the purposes identified
3 in paragraphs (2), (2.5), (4), (4.1), (6), (7), (8),
4 and (9) of subsection (g) of Section 30, subsection (e)
5 of Section 30.5, paragraphs (1), (2), (3), (5), and (8)
6 of subsection (g) of Section 31, and for standardbred
7 bonus programs for owners of horses that win multiple
8 stakes races that are limited to Illinois conceived and
9 foaled horses. Any balance shall be paid to Illinois
10 conceived and foaled thoroughbred breeders' programs
11 and to thoroughbred purses for races conducted at any
12 county fairgrounds for Illinois conceived and foaled
13 horses at the discretion of the Department of
14 Agriculture, with the advice and assistance of the
15 Illinois Thoroughbred Breeders Fund Advisory Board.
16 The moneys deposited into the Illinois Colt Stakes
17 Purse Distribution Fund pursuant to this subparagraph
18 (B) shall be deposited within 2 weeks after the day
19 they were generated, shall be in addition to and not in
20 lieu of any other moneys paid to thoroughbred purses
21 under this Act, and shall not be commingled with other
22 moneys deposited into that Fund. The Illinois Colt
23 Stakes Purse Distribution Fund shall not be subject to
24 administrative charges or charge backs, including, but
25 not limited to, those authorized under Section 8h of
26 the State Finance Act.

1 (7.3) If no live standardbred racing is conducted at a
2 racetrack located in Madison County in calendar year 2000
3 or 2001, an organization licensee who is licensed to
4 conduct horse racing at that racetrack shall, before
5 January 1, 2002, pay all moneys derived from simulcast
6 wagering and inter-track wagering in calendar years 2000
7 and 2001 and paid into the licensee's standardbred purse
8 account as follows:

9 (A) Eighty percent to that licensee's thoroughbred
10 purse account to be used for thoroughbred purses; and

11 (B) Twenty percent to the Illinois Colt Stakes
12 Purse Distribution Fund.

13 Failure to make the payment to the Illinois Colt Stakes
14 Purse Distribution Fund before January 1, 2002 shall result
15 in the immediate revocation of the licensee's organization
16 license, inter-track wagering license, and inter-track
17 wagering location license.

18 Moneys paid into the Illinois Colt Stakes Purse
19 Distribution Fund pursuant to this paragraph (7.3) shall be
20 paid to purses for standardbred races for Illinois
21 conceived and foaled horses conducted at any county
22 fairgrounds. Moneys paid into the Illinois Colt Stakes
23 Purse Distribution Fund pursuant to this paragraph (7.3)
24 shall be used as determined by the Department of
25 Agriculture, with the advice and assistance of the Illinois
26 Standardbred Breeders Fund Advisory Board, shall be in

1 addition to and not in lieu of any other moneys paid to
2 standardbred purses under this Act, and shall not be
3 commingled with any other moneys paid into that Fund.

4 (7.4) If live standardbred racing is conducted at a
5 racetrack located in Madison County at any time in calendar
6 year 2001 before the payment required under paragraph (7.3)
7 has been made, the organization licensee who is licensed to
8 conduct racing at that racetrack shall pay all moneys
9 derived by that racetrack from simulcast wagering and
10 inter-track wagering during calendar years 2000 and 2001
11 that (1) are to be used for purses and (2) are generated
12 between the hours of 6:30 p.m. and 6:30 a.m. during 2000 or
13 2001 to the standardbred purse account at that racetrack to
14 be used for standardbred purses.

15 (7.5) Notwithstanding any provision of this Act to the
16 contrary, if live standardbred racing and live
17 thoroughbred racing are both conducted at a racetrack
18 located in Madison County at any time in a calendar year,
19 all moneys derived by that racetrack from simulcast
20 wagering and inter-track wagering between the hours of 6:30
21 p.m. and 6:30 a.m. that are to be used for purses shall be
22 deposited as follows: 70% shall be paid to its thoroughbred
23 purse account and 30% shall be paid to its standardbred
24 purse account.

25 (8) Notwithstanding any provision in this Act to the
26 contrary, an organization licensee from a track located in

1 a county with a population in excess of 230,000 and that
2 borders the Mississippi River and its affiliated non-host
3 licensees shall not be entitled to share in any retention
4 generated on racing, inter-track wagering, or simulcast
5 wagering at any other Illinois wagering facility.

6 (8.1) Notwithstanding any provisions in this Act to the
7 contrary, if 2 organization licensees are conducting
8 standardbred race meetings concurrently between the hours
9 of 6:30 p.m. and 6:30 a.m., after payment of all applicable
10 State and local taxes and interstate commission fees, the
11 remainder of the amount retained from simulcast wagering
12 otherwise attributable to the host track and to host track
13 purses shall be split daily between the 2 organization
14 licensees and the purses at the tracks of the 2
15 organization licensees, respectively, based on each
16 organization licensee's share of the total live handle for
17 that day, provided that this provision shall not apply to
18 any non-host licensee that derives its license from a track
19 located in a county with a population in excess of 230,000
20 and that borders the Mississippi River.

21 (9) (Blank).

22 (10) (Blank).

23 (11) (Blank).

24 (12) The Board shall have authority to compel all host
25 tracks to receive the simulcast of any or all races
26 conducted at the Springfield or DuQuoin State fairgrounds

1 and include all such races as part of their simulcast
2 programs.

3 (13) Notwithstanding any other provision of this Act,
4 in the event that the total Illinois pari-mutuel handle on
5 Illinois horse races at all wagering facilities in any
6 calendar year is less than 75% of the total Illinois
7 pari-mutuel handle on Illinois horse races at all such
8 wagering facilities for calendar year 1994, then each
9 wagering facility that has an annual total Illinois
10 pari-mutuel handle on Illinois horse races that is less
11 than 75% of the total Illinois pari-mutuel handle on
12 Illinois horse races at such wagering facility for calendar
13 year 1994, shall be permitted to receive, from any amount
14 otherwise payable to the purse account at the race track
15 with which the wagering facility is affiliated in the
16 succeeding calendar year, an amount equal to 2% of the
17 differential in total Illinois pari-mutuel handle on
18 Illinois horse races at the wagering facility between that
19 calendar year in question and 1994 provided, however, that
20 a wagering facility shall not be entitled to any such
21 payment until the Board certifies in writing to the
22 wagering facility the amount to which the wagering facility
23 is entitled and a schedule for payment of the amount to the
24 wagering facility, based on: (i) the racing dates awarded
25 to the race track affiliated with the wagering facility
26 during the succeeding year; (ii) the sums available or

1 anticipated to be available in the purse account of the
2 race track affiliated with the wagering facility for purses
3 during the succeeding year; and (iii) the need to ensure
4 reasonable purse levels during the payment period. The
5 Board's certification shall be provided no later than
6 January 31 of the succeeding year. In the event a wagering
7 facility entitled to a payment under this paragraph (13) is
8 affiliated with a race track that maintains purse accounts
9 for both standardbred and thoroughbred racing, the amount
10 to be paid to the wagering facility shall be divided
11 between each purse account pro rata, based on the amount of
12 Illinois handle on Illinois standardbred and thoroughbred
13 racing respectively at the wagering facility during the
14 previous calendar year. Annually, the General Assembly
15 shall appropriate sufficient funds from the General
16 Revenue Fund to the Department of Agriculture for payment
17 into the thoroughbred and standardbred horse racing purse
18 accounts at Illinois pari-mutuel tracks. The amount paid to
19 each purse account shall be the amount certified by the
20 Illinois Racing Board in January to be transferred from
21 each account to each eligible racing facility in accordance
22 with the provisions of this Section. For the calendar year
23 in which an organization licensee that is eligible to
24 receive a payment under this paragraph (13) begins
25 conducting electronic gaming pursuant to an electronic
26 gaming license, the amount of that payment shall be reduced

1 by a percentage equal to the percentage of the year
2 remaining after the organization licensee begins
3 conducting electronic gaming pursuant to its electronic
4 gaming license. An organization licensee shall no longer be
5 able to receive payments under this paragraph (13)
6 beginning on the January 1 first occurring after the
7 licensee begins conducting electronic gaming pursuant to
8 an electronic gaming license issued under Section 7.7 of
9 the Illinois Gambling Act.

10 (h) The Board may approve and license the conduct of
11 inter-track wagering and simulcast wagering by inter-track
12 wagering licensees and inter-track wagering location licensees
13 subject to the following terms and conditions:

14 (1) Any person licensed to conduct a race meeting (i)
15 at a track where 60 or more days of racing were conducted
16 during the immediately preceding calendar year or where
17 over the 5 immediately preceding calendar years an average
18 of 30 or more days of racing were conducted annually may be
19 issued an inter-track wagering license; (ii) at a track
20 located in a county that is bounded by the Mississippi
21 River, which has a population of less than 150,000
22 according to the 1990 decennial census, and an average of
23 at least 60 days of racing per year between 1985 and 1993
24 may be issued an inter-track wagering license; or (iii) at
25 a track located in Madison County that conducted at least
26 100 days of live racing during the immediately preceding

1 calendar year may be issued an inter-track wagering
2 license, unless a lesser schedule of live racing is the
3 result of (A) weather, unsafe track conditions, or other
4 acts of God; (B) an agreement between the organization
5 licensee and the associations representing the largest
6 number of owners, trainers, jockeys, or standardbred
7 drivers who race horses at that organization licensee's
8 racing meeting; or (C) a finding by the Board of
9 extraordinary circumstances and that it was in the best
10 interest of the public and the sport to conduct fewer than
11 100 days of live racing. Any such person having operating
12 control of the racing facility may also receive up to 6
13 inter-track wagering location licenses. In no event shall
14 more than 6 inter-track wagering locations be established
15 for each eligible race track, except that an eligible race
16 track located in a county that has a population of more
17 than 230,000 and that is bounded by the Mississippi River
18 may establish up to 7 inter-track wagering locations. An
19 application for said license shall be filed with the Board
20 prior to such dates as may be fixed by the Board. With an
21 application for an inter-track wagering location license
22 there shall be delivered to the Board a certified check or
23 bank draft payable to the order of the Board for an amount
24 equal to \$500. The application shall be on forms prescribed
25 and furnished by the Board. The application shall comply
26 with all other rules, regulations and conditions imposed by

1 the Board in connection therewith.

2 (2) The Board shall examine the applications with
3 respect to their conformity with this Act and the rules and
4 regulations imposed by the Board. If found to be in
5 compliance with the Act and rules and regulations of the
6 Board, the Board may then issue a license to conduct
7 inter-track wagering and simulcast wagering to such
8 applicant. All such applications shall be acted upon by the
9 Board at a meeting to be held on such date as may be fixed
10 by the Board.

11 (3) In granting licenses to conduct inter-track
12 wagering and simulcast wagering, the Board shall give due
13 consideration to the best interests of the public, of horse
14 racing, and of maximizing revenue to the State.

15 (4) Prior to the issuance of a license to conduct
16 inter-track wagering and simulcast wagering, the applicant
17 shall file with the Board a bond payable to the State of
18 Illinois in the sum of \$50,000, executed by the applicant
19 and a surety company or companies authorized to do business
20 in this State, and conditioned upon (i) the payment by the
21 licensee of all taxes due under Section 27 or 27.1 and any
22 other monies due and payable under this Act, and (ii)
23 distribution by the licensee, upon presentation of the
24 winning ticket or tickets, of all sums payable to the
25 patrons of pari-mutuel pools.

26 (5) Each license to conduct inter-track wagering and

1 simulcast wagering shall specify the person to whom it is
2 issued, the dates on which such wagering is permitted, and
3 the track or location where the wagering is to be
4 conducted.

5 (6) All wagering under such license is subject to this
6 Act and to the rules and regulations from time to time
7 prescribed by the Board, and every such license issued by
8 the Board shall contain a recital to that effect.

9 (7) An inter-track wagering licensee or inter-track
10 wagering location licensee may accept wagers at the track
11 or location where it is licensed, or as otherwise provided
12 under this Act.

13 (8) Inter-track wagering or simulcast wagering shall
14 not be conducted at any track less than 5 miles from a
15 track at which a racing meeting is in progress.

16 (8.1) Inter-track wagering location licensees who
17 derive their licenses from a particular organization
18 licensee shall conduct inter-track wagering and simulcast
19 wagering only at locations which are either within 90 miles
20 of that race track where the particular organization
21 licensee is licensed to conduct racing, or within 135 miles
22 of that race track where the particular organization
23 licensee is licensed to conduct racing in the case of race
24 tracks in counties of less than 400,000 that were operating
25 on or before June 1, 1986. However, inter-track wagering
26 and simulcast wagering shall not be conducted by those

1 licenses at any location within 5 miles of any race track
2 at which a horse race meeting has been licensed in the
3 current year, unless the person having operating control of
4 such race track has given its written consent to such
5 inter-track wagering location licensees, which consent
6 must be filed with the Board at or prior to the time
7 application is made.

8 (8.2) Inter-track wagering or simulcast wagering shall
9 not be conducted by an inter-track wagering location
10 licensee at any location within 500 feet of an existing
11 church or existing school, nor within 500 feet of the
12 residences of more than 50 registered voters without
13 receiving written permission from a majority of the
14 registered voters at such residences. Such written
15 permission statements shall be filed with the Board. The
16 distance of 500 feet shall be measured to the nearest part
17 of any building used for worship services, education
18 programs, residential purposes, or conducting inter-track
19 wagering by an inter-track wagering location licensee, and
20 not to property boundaries. However, inter-track wagering
21 or simulcast wagering may be conducted at a site within 500
22 feet of a church, school or residences of 50 or more
23 registered voters if such church, school or residences have
24 been erected or established, or such voters have been
25 registered, after the Board issues the original
26 inter-track wagering location license at the site in

1 question. Inter-track wagering location licensees may
2 conduct inter-track wagering and simulcast wagering only
3 in areas that are zoned for commercial or manufacturing
4 purposes or in areas for which a special use has been
5 approved by the local zoning authority. However, no license
6 to conduct inter-track wagering and simulcast wagering
7 shall be granted by the Board with respect to any
8 inter-track wagering location within the jurisdiction of
9 any local zoning authority which has, by ordinance or by
10 resolution, prohibited the establishment of an inter-track
11 wagering location within its jurisdiction. However,
12 inter-track wagering and simulcast wagering may be
13 conducted at a site if such ordinance or resolution is
14 enacted after the Board licenses the original inter-track
15 wagering location licensee for the site in question.

16 (9) (Blank).

17 (10) An inter-track wagering licensee or an
18 inter-track wagering location licensee may retain, subject
19 to the payment of the privilege taxes and the purses, an
20 amount not to exceed 17% of all money wagered. Each program
21 of racing conducted by each inter-track wagering licensee
22 or inter-track wagering location licensee shall be
23 considered a separate racing day for the purpose of
24 determining the daily handle and computing the privilege
25 tax or pari-mutuel tax on such daily handle as provided in
26 Section 27.

1 (10.1) Except as provided in subsection (g) of Section
2 27 of this Act, inter-track wagering location licensees
3 shall pay 1% of the pari-mutuel handle at each location to
4 the municipality in which such location is situated and 1%
5 of the pari-mutuel handle at each location to the county in
6 which such location is situated. In the event that an
7 inter-track wagering location licensee is situated in an
8 unincorporated area of a county, such licensee shall pay 2%
9 of the pari-mutuel handle from such location to such
10 county.

11 (10.2) Notwithstanding any other provision of this
12 Act, with respect to intertrack wagering at a race track
13 located in a county that has a population of more than
14 230,000 and that is bounded by the Mississippi River ("the
15 first race track"), or at a facility operated by an
16 inter-track wagering licensee or inter-track wagering
17 location licensee that derives its license from the
18 organization licensee that operates the first race track,
19 on races conducted at the first race track or on races
20 conducted at another Illinois race track and
21 simultaneously televised to the first race track or to a
22 facility operated by an inter-track wagering licensee or
23 inter-track wagering location licensee that derives its
24 license from the organization licensee that operates the
25 first race track, those moneys shall be allocated as
26 follows:

1 (A) That portion of all moneys wagered on
2 standardbred racing that is required under this Act to
3 be paid to purses shall be paid to purses for
4 standardbred races.

5 (B) That portion of all moneys wagered on
6 thoroughbred racing that is required under this Act to
7 be paid to purses shall be paid to purses for
8 thoroughbred races.

9 (11) (A) After payment of the privilege or pari-mutuel
10 tax, any other applicable taxes, and the costs and expenses
11 in connection with the gathering, transmission, and
12 dissemination of all data necessary to the conduct of
13 inter-track wagering, the remainder of the monies retained
14 under either Section 26 or Section 26.2 of this Act by the
15 inter-track wagering licensee on inter-track wagering
16 shall be allocated with 50% to be split between the 2
17 participating licensees and 50% to purses, except that an
18 intertrack wagering licensee that derives its license from
19 a track located in a county with a population in excess of
20 230,000 and that borders the Mississippi River shall not
21 divide any remaining retention with the Illinois
22 organization licensee that provides the race or races, and
23 an intertrack wagering licensee that accepts wagers on
24 races conducted by an organization licensee that conducts a
25 race meet in a county with a population in excess of
26 230,000 and that borders the Mississippi River shall not

1 divide any remaining retention with that organization
2 licensee.

3 (B) From the sums permitted to be retained pursuant to
4 paragraph (10) of this subsection (h), ~~this Act~~ each
5 inter-track wagering location licensee shall pay the
6 following:

7 (i) the privilege or pari-mutuel tax to the State;

8 (ii) the following percentages ~~4.75%~~ of the
9 pari-mutuel handle on intertrack wagering at such
10 location on races as purses, except that an intertrack
11 wagering location licensee that derives its license
12 from a track located in a county with a population in
13 excess of 230,000 and that borders the Mississippi
14 River shall retain all purse moneys for its own purse
15 account consistent with distribution set forth in this
16 subsection (h), and intertrack wagering location
17 licensees that accept wagers on races conducted by an
18 organization licensee located in a county with a
19 population in excess of 230,000 and that borders the
20 Mississippi River shall distribute all purse moneys to
21 purses at the operating host track:

22 (I) until 6 months after the organizational
23 licensee from which the inter-track wagering
24 location licensee derives its license begins
25 conducting electronic gaming, 4.75%;

26 (II) beginning 6 months after the

1 organizational licensee from which the inter-track
2 wagering location licensee derives its license
3 begins conducting electronic gaming and until 12
4 months after that date, 5.75%; and

5 (III) beginning 12 months after the
6 organizational licensee from which the inter-track
7 wagering location licensee derives its license
8 begins conducting electronic gaming, 6.75%;

9 (iii) until January 1, 2000, except as provided in
10 subsection (g) of Section 27 of this Act, 1% of the
11 pari-mutuel handle wagered on inter-track wagering and
12 simulcast wagering at each inter-track wagering
13 location licensee facility to the Horse Racing Tax
14 Allocation Fund, provided that, to the extent the total
15 amount collected and distributed to the Horse Racing
16 Tax Allocation Fund under this subsection (h) during
17 any calendar year exceeds the amount collected and
18 distributed to the Horse Racing Tax Allocation Fund
19 during calendar year 1994, that excess amount shall be
20 redistributed (I) to all inter-track wagering location
21 licensees, based on each licensee's pro-rata share of
22 the total handle from inter-track wagering and
23 simulcast wagering for all inter-track wagering
24 location licensees during the calendar year in which
25 this provision is applicable; then (II) the amounts
26 redistributed to each inter-track wagering location

1 licensee as described in subpart (I) shall be further
2 redistributed as provided in subparagraph (B) of
3 paragraph (5) of subsection (g) of this Section 26
4 provided first, that the shares of those amounts, which
5 are to be redistributed to the host track or to purses
6 at the host track under subparagraph (B) of paragraph
7 (5) of subsection (g) of this Section 26 shall be
8 redistributed based on each host track's pro rata share
9 of the total inter-track wagering and simulcast
10 wagering handle at all host tracks during the calendar
11 year in question, and second, that any amounts
12 redistributed as described in part (I) to an
13 inter-track wagering location licensee that accepts
14 wagers on races conducted by an organization licensee
15 that conducts a race meet in a county with a population
16 in excess of 230,000 and that borders the Mississippi
17 River shall be further redistributed as provided in
18 subparagraphs (D) and (E) of paragraph (7) of
19 subsection (g) of this Section 26, with the portion of
20 that further redistribution allocated to purses at
21 that organization licensee to be divided between
22 standardbred purses and thoroughbred purses based on
23 the amounts otherwise allocated to purses at that
24 organization licensee during the calendar year in
25 question; and

26 (iv) the following percentages ~~8%~~ of the

1 pari-mutuel handle on inter-track wagering wagered at
2 such location to satisfy all costs and expenses of
3 conducting its wagering. The remainder of the monies
4 retained by the inter-track wagering location licensee
5 shall be allocated 40% to the location licensee and 60%
6 to the organization licensee which provides the
7 Illinois races to the location, except that an
8 intertrack wagering location licensee that derives its
9 license from a track located in a county with a
10 population in excess of 230,000 and that borders the
11 Mississippi River shall not divide any remaining
12 retention with the organization licensee that provides
13 the race or races and an intertrack wagering location
14 licensee that accepts wagers on races conducted by an
15 organization licensee that conducts a race meet in a
16 county with a population in excess of 230,000 and that
17 borders the Mississippi River shall not divide any
18 remaining retention with the organization licensee:

19 (I) until 6 months after the organizational
20 licensee from which the inter-track wagering
21 location licensee derives its license begins
22 conducting electronic gaming, 8%;

23 (II) beginning 6 months after the
24 organizational licensee from which the inter-track
25 wagering location licensee derives its license
26 begins conducting electronic gaming and until 12

1 months after that date, 7.5%; and
2 (III) beginning 12 months after the
3 organizational licensee from which the inter-track
4 wagering location licensee derives its license
5 begins conducting electronic gaming, 6.75%.

6 Notwithstanding the provisions of clauses (ii) and
7 (iv) of this paragraph, in the case of the additional
8 inter-track wagering location licenses authorized under
9 paragraph (1) of this subsection (h) by this amendatory Act
10 of 1991, those licensees shall pay the percentage of the
11 pari-mutuel handle required under clause (ii) of this
12 paragraph (B) following amounts as purses. The : during the
13 ~~first 12 months the licensee is in operation, 5.25% of the~~
14 ~~pari-mutuel handle wagered at the location on races; during~~
15 ~~the second 12 months, 5.25%; during the third 12 months,~~
16 ~~5.75%; during the fourth 12 months, 6.25%; and during the~~
17 ~~fifth 12 months and thereafter, 6.75%. The following~~
18 ~~amounts shall be retained by the licensee shall retain the~~
19 percentage of the pari-mutuel handle required under clause
20 (iv) of this paragraph (B) to satisfy all costs and
21 expenses of conducting its wagering: ~~during the first 12~~
22 ~~months the licensee is in operation, 8.25% of the~~
23 ~~pari-mutuel handle wagered at the location; during the~~
24 ~~second 12 months, 8.25%; during the third 12 months, 7.75%;~~
25 ~~during the fourth 12 months, 7.25%; and during the fifth 12~~
26 ~~months and thereafter, 6.75%. For additional intertrack~~

1 wagering location licensees authorized under Public Act
2 89-16, after all taxes are paid, of the remainder, 50%
3 shall be retained by the licensee and 50% shall be paid to
4 purses. ~~this amendatory Act of 1995, purses for the first~~
5 ~~12 months the licensee is in operation shall be 5.75% of~~
6 ~~the pari mutuel wagered at the location, purses for the~~
7 ~~second 12 months the licensee is in operation shall be~~
8 ~~6.25%, and purses thereafter shall be 6.75%. For additional~~
9 ~~intertrack location licensees authorized under this~~
10 ~~amendatory Act of 1995, the licensee shall be allowed to~~
11 ~~retain to satisfy all costs and expenses: 7.75% of the~~
12 ~~pari-mutuel handle wagered at the location during its first~~
13 ~~12 months of operation, 7.25% during its second 12 months~~
14 ~~of operation, and 6.75% thereafter.~~

15 (C) There is hereby created the Horse Racing Tax
16 Allocation Fund which shall remain in existence until
17 December 31, 1999. Moneys remaining in the Fund after
18 December 31, 1999 shall be paid into the General Revenue
19 Fund. Until January 1, 2000, all monies paid into the Horse
20 Racing Tax Allocation Fund pursuant to this paragraph (11)
21 by inter-track wagering location licensees located in park
22 districts of 500,000 population or less, or in a
23 municipality that is not included within any park district
24 but is included within a conservation district and is the
25 county seat of a county that (i) is contiguous to the state
26 of Indiana and (ii) has a 1990 population of 88,257

1 according to the United States Bureau of the Census, and
2 operating on May 1, 1994 shall be allocated by
3 appropriation as follows:

4 Two-sevenths to the Department of Agriculture.
5 Fifty percent of this two-sevenths shall be used to
6 promote the Illinois horse racing and breeding
7 industry, and shall be distributed by the Department of
8 Agriculture upon the advice of a 9-member committee
9 appointed by the Governor consisting of the following
10 members: the Director of Agriculture, who shall serve
11 as chairman; 2 representatives of organization
12 licensees conducting thoroughbred race meetings in
13 this State, recommended by those licensees; 2
14 representatives of organization licensees conducting
15 standardbred race meetings in this State, recommended
16 by those licensees; a representative of the Illinois
17 Thoroughbred Breeders and Owners Foundation,
18 recommended by that Foundation; a representative of
19 the Illinois Standardbred Owners and Breeders
20 Association, recommended by that Association; a
21 representative of the Horsemen's Benevolent and
22 Protective Association or any successor organization
23 thereto established in Illinois comprised of the
24 largest number of owners and trainers, recommended by
25 that Association or that successor organization; and a
26 representative of the Illinois Harness Horsemen's

1 Association, recommended by that Association.
2 Committee members shall serve for terms of 2 years,
3 commencing January 1 of each even-numbered year. If a
4 representative of any of the above-named entities has
5 not been recommended by January 1 of any even-numbered
6 year, the Governor shall appoint a committee member to
7 fill that position. Committee members shall receive no
8 compensation for their services as members but shall be
9 reimbursed for all actual and necessary expenses and
10 disbursements incurred in the performance of their
11 official duties. The remaining 50% of this
12 two-sevenths shall be distributed to county fairs for
13 premiums and rehabilitation as set forth in the
14 Agricultural Fair Act;

15 Four-sevenths to park districts or municipalities
16 that do not have a park district of 500,000 population
17 or less for museum purposes (if an inter-track wagering
18 location licensee is located in such a park district)
19 or to conservation districts for museum purposes (if an
20 inter-track wagering location licensee is located in a
21 municipality that is not included within any park
22 district but is included within a conservation
23 district and is the county seat of a county that (i) is
24 contiguous to the state of Indiana and (ii) has a 1990
25 population of 88,257 according to the United States
26 Bureau of the Census, except that if the conservation

1 district does not maintain a museum, the monies shall
2 be allocated equally between the county and the
3 municipality in which the inter-track wagering
4 location licensee is located for general purposes) or
5 to a municipal recreation board for park purposes (if
6 an inter-track wagering location licensee is located
7 in a municipality that is not included within any park
8 district and park maintenance is the function of the
9 municipal recreation board and the municipality has a
10 1990 population of 9,302 according to the United States
11 Bureau of the Census); provided that the monies are
12 distributed to each park district or conservation
13 district or municipality that does not have a park
14 district in an amount equal to four-sevenths of the
15 amount collected by each inter-track wagering location
16 licensee within the park district or conservation
17 district or municipality for the Fund. Monies that were
18 paid into the Horse Racing Tax Allocation Fund before
19 the effective date of this amendatory Act of 1991 by an
20 inter-track wagering location licensee located in a
21 municipality that is not included within any park
22 district but is included within a conservation
23 district as provided in this paragraph shall, as soon
24 as practicable after the effective date of this
25 amendatory Act of 1991, be allocated and paid to that
26 conservation district as provided in this paragraph.

1 Any park district or municipality not maintaining a
2 museum may deposit the monies in the corporate fund of
3 the park district or municipality where the
4 inter-track wagering location is located, to be used
5 for general purposes; and

6 One-seventh to the Agricultural Premium Fund to be
7 used for distribution to agricultural home economics
8 extension councils in accordance with "An Act in
9 relation to additional support and finances for the
10 Agricultural and Home Economic Extension Councils in
11 the several counties of this State and making an
12 appropriation therefor", approved July 24, 1967.

13 Until January 1, 2000, all other monies paid into the
14 Horse Racing Tax Allocation Fund pursuant to this paragraph
15 (11) shall be allocated by appropriation as follows:

16 Two-sevenths to the Department of Agriculture.
17 Fifty percent of this two-sevenths shall be used to
18 promote the Illinois horse racing and breeding
19 industry, and shall be distributed by the Department of
20 Agriculture upon the advice of a 9-member committee
21 appointed by the Governor consisting of the following
22 members: the Director of Agriculture, who shall serve
23 as chairman; 2 representatives of organization
24 licensees conducting thoroughbred race meetings in
25 this State, recommended by those licensees; 2
26 representatives of organization licensees conducting

1 standardbred race meetings in this State, recommended
2 by those licensees; a representative of the Illinois
3 Thoroughbred Breeders and Owners Foundation,
4 recommended by that Foundation; a representative of
5 the Illinois Standardbred Owners and Breeders
6 Association, recommended by that Association; a
7 representative of the Horsemen's Benevolent and
8 Protective Association or any successor organization
9 thereto established in Illinois comprised of the
10 largest number of owners and trainers, recommended by
11 that Association or that successor organization; and a
12 representative of the Illinois Harness Horsemen's
13 Association, recommended by that Association.
14 Committee members shall serve for terms of 2 years,
15 commencing January 1 of each even-numbered year. If a
16 representative of any of the above-named entities has
17 not been recommended by January 1 of any even-numbered
18 year, the Governor shall appoint a committee member to
19 fill that position. Committee members shall receive no
20 compensation for their services as members but shall be
21 reimbursed for all actual and necessary expenses and
22 disbursements incurred in the performance of their
23 official duties. The remaining 50% of this
24 two-sevenths shall be distributed to county fairs for
25 premiums and rehabilitation as set forth in the
26 Agricultural Fair Act;

1 Four-sevenths to museums and aquariums located in
2 park districts of over 500,000 population; provided
3 that the monies are distributed in accordance with the
4 previous year's distribution of the maintenance tax
5 for such museums and aquariums as provided in Section 2
6 of the Park District Aquarium and Museum Act; and

7 One-seventh to the Agricultural Premium Fund to be
8 used for distribution to agricultural home economics
9 extension councils in accordance with "An Act in
10 relation to additional support and finances for the
11 Agricultural and Home Economic Extension Councils in
12 the several counties of this State and making an
13 appropriation therefor", approved July 24, 1967. This
14 subparagraph (C) shall be inoperative and of no force
15 and effect on and after January 1, 2000.

16 (D) Except as provided in paragraph (11) of this
17 subsection (h), with respect to purse allocation from
18 intertrack wagering, the monies so retained shall be
19 divided as follows:

20 (i) If the inter-track wagering licensee,
21 except an intertrack wagering licensee that
22 derives its license from an organization licensee
23 located in a county with a population in excess of
24 230,000 and bounded by the Mississippi River, is
25 not conducting its own race meeting during the same
26 dates, then the entire purse allocation shall be to

1 purses at the track where the races wagered on are
2 being conducted.

3 (ii) If the inter-track wagering licensee,
4 except an intertrack wagering licensee that
5 derives its license from an organization licensee
6 located in a county with a population in excess of
7 230,000 and bounded by the Mississippi River, is
8 also conducting its own race meeting during the
9 same dates, then the purse allocation shall be as
10 follows: 50% to purses at the track where the races
11 wagered on are being conducted; 50% to purses at
12 the track where the inter-track wagering licensee
13 is accepting such wagers.

14 (iii) If the inter-track wagering is being
15 conducted by an inter-track wagering location
16 licensee, except an intertrack wagering location
17 licensee that derives its license from an
18 organization licensee located in a county with a
19 population in excess of 230,000 and bounded by the
20 Mississippi River, the entire purse allocation for
21 Illinois races shall be to purses at the track
22 where the race meeting being wagered on is being
23 held.

24 (12) The Board shall have all powers necessary and
25 proper to fully supervise and control the conduct of
26 inter-track wagering and simulcast wagering by inter-track

1 wagering licensees and inter-track wagering location
2 licensees, including, but not limited to the following:

3 (A) The Board is vested with power to promulgate
4 reasonable rules and regulations for the purpose of
5 administering the conduct of this wagering and to
6 prescribe reasonable rules, regulations and conditions
7 under which such wagering shall be held and conducted.
8 Such rules and regulations are to provide for the
9 prevention of practices detrimental to the public
10 interest and for the best interests of said wagering
11 and to impose penalties for violations thereof.

12 (B) The Board, and any person or persons to whom it
13 delegates this power, is vested with the power to enter
14 the facilities of any licensee to determine whether
15 there has been compliance with the provisions of this
16 Act and the rules and regulations relating to the
17 conduct of such wagering.

18 (C) The Board, and any person or persons to whom it
19 delegates this power, may eject or exclude from any
20 licensee's facilities, any person whose conduct or
21 reputation is such that his presence on such premises
22 may, in the opinion of the Board, call into the
23 question the honesty and integrity of, or interfere
24 with the orderly conduct of such wagering; provided,
25 however, that no person shall be excluded or ejected
26 from such premises solely on the grounds of race,

1 color, creed, national origin, ancestry, or sex.

2 (D) (Blank).

3 (E) The Board is vested with the power to appoint
4 delegates to execute any of the powers granted to it
5 under this Section for the purpose of administering
6 this wagering and any rules and regulations
7 promulgated in accordance with this Act.

8 (F) The Board shall name and appoint a State
9 director of this wagering who shall be a representative
10 of the Board and whose duty it shall be to supervise
11 the conduct of inter-track wagering as may be provided
12 for by the rules and regulations of the Board; such
13 rules and regulation shall specify the method of
14 appointment and the Director's powers, authority and
15 duties.

16 (G) The Board is vested with the power to impose
17 civil penalties of up to \$5,000 against individuals and
18 up to \$10,000 against licensees for each violation of
19 any provision of this Act relating to the conduct of
20 this wagering, any rules adopted by the Board, any
21 order of the Board or any other action which in the
22 Board's discretion, is a detriment or impediment to
23 such wagering.

24 (13) The Department of Agriculture may enter into
25 agreements with licensees authorizing such licensees to
26 conduct inter-track wagering on races to be held at the

1 licensed race meetings conducted by the Department of
2 Agriculture. Such agreement shall specify the races of the
3 Department of Agriculture's licensed race meeting upon
4 which the licensees will conduct wagering. In the event
5 that a licensee conducts inter-track pari-mutuel wagering
6 on races from the Illinois State Fair or DuQuoin State Fair
7 which are in addition to the licensee's previously approved
8 racing program, those races shall be considered a separate
9 racing day for the purpose of determining the daily handle
10 and computing the privilege or pari-mutuel tax on that
11 daily handle as provided in Sections 27 and 27.1. Such
12 agreements shall be approved by the Board before such
13 wagering may be conducted. In determining whether to grant
14 approval, the Board shall give due consideration to the
15 best interests of the public and of horse racing. The
16 provisions of paragraphs (1), (8), (8.1), and (8.2) of
17 subsection (h) of this Section which are not specified in
18 this paragraph (13) shall not apply to licensed race
19 meetings conducted by the Department of Agriculture at the
20 Illinois State Fair in Sangamon County or the DuQuoin State
21 Fair in Perry County, or to any wagering conducted on those
22 race meetings.

23 (i) Notwithstanding the other provisions of this Act, the
24 conduct of wagering at wagering facilities is authorized on all
25 days, except as limited by subsection (b) of Section 19 of this
26 Act.

1 (Source: P.A. 91-40, eff. 6-25-99; 92-211, eff. 8-2-01.)

2 (230 ILCS 5/26.1) (from Ch. 8, par. 37-26.1)

3 Sec. 26.1. For all pari-mutuel wagering conducted pursuant
4 to this Act, breakage shall be at all times computed on the
5 basis of not to exceed 10¢ on the dollar. If there is a minus
6 pool, the breakage shall be computed on the basis of not to
7 exceed 5¢ on the dollar. Breakage shall be calculated only
8 after the amounts retained by licensees pursuant to Sections 26
9 and 26.2 of this Act, and all applicable surcharges, are taken
10 out of winning wagers and winnings from wagers. From Beginning
11 January 1, 2000 until the first day electronic gaming is
12 conducted by an organization licensee, all breakage shall be
13 retained by licensees, with 50% of breakage to be used by
14 licensees for racetrack improvements at the racetrack from
15 which the wagering facility derives its license. The remaining
16 50% is to be allocated 50% to the purse account for the
17 licensee from which the wagering facility derives its license
18 and 50% to the licensee. Beginning on the first day electronic
19 gaming is conducted by an organization licensee, all breakage
20 shall be retained by licensees, with 50% of breakage to be used
21 by licensees for racetrack improvements at the racetrack from
22 which the wagering facility derives its license. The remaining
23 50% is to be allocated to the purse account for the licensee
24 from which the wagering facility derives its license.

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

1 (230 ILCS 5/27) (from Ch. 8, par. 37-27)

2 Sec. 27. (a) A pari-mutuel tax is imposed for conducting
3 the pari-mutuel system of wagering permitted under this Act as
4 follows:

5 1.5% of the pari-mutuel handle at or below the average
6 daily pari-mutuel handle for 2007.

7 2% of the pari-mutuel handle above the average daily
8 pari-mutuel handle for 2007 up to 125% of the average daily
9 pari-mutuel handle for 2007.

10 2.5% of the pari-mutuel handle 125% or more above the
11 average daily pari-mutuel handle for 2007 up to 150% of the
12 average daily pari-mutuel handle for 2007.

13 3% of the pari-mutuel handle 150% or more above the
14 average daily pari-mutuel handle for 2007 up to 175% of the
15 average daily pari-mutuel handle for 2007.

16 3.5% of the pari-mutuel handle 175% or more above the
17 average daily pari-mutuel handle for 2007.

18 The pari-mutuel tax imposed by this subsection (a) shall be
19 remitted to the Board within 48 hours after the close of the
20 racing day upon which it is assessed or within such other time
21 as the Board prescribes. ~~In addition to the organization~~
22 ~~license fee provided by this Act, until January 1, 2000, a~~
23 ~~graduated privilege tax is hereby imposed for conducting the~~
24 ~~pari-mutuel system of wagering permitted under this Act. Until~~
25 ~~January 1, 2000, except as provided in subsection (g) of~~

1 ~~Section 27 of this Act, all of the breakage of each racing day~~
2 ~~held by any licensee in the State shall be paid to the State.~~
3 ~~Until January 1, 2000, such daily graduated privilege tax shall~~
4 ~~be paid by the licensee from the amount permitted to be~~
5 ~~retained under this Act. Until January 1, 2000, each day's~~
6 ~~graduated privilege tax, breakage, and Horse Racing Tax~~
7 ~~Allocation funds shall be remitted to the Department of Revenue~~
8 ~~within 48 hours after the close of the racing day upon which it~~
9 ~~is assessed or within such other time as the Board prescribes.~~
10 ~~The privilege tax hereby imposed, until January 1, 2000, shall~~
11 ~~be a flat tax at the rate of 2% of the daily pari-mutuel handle~~
12 ~~except as provided in Section 27.1.~~

13 ~~In addition, every organization licensee, except as~~
14 ~~provided in Section 27.1 of this Act, which conducts multiple~~
15 ~~wagering shall pay, until January 1, 2000, as a privilege tax~~
16 ~~on multiple wagers an amount equal to 1.25% of all moneys~~
17 ~~wagered each day on such multiple wagers, plus an additional~~
18 ~~amount equal to 3.5% of the amount wagered each day on any~~
19 ~~other multiple wager which involves a single betting interest~~
20 ~~on 3 or more horses. The licensee shall remit the amount of~~
21 ~~such taxes to the Department of Revenue within 48 hours after~~
22 ~~the close of the racing day on which it is assessed or within~~
23 ~~such other time as the Board prescribes.~~

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

26 ~~(a 5) Beginning on January 1, 2000, a flat pari-mutuel tax~~

1 ~~at the rate of 1.5% of the daily pari-mutuel handle is imposed~~
2 ~~at all pari-mutuel wagering facilities, except as otherwise~~
3 ~~provided for in this subsection (a-5). Beginning on the~~
4 ~~effective date of this amendatory Act of the 94th General~~
5 ~~Assembly and until moneys deposited pursuant to Section 54 are~~
6 ~~distributed and received, a pari-mutuel tax at the rate of~~
7 ~~0.25% of the daily pari-mutuel handle is imposed at a~~
8 ~~pari-mutuel facility whose license is derived from a track~~
9 ~~located in a county that borders the Mississippi River and~~
10 ~~conducted live racing in the previous year. After moneys~~
11 ~~deposited pursuant to Section 54 are distributed and received,~~
12 ~~a pari-mutuel tax at the rate of 1.5% of the daily pari-mutuel~~
13 ~~handle is imposed at a pari-mutuel facility whose license is~~
14 ~~derived from a track located in a county that borders the~~
15 ~~Mississippi River and conducted live racing in the previous~~
16 ~~year. The pari-mutuel tax imposed by this subsection (a-5)~~
17 ~~shall be remitted to the Department of Revenue within 48 hours~~
18 ~~after the close of the racing day upon which it is assessed or~~
19 ~~within such other time as the Board prescribes.~~

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

26 (c) Licensees shall at all times keep accurate books and

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

12 (d) Any licensee failing or refusing to pay the amount of
13 any tax due under this Section shall be guilty of a business
14 offense and upon conviction shall be fined not more than \$5,000
15 in addition to the amount found due as tax under this Section.
16 Each day's violation shall constitute a separate offense. All
17 fines paid into Court by a licensee hereunder shall be
18 transmitted and paid over by the Clerk of the Court to the
19 Board.

20 (e) No other license fee, privilege tax, excise tax, or
21 racing fee, except as provided in this Act, shall be assessed
22 or collected from any such licensee by the State.

23 (f) No other license fee, privilege tax, excise tax or
24 racing fee shall be assessed or collected from any such
25 licensee by units of local government except as provided in
26 paragraph 10.1 of subsection (h) and subsection (f) of Section

1 26 of this Act. However, any municipality that has a Board
2 licensed horse race meeting at a race track wholly within its
3 corporate boundaries or a township that has a Board licensed
4 horse race meeting at a race track wholly within the
5 unincorporated area of the township may charge a local
6 amusement tax not to exceed 10¢ per admission to such horse
7 race meeting by the enactment of an ordinance. However, any
8 municipality or county that has a Board licensed inter-track
9 wagering location facility wholly within its corporate
10 boundaries may each impose an admission fee not to exceed \$1.00
11 per admission to such inter-track wagering location facility,
12 so that a total of not more than \$2.00 per admission may be
13 imposed. Except as provided in subparagraph (g) of Section 27
14 of this Act, the inter-track wagering location licensee shall
15 collect any and all such fees and within 48 hours remit the
16 fees to the Board, which shall, pursuant to rule, cause the
17 fees to be distributed to the county or municipality.

18 (g) Notwithstanding any provision in this Act to the
19 contrary, if in any calendar year the total taxes and fees from
20 wagering on live racing and from inter-track wagering required
21 to be collected from licensees and distributed under this Act
22 to all State and local governmental authorities exceeds the
23 amount of such taxes and fees distributed to each State and
24 local governmental authority to which each State and local
25 governmental authority was entitled under this Act for calendar
26 year 1994, then the first \$11 million of that excess amount

1 shall be allocated at the earliest possible date for
2 distribution as purse money for the succeeding calendar year.
3 Upon reaching the 1994 level, and until the excess amount of
4 taxes and fees exceeds \$11 million, the Board shall direct all
5 licensees to cease paying the subject taxes and fees and the
6 Board shall direct all licensees to allocate any such excess
7 amount for purses as follows:

8 (i) the excess amount shall be initially divided
9 between thoroughbred and standardbred purses based on the
10 thoroughbred's and standardbred's respective percentages
11 of total Illinois live wagering in calendar year 1994;

12 (ii) each thoroughbred and standardbred organization
13 licensee issued an organization licensee in that
14 succeeding allocation year shall be allocated an amount
15 equal to the product of its percentage of total Illinois
16 live thoroughbred or standardbred wagering in calendar
17 year 1994 (the total to be determined based on the sum of
18 1994 on-track wagering for all organization licensees
19 issued organization licenses in both the allocation year
20 and the preceding year) multiplied by the total amount
21 allocated for standardbred or thoroughbred purses,
22 provided that the first \$1,500,000 of the amount allocated
23 to standardbred purses under item (i) shall be allocated to
24 the Department of Agriculture to be expended with the
25 assistance and advice of the Illinois Standardbred
26 Breeders Funds Advisory Board for the purposes listed in

1 subsection (g) of Section 31 of this Act, before the amount
2 allocated to standardbred purses under item (i) is
3 allocated to standardbred organization licensees in the
4 succeeding allocation year.

5 To the extent the excess amount of taxes and fees to be
6 collected and distributed to State and local governmental
7 authorities exceeds \$11 million, that excess amount shall be
8 collected and distributed to State and local authorities as
9 provided for under this Act.

10 (Source: P.A. 94-805, eff. 5-26-06.)

11 (230 ILCS 5/28.1)

12 Sec. 28.1. Payments.

13 (a) Beginning on January 1, 2000, moneys collected by the
14 Department of Revenue and the Racing Board pursuant to Section
15 26 or Section 27 of this Act shall be deposited into the Horse
16 Racing Fund, which is hereby created as a special fund in the
17 State Treasury.

18 The Horse Racing Fund shall not be subject to
19 administrative charges or charge backs, including, but not
20 limited to, those authorized under Section 8h of the State
21 Finance Act, except as provided in subsection (c).

22 (b) Moneys in Appropriations, as approved by the General
23 Assembly, may be made from the Horse Racing Fund may be used by
24 to the Board to pay the salaries of the Board members,
25 secretary, stewards, directors of mutuels, veterinarians,

1 representatives, accountants, clerks, stenographers,
2 inspectors and other employees of the Board, and all expenses
3 of the Board incident to the administration of this Act,
4 including, but not limited to, all expenses and salaries
5 incident to the taking of saliva and urine samples in
6 accordance with the rules and regulations of the Board.

7 (c) Beginning on January 1, 2000, the Board shall transfer
8 the remainder of the funds generated pursuant to Sections 26
9 and 27 from the Horse Racing Fund into the General Revenue
10 Fund.

11 (d) Beginning January 1, 2000, payments to all programs in
12 existence on the effective date of this amendatory Act of 1999
13 that are identified in Sections 26(c), 26(f), 26(h)(11)(C), and
14 28, subsections (a), (b), (c), (d), (e), (f), (g), and (h) of
15 Section 30, and subsections (a), (b), (c), (d), (e), (f), (g),
16 and (h) of Section 31 shall be made from the General Revenue
17 Fund at the funding levels determined by amounts paid under
18 this Act in calendar year 1998. Beginning on the effective date
19 of this amendatory Act of the 93rd General Assembly, payments
20 to the Peoria Park District shall be made from the General
21 Revenue Fund at the funding level determined by amounts paid to
22 that park district for museum purposes under this Act in
23 calendar year 1994. Beginning on the effective date of this
24 amendatory Act of the 94th General Assembly, in lieu of
25 payments to the Champaign Park District for museum purposes,
26 payments to the Urbana Park District shall be made from the

1 General Revenue Fund at the funding level determined by amounts
2 paid to the Champaign Park District for museum purposes under
3 this Act in calendar year 2005.

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

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

15 (g) Notwithstanding any other provision of this Act to the
16 contrary, moneys paid into the Illinois Colt Stakes
17 Distribution Fund may be distributed by the Department of
18 Agriculture to Illinois county fairs to supplement premiums
19 offered in junior classes.

20 (Source: P.A. 94-813, eff. 5-26-06; 95-222, eff. 8-16-07.)

21 (230 ILCS 5/30) (from Ch. 8, par. 37-30)

22 Sec. 30. (a) The General Assembly declares that it is the
23 policy of this State to encourage the breeding of thoroughbred
24 horses in this State and the ownership of such horses by
25 residents of this State in order to provide for: sufficient

1 numbers of high quality thoroughbred horses to participate in
2 thoroughbred racing meetings in this State, and to establish
3 and preserve the agricultural and commercial benefits of such
4 breeding and racing industries to the State of Illinois. It is
5 the intent of the General Assembly to further this policy by
6 the provisions of this Act.

7 (b) Each organization licensee conducting a thoroughbred
8 racing meeting pursuant to this Act shall provide at least two
9 races each day limited to Illinois conceived and foaled horses
10 or Illinois foaled horses or both. A minimum of 6 races shall
11 be conducted each week limited to Illinois conceived and foaled
12 or Illinois foaled horses or both. Subject to the daily
13 availability of horses, one of the 6 races scheduled per week
14 that are limited to Illinois conceived and foaled or Illinois
15 foaled horses or both shall be limited to Illinois conceived
16 and foaled or Illinois foaled maidens. No horses shall be
17 permitted to start in such races unless duly registered under
18 the rules of the Department of Agriculture.

19 (c) Conditions of races under subsection (b) shall be
20 commensurate with past performance, quality, and class of
21 Illinois conceived and foaled and Illinois foaled horses
22 available. If, however, sufficient competition cannot be had
23 among horses of that class on any day, the races may, with
24 consent of the Board, be eliminated for that day and substitute
25 races provided.

26 (d) There is hereby created a non-appropriated trust

1 ~~special fund of the State Treasury~~ to be known as the Illinois
2 Thoroughbred Breeders Fund, which is held separate and apart
3 from State moneys.

4 Except as provided in subsection (g) of Section 27 of this
5 Act, 8.5% of all the monies received by the State as privilege
6 taxes on Thoroughbred racing meetings shall be paid into the
7 Illinois Thoroughbred Breeders Fund. The Illinois Thoroughbred
8 Breeders Fund shall not be subject to administrative charges or
9 charge backs, including, but not limited to, those authorized
10 under Section 8h of the State Finance Act.

11 (e) The Illinois Thoroughbred Breeders Fund shall be
12 administered by the Department of Agriculture with the advice
13 and assistance of the Advisory Board created in subsection (f)
14 of this Section.

15 (f) The Illinois Thoroughbred Breeders Fund Advisory Board
16 shall consist of the Director of the Department of Agriculture,
17 who shall serve as Chairman; a member of the Illinois Racing
18 Board, designated by it; 2 representatives of the organization
19 licensees conducting thoroughbred racing meetings, recommended
20 by them; 2 representatives of the Illinois Thoroughbred
21 Breeders and Owners Foundation, recommended by it; and 2
22 representatives of the Horsemen's Benevolent Protective
23 Association or any successor organization established in
24 Illinois comprised of the largest number of owners and
25 trainers, recommended by it, with one representative of the
26 Horsemen's Benevolent and Protective Association to come from

1 its Illinois Division, and one from its Chicago Division.
2 Advisory Board members shall serve for 2 years commencing
3 January 1 of each odd numbered year. If representatives of the
4 organization licensees conducting thoroughbred racing
5 meetings, the Illinois Thoroughbred Breeders and Owners
6 Foundation, and the Horsemen's Benevolent Protection
7 Association have not been recommended by January 1, of each odd
8 numbered year, the Director of the Department of Agriculture
9 shall make an appointment for the organization failing to so
10 recommend a member of the Advisory Board. Advisory Board
11 members shall receive no compensation for their services as
12 members but shall be reimbursed for all actual and necessary
13 expenses and disbursements incurred in the execution of their
14 official duties.

15 (g) Moneys in ~~No monies shall be expended from the Illinois~~
16 ~~Thoroughbred Breeders Fund except as appropriated by the~~
17 ~~General Assembly. Monies appropriated from the Illinois~~
18 Thoroughbred Breeders Fund shall be expended by the Department
19 of Agriculture, with the advice and assistance of the Illinois
20 Thoroughbred Breeders Fund Advisory Board, for the following
21 purposes only:

22 (1) To provide purse supplements to owners of horses
23 participating in races limited to Illinois conceived and
24 foaled and Illinois foaled horses. Any such purse
25 supplements shall not be included in and shall be paid in
26 addition to any purses, stakes, or breeders' awards offered

1 by each organization licensee as determined by agreement
2 between such organization licensee and an organization
3 representing the horsemen. No monies from the Illinois
4 Thoroughbred Breeders Fund shall be used to provide purse
5 supplements for claiming races in which the minimum
6 claiming price is less than \$7,500.

7 (2) To provide stakes and awards to be paid to the
8 owners of the winning horses in certain races limited to
9 Illinois conceived and foaled and Illinois foaled horses
10 designated as stakes races.

11 (2.5) To provide an award to the owner or owners of an
12 Illinois conceived and foaled or Illinois foaled horse that
13 wins a maiden special weight, an allowance, overnight
14 handicap race, or claiming race with claiming price of
15 \$10,000 or more providing the race is not restricted to
16 Illinois conceived and foaled or Illinois foaled horses.
17 Awards shall also be provided to the owner or owners of
18 Illinois conceived and foaled and Illinois foaled horses
19 that place second or third in those races. To the extent
20 that additional moneys are required to pay the minimum
21 additional awards of 40% of the purse the horse earns for
22 placing first, second or third in those races for Illinois
23 foaled horses and of 60% of the purse the horse earns for
24 placing first, second or third in those races for Illinois
25 conceived and foaled horses, those moneys shall be provided
26 from the purse account at the track where earned.

1 (3) To provide stallion awards to the owner or owners
2 of any stallion that is duly registered with the Illinois
3 Thoroughbred Breeders Fund Program ~~prior to the effective~~
4 ~~date of this amendatory Act of 1995~~ whose duly registered
5 Illinois conceived and foaled offspring wins a race
6 conducted at an Illinois thoroughbred racing meeting other
7 than a claiming race. Such award shall not be paid to the
8 owner or owners of an Illinois stallion that served outside
9 this State at any time during the calendar year in which
10 such race was conducted.

11 (4) To provide \$75,000 annually for purses to be
12 distributed to county fairs that provide for the running of
13 races during each county fair exclusively for the
14 thoroughbreds conceived and foaled in Illinois. The
15 conditions of the races shall be developed by the county
16 fair association and reviewed by the Department with the
17 advice and assistance of the Illinois Thoroughbred
18 Breeders Fund Advisory Board. There shall be no wagering of
19 any kind on the running of Illinois conceived and foaled
20 races at county fairs.

21 (4.1) To provide purse money for an Illinois stallion
22 stakes program.

23 (5) No less than 80% of all monies paid into
24 ~~appropriated from~~ the Illinois Thoroughbred Breeders Fund
25 shall be expended for the purposes in (1), (2), (2.5), (3),
26 (4), (4.1), and (5) as shown above.

1 (6) To provide for educational programs regarding the
2 thoroughbred breeding industry.

3 (7) To provide for research programs concerning the
4 health, development and care of the thoroughbred horse.

5 (8) To provide for a scholarship and training program
6 for students of equine veterinary medicine.

7 (9) To provide for dissemination of public information
8 designed to promote the breeding of thoroughbred horses in
9 Illinois.

10 (10) To provide for all expenses incurred in the
11 administration of the Illinois Thoroughbred Breeders Fund.

12 (h) Any moneys remaining in the Fund after all outstanding
13 appropriations are made shall be distributed by the Department
14 to the Illinois Thoroughbred Breeders and Owners Foundation to
15 be placed in a scholarship fund. ~~Whenever the Governor finds~~
16 ~~that the amount in the Illinois Thoroughbred Breeders Fund is~~
17 ~~more than the total of the outstanding appropriations from such~~
18 ~~fund, the Governor shall notify the State Comptroller and the~~
19 ~~State Treasurer of such fact. The Comptroller and the State~~
20 ~~Treasurer, upon receipt of such notification, shall transfer~~
21 ~~such excess amount from the Illinois Thoroughbred Breeders Fund~~
22 ~~to the General Revenue Fund.~~

23 (i) A sum equal to 17% ~~12-1/2%~~ of the first prize money of
24 every purse won by an Illinois foaled or an Illinois conceived
25 and foaled horse in races not limited to Illinois foaled horses
26 or Illinois conceived and foaled horses, or both, shall be paid

1 by the organization licensee conducting the horse race meeting.
2 Such sum shall be paid from the organization licensee's share
3 of the money wagered as follows: 15% ~~11 1/2%~~ to the breeder of
4 the winning horse and 2% ~~1%~~ to the organization representing
5 thoroughbred breeders and owners whose representative serves
6 on the Illinois Thoroughbred Breeders Fund Advisory Board for
7 verifying the amounts of breeders' awards earned, assuring
8 their distribution in accordance with this Act, and servicing
9 and promoting the Illinois thoroughbred horse racing industry.
10 The organization representing thoroughbred breeders and owners
11 shall cause all expenditures of monies received under this
12 subsection (i) to be audited at least annually by a registered
13 public accountant. The organization shall file copies of each
14 annual audit with the Racing Board, the Clerk of the House of
15 Representatives and the Secretary of the Senate, and shall make
16 copies of each annual audit available to the public upon
17 request and upon payment of the reasonable cost of photocopying
18 the requested number of copies. Such payments shall not reduce
19 any award to the owner of the horse or reduce the taxes payable
20 under this Act. Upon completion of its racing meet, each
21 organization licensee shall deliver to the organization
22 representing thoroughbred breeders and owners whose
23 representative serves on the Illinois Thoroughbred Breeders
24 Fund Advisory Board a listing of all the Illinois foaled and
25 the Illinois conceived and foaled horses which won breeders'
26 awards and the amount of such breeders' awards under this

1 subsection to verify accuracy of payments and assure proper
2 distribution of breeders' awards in accordance with the
3 provisions of this Act. Such payments shall be delivered by the
4 organization licensee within 30 days of the end of each race
5 meeting.

6 (j) A sum equal to 17% ~~12 1/2%~~ of the first prize money won
7 in each race limited to Illinois foaled horses or Illinois
8 conceived and foaled horses, or both, shall be paid in the
9 following manner by the organization licensee conducting the
10 horse race meeting, from the organization licensee's share of
11 the money wagered: 15% ~~11 1/2%~~ to the breeders of the horses in
12 each such race which are the official first, second, third and
13 fourth finishers and 2% ~~1%~~ to the organization representing
14 thoroughbred breeders and owners whose representative serves
15 on the Illinois Thoroughbred Breeders Fund Advisory Board for
16 verifying the amounts of breeders' awards earned, assuring
17 their proper distribution in accordance with this Act, and
18 servicing and promoting the Illinois thoroughbred horse racing
19 industry. The organization representing thoroughbred breeders
20 and owners shall cause all expenditures of monies received
21 under this subsection (j) to be audited at least annually by a
22 registered public accountant. The organization shall file
23 copies of each annual audit with the Racing Board, the Clerk of
24 the House of Representatives and the Secretary of the Senate,
25 and shall make copies of each annual audit available to the
26 public upon request and upon payment of the reasonable cost of

1 photocopying the requested number of copies.

2 The 17% ~~11 1/2%~~ paid to the breeders in accordance with
3 this subsection shall be distributed as follows:

4 (1) 60% of such sum shall be paid to the breeder of the
5 horse which finishes in the official first position;

6 (2) 20% of such sum shall be paid to the breeder of the
7 horse which finishes in the official second position;

8 (3) 15% of such sum shall be paid to the breeder of the
9 horse which finishes in the official third position; and

10 (4) 5% of such sum shall be paid to the breeder of the
11 horse which finishes in the official fourth position.

12 Such payments shall not reduce any award to the owners of a
13 horse or reduce the taxes payable under this Act. Upon
14 completion of its racing meet, each organization licensee shall
15 deliver to the organization representing thoroughbred breeders
16 and owners whose representative serves on the Illinois
17 Thoroughbred Breeders Fund Advisory Board a listing of all the
18 Illinois foaled and the Illinois conceived and foaled horses
19 which won breeders' awards and the amount of such breeders'
20 awards in accordance with the provisions of this Act. Such
21 payments shall be delivered by the organization licensee within
22 30 days of the end of each race meeting.

23 (k) The term "breeder", as used herein, means the owner of
24 the mare at the time the foal is dropped. An "Illinois foaled
25 horse" is a foal dropped by a mare which enters this State on
26 or before December 1, in the year in which the horse is bred,

1 provided the mare remains continuously in this State until its
2 foal is born. An "Illinois foaled horse" also means a foal born
3 of a mare in the same year as the mare enters this State on or
4 before March 1, and remains in this State at least 30 days
5 after foaling, is bred back during the season of the foaling to
6 an Illinois Registered Stallion (unless a veterinarian
7 certifies that the mare should not be bred for health reasons),
8 and is not bred to a stallion standing in any other state
9 during the season of foaling. An "Illinois foaled horse" also
10 means a foal born in Illinois of a mare purchased at public
11 auction subsequent to the mare entering this State prior to
12 March 1 ~~February 1~~ of the foaling year providing the mare is
13 owned solely by one or more Illinois residents or an Illinois
14 entity that is entirely owned by one or more Illinois
15 residents.

16 (1) The Department of Agriculture shall, by rule, with the
17 advice and assistance of the Illinois Thoroughbred Breeders
18 Fund Advisory Board:

19 (1) Qualify stallions for Illinois breeding; such
20 stallions to stand for service within the State of Illinois
21 at the time of a foal's conception. Such stallion must not
22 stand for service at any place outside the State of
23 Illinois during the calendar year in which the foal is
24 conceived. The Department of Agriculture may assess and
25 collect an application fee of up to \$500 ~~fees~~ for the
26 registration of each Illinois-eligible stallion ~~stallions~~.

1 All fees collected are to be paid into the Illinois
2 Thoroughbred Breeders Fund and with the advice and
3 assistance of the Illinois Thoroughbred Breeders Fund
4 Advisory Board shall be used for stallion awards.

5 (2) Provide for the registration of Illinois conceived
6 and foaled horses and Illinois foaled horses. No such horse
7 shall compete in the races limited to Illinois conceived
8 and foaled horses or Illinois foaled horses or both unless
9 registered with the Department of Agriculture. The
10 Department of Agriculture may prescribe such forms as are
11 necessary to determine the eligibility of such horses. The
12 Department of Agriculture may assess and collect
13 application fees for the registration of Illinois-eligible
14 foals. All fees collected are to be paid into the Illinois
15 Thoroughbred Breeders Fund. No person shall knowingly
16 prepare or cause preparation of an application for
17 registration of such foals containing false information.

18 (m) The Department of Agriculture, with the advice and
19 assistance of the Illinois Thoroughbred Breeders Fund Advisory
20 Board, shall provide that certain races limited to Illinois
21 conceived and foaled and Illinois foaled horses be stakes races
22 and determine the total amount of stakes and awards to be paid
23 to the owners of the winning horses in such races.

24 In determining the stakes races and the amount of awards
25 for such races, the Department of Agriculture shall consider
26 factors, including but not limited to, the amount of money

1 appropriated for the Illinois Thoroughbred Breeders Fund
2 program, organization licensees' contributions, availability
3 of stakes caliber horses as demonstrated by past performances,
4 whether the race can be coordinated into the proposed racing
5 dates within organization licensees' racing dates, opportunity
6 for colts and fillies and various age groups to race, public
7 wagering on such races, and the previous racing schedule.

8 (n) The Board and the organizational licensee shall notify
9 the Department of the conditions and minimum purses for races
10 limited to Illinois conceived and foaled and Illinois foaled
11 horses conducted for each organizational licensee conducting a
12 thoroughbred racing meeting. The Department of Agriculture
13 with the advice and assistance of the Illinois Thoroughbred
14 Breeders Fund Advisory Board may allocate monies for purse
15 supplements for such races. In determining whether to allocate
16 money and the amount, the Department of Agriculture shall
17 consider factors, including but not limited to, the amount of
18 money appropriated for the Illinois Thoroughbred Breeders Fund
19 program, the number of races that may occur, and the
20 organizational licensee's purse structure.

21 (o) (Blank). ~~In order to improve the breeding quality of~~
22 ~~thoroughbred horses in the State, the General Assembly~~
23 ~~recognizes that existing provisions of this Section to~~
24 ~~encourage such quality breeding need to be revised and~~
25 ~~strengthened. As such, a Thoroughbred Breeder's Program Task~~
26 ~~Force is to be appointed by the Governor by September 1, 1999~~

1 ~~to make recommendations to the General Assembly by no later~~
2 ~~than March 1, 2000. This task force is to be composed of 2~~
3 ~~representatives from the Illinois Thoroughbred Breeders and~~
4 ~~Owners Foundation, 2 from the Illinois Thoroughbred Horsemen's~~
5 ~~Association, 3 from Illinois race tracks operating~~
6 ~~thoroughbred race meets for an average of at least 30 days in~~
7 ~~the past 3 years, the Director of Agriculture, the Executive~~
8 ~~Director of the Racing Board, who shall serve as Chairman.~~

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

10 (230 ILCS 5/30.5)

11 Sec. 30.5. Illinois Quarter Horse Breeders Fund.

12 (a) The General Assembly declares that it is the policy of
13 this State to encourage the breeding of racing quarter horses
14 in this State and the ownership of such horses by residents of
15 this State in order to provide for sufficient numbers of high
16 quality racing quarter horses in this State and to establish
17 and preserve the agricultural and commercial benefits of such
18 breeding and racing industries to the State of Illinois. It is
19 the intent of the General Assembly to further this policy by
20 the provisions of this Act.

21 (b) There is hereby created a non-appropriated trust
22 ~~special fund in the State Treasury~~ to be known as the Illinois
23 Racing Quarter Horse Breeders Fund, which is held separate and
24 apart from State moneys. Except as provided in subsection (g)
25 of Section 27 of this Act, 8.5% of all the moneys received by

1 the State as pari-mutuel taxes on quarter horse racing shall be
2 paid into the Illinois Racing Quarter Horse Breeders Fund. The
3 Illinois Racing Quarter Horse Breeders Fund shall not be
4 subject to administrative charges or charge backs, including,
5 but not limited to, those authorized under Section 8h of the
6 State Finance Act.

7 (c) The Illinois Racing Quarter Horse Breeders Fund shall
8 be administered by the Department of Agriculture with the
9 advice and assistance of the Advisory Board created in
10 subsection (d) of this Section.

11 (d) The Illinois Racing Quarter Horse Breeders Fund
12 Advisory Board shall consist of the Director of the Department
13 of Agriculture, who shall serve as Chairman; a member of the
14 Illinois Racing Board, designated by it; one representative of
15 the organization licensees conducting pari-mutuel quarter
16 horse racing meetings, recommended by them; 2 representatives
17 of the Illinois Running Quarter Horse Association, recommended
18 by it; and the Superintendent of Fairs and Promotions from the
19 Department of Agriculture. Advisory Board members shall serve
20 for 2 years commencing January 1 of each odd numbered year. If
21 representatives have not been recommended by January 1 of each
22 odd numbered year, the Director of the Department of
23 Agriculture may make an appointment for the organization
24 failing to so recommend a member of the Advisory Board.
25 Advisory Board members shall receive no compensation for their
26 services as members but may be reimbursed for all actual and

1 necessary expenses and disbursements incurred in the execution
2 of their official duties.

3 (e) Moneys in ~~No moneys shall be expended from the Illinois~~
4 ~~Racing Quarter Horse Breeders Fund except as appropriated by~~
5 ~~the General Assembly. Moneys appropriated from the Illinois~~
6 Racing Quarter Horse Breeders Fund shall be expended by the
7 Department of Agriculture, with the advice and assistance of
8 the Illinois Racing Quarter Horse Breeders Fund Advisory Board,
9 for the following purposes only:

10 (1) To provide stakes and awards to be paid to the
11 owners of the winning horses in certain races. This
12 provision is limited to Illinois conceived and foaled
13 horses.

14 (2) To provide an award to the owner or owners of an
15 Illinois conceived and foaled horse that wins a race when
16 pari-mutuel wagering is conducted; providing the race is
17 not restricted to Illinois conceived and foaled horses.

18 (3) To provide purse money for an Illinois stallion
19 stakes program.

20 (4) To provide for purses to be distributed for the
21 running of races during the Illinois State Fair and the
22 DuQuoin State Fair exclusively for quarter horses
23 conceived and foaled in Illinois.

24 (5) To provide for purses to be distributed for the
25 running of races at Illinois county fairs exclusively for
26 quarter horses conceived and foaled in Illinois.

1 (6) To provide for purses to be distributed for running
2 races exclusively for quarter horses conceived and foaled
3 in Illinois at locations in Illinois determined by the
4 Department of Agriculture with advice and consent of the
5 Racing Quarter Horse Breeders Fund Advisory Board.

6 (7) No less than 90% of all moneys appropriated from
7 the Illinois Racing Quarter Horse Breeders Fund shall be
8 expended for the purposes in items (1), (2), (3), (4), and
9 (5) of this subsection (e).

10 (8) To provide for research programs concerning the
11 health, development, and care of racing quarter horses.

12 (9) To provide for dissemination of public information
13 designed to promote the breeding of racing quarter horses
14 in Illinois.

15 (10) To provide for expenses incurred in the
16 administration of the Illinois Racing Quarter Horse
17 Breeders Fund.

18 (f) The Department of Agriculture shall, by rule, with the
19 advice and assistance of the Illinois Racing Quarter Horse
20 Breeders Fund Advisory Board:

21 (1) Qualify stallions for Illinois breeding; such
22 stallions to stand for service within the State of
23 Illinois, at the time of a foal's conception. Such stallion
24 must not stand for service at any place outside the State
25 of Illinois during the calendar year in which the foal is
26 conceived. The Department of Agriculture may assess and

1 collect application fees for the registration of
2 Illinois-eligible stallions. All fees collected are to be
3 paid into the Illinois Racing Quarter Horse Breeders Fund.

4 (2) Provide for the registration of Illinois conceived
5 and foaled horses. No such horse shall compete in the races
6 limited to Illinois conceived and foaled horses unless it
7 is registered with the Department of Agriculture. The
8 Department of Agriculture may prescribe such forms as are
9 necessary to determine the eligibility of such horses. The
10 Department of Agriculture may assess and collect
11 application fees for the registration of Illinois-eligible
12 foals. All fees collected are to be paid into the Illinois
13 Racing Quarter Horse Breeders Fund. No person shall
14 knowingly prepare or cause preparation of an application
15 for registration of such foals that contains false
16 information.

17 (3) Allow 150 days after the effective date of this
18 amendatory Act of the 95th General Assembly to grandfather
19 any quarter horse conceived and foaled in Illinois into the
20 Illinois Racing Quarter Horse Breeders Fund Program of the
21 Illinois Department of Agriculture.

22 (g) The Department of Agriculture, with the advice and
23 assistance of the Illinois Racing Quarter Horse Breeders Fund
24 Advisory Board, shall provide that certain races limited to
25 Illinois conceived and foaled be stakes races and determine the
26 total amount of stakes and awards to be paid to the owners of

1 the winning horses in such races.

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

3 (230 ILCS 5/31) (from Ch. 8, par. 37-31)

4 Sec. 31. (a) The General Assembly declares that it is the
5 policy of this State to encourage the breeding of standardbred
6 horses in this State and the ownership of such horses by
7 residents of this State in order to provide for: sufficient
8 numbers of high quality standardbred horses to participate in
9 harness racing meetings in this State, and to establish and
10 preserve the agricultural and commercial benefits of such
11 breeding and racing industries to the State of Illinois. It is
12 the intent of the General Assembly to further this policy by
13 the provisions of this Section of this Act.

14 (b) Each organization licensee conducting a harness racing
15 meeting pursuant to this Act shall provide for at least two
16 races each race program limited to Illinois conceived and
17 foaled horses. A minimum of 6 races shall be conducted each
18 week limited to Illinois conceived and foaled horses. No horses
19 shall be permitted to start in such races unless duly
20 registered under the rules of the Department of Agriculture.

21 (b-5) Each organization licensee conducting a harness
22 racing meeting pursuant to this Act shall provide stakes races
23 and early closer races for Illinois conceived and foaled horses
24 so the total purses distributed for such races shall be no less
25 than an amount equal to (i) the total of the horsemen's

1 payments and entry fees, plus (ii) 17% of the total purses
2 distributed at the meeting.

3 (b-10) Each organization licensee conducting a harness
4 racing meeting pursuant to this Act shall provide an owner
5 award to be paid from the purse account equal to 25% of the
6 amount earned by Illinois conceived and foaled horses in races
7 that are not restricted to Illinois conceived and foaled
8 horses.

9 (c) Conditions of races under subsection (b) shall be
10 commensurate with past performance, quality and class of
11 Illinois conceived and foaled horses available. If, however,
12 sufficient competition cannot be had among horses of that class
13 on any day, the races may, with consent of the Board, be
14 eliminated for that day and substitute races provided.

15 (d) There is hereby created a non-appropriated trust
16 ~~special fund of the State Treasury~~ to be known as the Illinois
17 Standardbred Breeders Fund, which is held separate and apart
18 from State moneys. The Illinois Standardbred Breeders Fund
19 shall not be subject to administrative charges or charge backs,
20 including, but not limited to, those authorized under Section
21 8h of the State Finance Act.

22 During the calendar year 1981, and each year thereafter,
23 except as provided in subsection (g) of Section 27 of this Act,
24 eight and one-half per cent of all the monies received by the
25 State as privilege taxes on harness racing meetings shall be
26 paid into the Illinois Standardbred Breeders Fund.

1 (e) The Illinois Standardbred Breeders Fund shall be
2 administered by the Department of Agriculture with the
3 assistance and advice of the Advisory Board created in
4 subsection (f) of this Section.

5 (f) The Illinois Standardbred Breeders Fund Advisory Board
6 is hereby created. The Advisory Board shall consist of the
7 Director of the Department of Agriculture, who shall serve as
8 Chairman; the Superintendent of the Illinois State Fair; a
9 member of the Illinois Racing Board, designated by it; a
10 representative of the Illinois Standardbred Owners and
11 Breeders Association, recommended by it; a representative of
12 the Illinois Association of Agricultural Fairs, recommended by
13 it, such representative to be from a fair at which Illinois
14 conceived and foaled racing is conducted; a representative of
15 the organization licensees conducting harness racing meetings,
16 recommended by them and a representative of the Illinois
17 Harness Horsemen's Association, recommended by it. Advisory
18 Board members shall serve for 2 years commencing January 1, of
19 each odd numbered year. If representatives of the Illinois
20 Standardbred Owners and Breeders Associations, the Illinois
21 Association of Agricultural Fairs, the Illinois Harness
22 Horsemen's Association, and the organization licensees
23 conducting harness racing meetings have not been recommended by
24 January 1, of each odd numbered year, the Director of the
25 Department of Agriculture shall make an appointment for the
26 organization failing to so recommend a member of the Advisory

1 Board. Advisory Board members shall receive no compensation for
2 their services as members but shall be reimbursed for all
3 actual and necessary expenses and disbursements incurred in the
4 execution of their official duties.

5 (g) Moneys in ~~No monies shall be expended from the Illinois~~
6 ~~Standardbred Breeders Fund except as appropriated by the~~
7 ~~General Assembly. Monies appropriated from~~ the Illinois
8 Standardbred Breeders Fund shall be expended by the Department
9 of Agriculture, with the assistance and advice of the Illinois
10 Standardbred Breeders Fund Advisory Board for the following
11 purposes only:

12 1. To provide purses for races limited to Illinois
13 conceived and foaled horses at the State Fair and the
14 DuQuoin State Fair.

15 2. To provide purses for races limited to Illinois
16 conceived and foaled horses at county fairs.

17 3. To provide purse supplements for races limited to
18 Illinois conceived and foaled horses conducted by
19 associations conducting harness racing meetings.

20 4. No less than 75% of all monies in the Illinois
21 Standardbred Breeders Fund shall be expended for purses in
22 1, 2 and 3 as shown above.

23 4.5. To provide for bonus programs to pay owners of
24 horses that win multiple stake races that are restricted to
25 Illinois conceived and foaled horses.

26 5. In the discretion of the Department of Agriculture

1 to provide awards to harness breeders of Illinois conceived
2 and foaled horses which win races conducted by organization
3 licensees conducting harness racing meetings. A breeder is
4 the owner of a mare at the time of conception. No more than
5 10% of all monies appropriated from the Illinois
6 Standardbred Breeders Fund shall be expended for such
7 harness breeders awards. No more than 25% of the amount
8 expended for harness breeders awards shall be expended for
9 expenses incurred in the administration of such harness
10 breeders awards.

11 6. To pay for the improvement of racing facilities
12 located at the State Fair and County fairs.

13 7. To pay the expenses incurred in the administration
14 of the Illinois Standardbred Breeders Fund.

15 8. To promote the sport of harness racing, including
16 grants up to a maximum of \$7,500 per fair per year for the
17 cost of a totalizator system to be used for conducting
18 pari-mutuel wagering during the advertised dates of a
19 county fair.

20 (h) (Blank). ~~Whenever the Governor finds that the amount in~~
21 ~~the Illinois Standardbred Breeders Fund is more than the total~~
22 ~~of the outstanding appropriations from such fund, the Governor~~
23 ~~shall notify the State Comptroller and the State Treasurer of~~
24 ~~such fact. The Comptroller and the State Treasurer, upon~~
25 ~~receipt of such notification, shall transfer such excess amount~~
26 ~~from the Illinois Standardbred Breeders Fund to the General~~

1 ~~Revenue Fund.~~

2 (i) A sum equal to 12 1/2% of the first prize money of the
3 gross ~~every~~ purse won by an Illinois conceived and foaled horse
4 shall be paid by the organization licensee conducting the horse
5 race meeting to the breeder of such winning horse from the
6 organization licensee's account ~~share of the money wagered~~.
7 Such payment shall not reduce any award to the owner of the
8 horse or reduce the taxes payable under this Act. Such payment
9 shall be delivered by the organization licensee at the end of
10 each month ~~race meeting~~.

11 (j) The Department of Agriculture shall, by rule, with the
12 assistance and advice of the Illinois Standardbred Breeders
13 Fund Advisory Board:

14 1. Qualify stallions for Illinois Standardbred Breeders
15 Fund breeding; such stallion shall be owned by a resident of
16 the State of Illinois or by an Illinois corporation all of
17 whose shareholders, directors, officers and incorporators are
18 residents of the State of Illinois. Such stallion shall stand
19 for service at and within the State of Illinois at the time of
20 a foal's conception, and such stallion must not stand for
21 service at any place, ~~nor may semen from such stallion be~~
22 ~~transported,~~ outside the State of Illinois during that calendar
23 year in which the foal is conceived and that the owner of the
24 stallion was for the 12 months prior, a resident of Illinois.
25 The articles of agreement of any partnership, joint venture,
26 limited partnership, syndicate, association or corporation and

1 any bylaws and stock certificates must contain a restriction
2 that provides that the ownership or transfer of interest by any
3 one of the persons a party to the agreement can only be made to
4 a person who qualifies as an Illinois resident. Foals conceived
5 outside the State of Illinois from shipped semen from a
6 stallion qualified for breeders' awards under this Section are
7 not eligible to participate in the Illinois conceived and
8 foaled program.

9 2. Provide for the registration of Illinois conceived and
10 foaled horses and no such horse shall compete in the races
11 limited to Illinois conceived and foaled horses unless
12 registered with the Department of Agriculture. The Department
13 of Agriculture may prescribe such forms as may be necessary to
14 determine the eligibility of such horses. No person shall
15 knowingly prepare or cause preparation of an application for
16 registration of such foals containing false information. A mare
17 (dam) must be in the state at least 30 days prior to foaling or
18 remain in the State at least 30 days at the time of foaling.
19 Beginning with the 1996 breeding season and for foals of 1997
20 and thereafter, a foal conceived in the State of Illinois by
21 transported fresh semen may be eligible for Illinois conceived
22 and foaled registration provided all breeding and foaling
23 requirements are met. The stallion must be qualified for
24 Illinois Standardbred Breeders Fund breeding at the time of
25 conception and the mare must be inseminated within the State of
26 Illinois. The foal must be dropped in Illinois and properly

1 registered with the Department of Agriculture in accordance
2 with this Act.

3 3. Provide that at least a 5 day racing program shall be
4 conducted at the State Fair each year, which program shall
5 include at least the following races limited to Illinois
6 conceived and foaled horses: (a) a two year old Trot and Pace,
7 and Filly Division of each; (b) a three year old Trot and Pace,
8 and Filly Division of each; (c) an aged Trot and Pace, and Mare
9 Division of each.

10 4. Provide for the payment of nominating, sustaining and
11 starting fees for races promoting the sport of harness racing
12 and for the races to be conducted at the State Fair as provided
13 in subsection (j) 3 of this Section provided that the
14 nominating, sustaining and starting payment required from an
15 entrant shall not exceed 2% of the purse of such race. All
16 nominating, sustaining and starting payments shall be held for
17 the benefit of entrants and shall be paid out as part of the
18 respective purses for such races. Nominating, sustaining and
19 starting fees shall be held in trust accounts for the purposes
20 as set forth in this Act and in accordance with Section 205-15
21 of the Department of Agriculture Law (20 ILCS 205/205-15).

22 5. Provide for the registration with the Department of
23 Agriculture of Colt Associations or county fairs desiring to
24 sponsor races at county fairs.

25 (k) The Department of Agriculture, with the advice and
26 assistance of the Illinois Standardbred Breeders Fund Advisory

1 Board, may allocate monies for purse supplements for such
2 races. In determining whether to allocate money and the amount,
3 the Department of Agriculture shall consider factors,
4 including but not limited to, the amount of money appropriated
5 for the Illinois Standardbred Breeders Fund program, the number
6 of races that may occur, and an organizational licensee's purse
7 structure. The organizational licensee shall notify the
8 Department of Agriculture of the conditions and minimum purses
9 for races limited to Illinois conceived and foaled horses to be
10 conducted by each organizational licensee conducting a harness
11 racing meeting for which purse supplements have been
12 negotiated.

13 (l) All races held at county fairs and the State Fair which
14 receive funds from the Illinois Standardbred Breeders Fund
15 shall be conducted in accordance with the rules of the United
16 States Trotting Association unless otherwise modified by the
17 Department of Agriculture.

18 (m) At all standardbred race meetings held or conducted
19 under authority of a license granted by the Board, and at all
20 standardbred races held at county fairs which are approved by
21 the Department of Agriculture or at the Illinois or DuQuoin
22 State Fairs, no one shall jog, train, warm up or drive a
23 standardbred horse unless he or she is wearing a protective
24 safety helmet, with the chin strap fastened and in place, which
25 meets the standards and requirements as set forth in the 1984
26 Standard for Protective Headgear for Use in Harness Racing and

1 Other Equestrian Sports published by the Snell Memorial
2 Foundation, or any standards and requirements for headgear the
3 Illinois Racing Board may approve. Any other standards and
4 requirements so approved by the Board shall equal or exceed
5 those published by the Snell Memorial Foundation. Any
6 equestrian helmet bearing the Snell label shall be deemed to
7 have met those standards and requirements.

8 (Source: P.A. 91-239, eff. 1-1-00.)

9 (230 ILCS 5/31.2 new)

10 Sec. 31.2. Racing Industry Workers' Trust Fund; advisory
11 board.

12 (a) The General Assembly finds that backstretch workers
13 play a critical role in the success and prosperity of the
14 racing industry. The General Assembly finds that there is a
15 need to improve the quality and viability of live racing in
16 Illinois by providing new resources to increase purse sizes and
17 to improve race track facilities. The General Assembly finds
18 that there is a concomitant responsibility and duty to address
19 the human service and housing needs of backstretch workers.

20 (b) There is hereby created a non-appropriated trust fund
21 to be known as the Racing Industry Workers' Trust Fund, which
22 is administered by the Board and held separate and apart from
23 State moneys. The Fund shall consist of moneys paid into it
24 under subsection (b) of Section 56 of this Act.

25 (c) The Board is authorized to use funds in the Racing

1 Industry Workers' Trust Fund to fund programs and initiatives
2 that improve the quality of life of backstretch workers.
3 Initiatives funded by the Board shall address needs such as
4 illiteracy, substance dependence, primary health care, child
5 care, housing, and any other social service need determined by
6 the Board.

7 (d) On December 31st of each year the Board shall report to
8 the General Assembly and the Governor on the programs funded by
9 the Board during the preceding fiscal year, the number of
10 persons served, and the working and living conditions of
11 backstretch workers.

12 (e) The Board shall appoint a Backstretch Programs Advisory
13 Board, who shall report to and advise the Board on matters
14 concerning backstretch conditions and needs. The Backstretch
15 Programs Advisory Board shall consist of the following 7
16 members:

17 (1) 2 persons who represent the interests of an
18 organization licensee;

19 (2) one person who represents the interests of
20 standardbred horsemen;

21 (3) one person who represents the interests of
22 thoroughbred horsemen;

23 (4) one person who is or was a backstretch worker;

24 (5) one person who advocates on behalf of backstretch
25 workers; and

26 (6) one person who has significant experience in

1 administering social services.

2 (f) The Board shall hire, in its sole discretion, a
3 backstretch workers' Program Coordinator who shall serve under
4 the direction of the Board to supervise and coordinate the
5 programs funded by the Racing Industry Workers' Trust Fund. The
6 Program Coordinator shall be paid from the Racing Industry
7 Workers' Trust Fund.

8 (230 ILCS 5/31.3 new)

9 Sec. 31.3. Illinois Equine Research Trust Fund. There is
10 created a non-appropriated trust fund to be known as the
11 Illinois Equine Research Trust Fund, which is administered by
12 the Department of Agriculture and held separate and apart from
13 State moneys. The Fund shall consist of moneys paid into it
14 under subsection (b) of Section 56 of this Act. The Department
15 may use funds in the Illinois Equine Research Trust Fund to
16 award 2 equal grants to the University of Illinois and to
17 Southern Illinois University for equine research. The total
18 amount of each grant award shall be used for only the direct
19 costs of research.

20 (230 ILCS 5/34.3 new)

21 Sec. 34.3. Drug testing. The Illinois Racing Board and the
22 Department of Agriculture shall jointly establish a program for
23 the purpose of conducting random drug testing of horses at
24 county fairs and shall adopt any rules necessary for

1 enforcement of the program. The rules shall include appropriate
2 penalties for violations.

3 (230 ILCS 5/36) (from Ch. 8, par. 37-36)

4 Sec. 36. (a) Whoever administers or conspires to administer
5 to any horse a hypnotic, narcotic, stimulant, depressant or any
6 chemical substance which may affect the speed of a horse at any
7 time in any race where the purse or any part of the purse is
8 made of money authorized by any Section of this Act, except
9 those chemical substances permitted by ruling of the Board,
10 internally, externally or by hypodermic method in a race or
11 prior thereto, or whoever knowingly enters a horse in any race
12 within a period of 24 hours after any hypnotic, narcotic,
13 stimulant, depressant or any other chemical substance which may
14 affect the speed of a horse at any time, except those chemical
15 substances permitted by ruling of the Board, has been
16 administered to such horse either internally or externally or
17 by hypodermic method for the purpose of increasing or retarding
18 the speed of such horse shall be guilty of a Class 4 felony.
19 The Board shall suspend or revoke such violator's license.

20 (b) The term "hypnotic" as used in this Section includes
21 all barbituric acid preparations and derivatives.

22 (c) The term "narcotic" as used in this Section includes
23 opium and all its alkaloids, salts, preparations and
24 derivatives, cocaine and all its salts, preparations and
25 derivatives and substitutes.

1 (d) The provisions of this Section 36 and the treatment
2 authorized herein apply to horses entered in and competing in
3 race meetings as defined in Section 3.47 of this Act and to
4 horses entered in and competing at any county fair.

5 (e) Drug testing for horses entered in and competing at any
6 county fair shall be conducted by the Department of
7 Agriculture, with the advice and assistance of the Board. The
8 Department of Agriculture, with the assistance of the Board,
9 shall adopt rules for drug testing, for horses entered in and
10 competing at any county fair.

11 (Source: P.A. 79-1185.)

12 (230 ILCS 5/42) (from Ch. 8, par. 37-42)

13 Sec. 42. (a) Except as to the distribution of monies
14 provided for by Sections 28, 29, 30, and 31 and the treating of
15 horses as provided in Section 36, nothing whatsoever in this
16 Act shall be held or taken to apply to county fairs and State
17 Fairs or to agricultural and livestock exhibitions where the
18 pari-mutuel system of wagering upon the result of horses is not
19 permitted or conducted.

20 (b) Nothing herein shall be construed to permit the
21 pari-mutuel method of wagering upon any race track unless such
22 race track is licensed under this Act. It is hereby declared to
23 be unlawful for any person to permit, conduct or supervise upon
24 any race track ground the pari-mutuel method of wagering except
25 in accordance with the provisions of this Act.

1 (c) Whoever violates subsection (b) of this Section is
2 guilty of a Class 4 felony.

3 (Source: P.A. 89-16, eff. 5-30-95.)

4 (230 ILCS 5/45) (from Ch. 8, par. 37-45)

5 Sec. 45. It shall be the duty of the Attorney General and
6 the various State's attorneys in this State in cooperation with
7 the Office of Gaming Enforcement ~~Department of State Police~~ to
8 enforce this Act. The Director of Gaming Enforcement ~~Governor~~
9 may, upon request of the Board ~~Department of State Police~~,
10 order the law enforcing officers of the various cities and
11 counties to assign a sufficient number of deputies to aid
12 ~~members of the Department of State Police~~ in preventing horse
13 racing at any track within the respective jurisdiction of such
14 cities or counties an organization license for which has been
15 refused, suspended or revoked by the Board. The Director of
16 Gaming Enforcement ~~Governor~~ may ~~similarly~~ assign ~~such~~ deputies
17 to aid the local law enforcement ~~Department of State Police~~
18 when, by his determination, additional forces are needed to
19 preserve the health, welfare or safety of any person or animal
20 within the grounds of any race track in the State.

21 (Source: P.A. 84-25.)

22 (230 ILCS 5/54.5)

23 (Section scheduled to be repealed on May 26, 2008)

24 Sec. 54.5. Horse Racing Equity Trust Fund.

1 (a) There is created a Fund to be known as the Horse Racing
2 Equity Trust Fund, which is a non-appropriated trust fund held
3 separate and apart from State moneys. The Fund shall consist of
4 moneys paid into it by owners licensees under the Illinois
5 ~~Riverboat~~ Gambling Act for the purposes described in this
6 Section. The Fund shall be administered by the Board. Moneys in
7 the Fund shall be distributed as directed and certified by the
8 Board in accordance with the provisions of subsection (b).

9 (b) The moneys deposited into the Fund, plus any accrued
10 interest on those moneys, shall be distributed within 10 days
11 after those moneys are deposited into the Fund as follows:

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

25 (2) The remaining 40% of the moneys distributed under
26 this subsection (b) shall be distributed as follows:

1 (A) 11% shall be distributed to any person (or its
2 successors or assigns) who had operating control of a
3 racetrack that conducted live racing in 2002 at a
4 racetrack in a county with at least 230,000 inhabitants
5 that borders the Mississippi River and is a licensee in
6 the current year; and

7 (B) the remaining 89% shall be distributed pro rata
8 according to the aggregate proportion of total handle
9 from wagering on live races conducted in Illinois
10 (irrespective of where the wagers are placed) for
11 calendar years 2004 and 2005 to any person (or its
12 successors or assigns) who (i) had majority operating
13 control of a racing facility at which live racing was
14 conducted in calendar year 2002, (ii) is a licensee in
15 the current year, and (iii) is not eligible to receive
16 moneys under subparagraph (A) of this paragraph (2).

17 The moneys received by an organization licensee
18 under this paragraph (2) shall be used by each
19 organization licensee to improve, maintain, market,
20 and otherwise operate its racing facilities to conduct
21 live racing, which shall include backstretch services
22 and capital improvements related to live racing and the
23 backstretch. Any organization licensees sharing common
24 ownership may pool the moneys received and spent at all
25 racing facilities commonly owned in order to meet these
26 requirements.

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

5 (c) The Board shall monitor organization licensees to
6 ensure that moneys paid to organization licensees under this
7 Section are distributed by the organization licensees as
8 provided in subsection (b).

9 (d) The Horse Racing Equity Trust Fund shall not be subject
10 to administrative charges or charge backs, including, but not
11 limited to, those authorized under Section 8h of the State
12 Finance Act.

13 ~~(d) This Section is repealed 2 years after the effective~~
14 ~~date of this amendatory Act of the 94th General Assembly.~~

15 (Source: P.A. 94-804, eff. 5-26-06.)

16 (230 ILCS 5/56 new)

17 Sec. 56. Electronic gaming.

18 (a) An organization licensee may apply to the Gaming Board
19 for an electronic gaming license pursuant to Section 7.7 of the
20 Illinois Gambling Act. An electronic gaming licensee may not
21 permit persons under 21 years of age to be present in its
22 electronic gaming facility, but the licensee may accept wagers
23 on live racing and inter-track wagers at its electronic gaming
24 facility.

25 (a-5) An amount equal to 15% of the total adjusted gross

1 receipts received by an electronic gaming licensee from
2 electronic gaming shall be paid to purse accounts.

3 Moneys paid into purse equity accounts by licensees at
4 tracks located in counties other than Madison County shall be
5 maintained separately from moneys paid into purse equity
6 accounts by a licensee at a track located in Madison County.

7 Of the moneys paid to purse equity accounts by an
8 electronic gaming licensee located in a county other than
9 Madison County, 57% of the moneys shall be paid into a single
10 thoroughbred purse pool and 43% of the moneys shall be paid
11 into a single standardbred purse pool. Each calendar year,
12 moneys in the thoroughbred purse pool shall be distributed
13 equally for each awarded racing date to the thoroughbred purse
14 accounts of each organization licensee that paid money into the
15 thoroughbred purse pool. Each calendar year, moneys in the
16 standardbred purse pool shall be distributed equally for each
17 awarded racing date to the standardbred purse accounts of each
18 organization licensee that paid money into the standardbred
19 purse pool.

20 Of the moneys paid into purse equity accounts by an
21 electronic gaming licensee located in Madison County, 70% shall
22 be paid to its thoroughbred purse account and 30% shall be paid
23 to its standardbred purse account.

24 (b) After payment required under subsection (a-5) of this
25 Section and Section 13 of the Illinois Gambling Act, the
26 adjusted gross receipts received by all electronic gaming

1 licensees from electronic gaming shall be distributed as
2 follows:

3 (1) a total of \$4,100,000 annually shall be paid to the
4 Illinois Colt Stakes Purse Distribution Fund;

5 (2) a total of \$250,000 annually shall be paid to the
6 Illinois Racing Quarter Horse Breeders Fund;

7 (3) a total of \$500,000 annually shall be paid to the
8 Illinois Equine Research Trust Fund;

9 (4) a total of \$1,000,000 annually shall be paid to the
10 Racing Industry Workers' Trust Fund;

11 (5) an amount equal to 2.25% of adjusted gross receipts
12 from each electronic gaming licensee shall be paid to the
13 Illinois Thoroughbred Breeders Fund and the Illinois
14 Standardbred Breeders Fund, divided pro rata based on the
15 proportion of live thoroughbred racing and live
16 standardbred racing conducted at that licensee's race
17 track; and

18 (6) an amount equal to 0.25% of adjusted gross receipts
19 from each electronic gaming licensee shall be paid to the
20 licensee's live racing and horse ownership promotional
21 account; and

22 (7) the remainder shall be retained by the licensee.

23 (c) The moneys collected pursuant to items (1), (2), (3),
24 and (4) of subsection (b) of this Section is payable by the
25 licensees on a pro-rated basis, based on each licensee's
26 adjusted gross receipts. The Illinois Gaming Board shall

1 provide the Illinois Racing Board with the information needed
2 to make this determination. The Illinois Racing Board shall
3 adopt rules for the administration of this Section.

4 (d) Moneys distributed under this subsection (b) shall be
5 distributed as directed by the Board.

6 (e) As a condition of licensure, an electronic gaming
7 licensee must expend an amount equal to the sum of (i) amounts
8 expended in 2007; (ii) the amounts required in item (6) of
9 subsection (b) of this Section; and (iii) the amount of
10 pari-mutuel tax credit received under Section 32.1 of this Act
11 for the purpose of live racing and horse ownership promotion.
12 The Board shall adopt rules to enforce this subsection (e),
13 including reasonable fines and penalties for noncompliance.

14 (230 ILCS 5/57 new)

15 Sec. 57. Compliance report.

16 (a) The Board shall prepare a report twice per year
17 regarding the compliance of each electronic gaming licensee
18 with this Act and the electronic gaming licensee's support of
19 live racing. The Board shall determine whether each electronic
20 gaming licensee has maintained an appropriate level of live
21 horse racing. In making that determination, the Board shall
22 consider all of the following factors:

23 (1) The increase, if any, in the on-track handle at the
24 race track where the electronic gaming facility is located.

25 (2) The increase, if any, in purses at the racing

1 facility where electronic gaming facility is located.

2 (3) Investments in capital improvements made by the
3 organization licensee to the racing facility, excluding
4 electronic gaming areas.

5 (b) If the Board finds that a licensee has failed to comply
6 with this Act or has substantially failed to support live
7 racing, then the Board may do any of the following:

8 (1) Issue a warning to the organization licensee.

9 (2) Impose a civil penalty upon the organization
10 licensee.

11 (3) Suspend or revoke the organization license.

12 (230 ILCS 5/54 rep.)

13 Section 90-37. The Illinois Horse Racing Act of 1975 is
14 amended by repealing Section 54.

15 Section 90-40. The Riverboat Gambling Act is amended by
16 changing Sections 1, 2, 3, 4, 5, 5.1, 6, 7, 7.3, 7.4, 7.5, 8, 9,
17 11, 11.1, 11.2, 12, 13, 14, 17, 18, 19, and 20 and by adding
18 Sections 5.2, 5.3, 5.4, 5.5, 5.7, 6.5, 7.6, 7.7, 7.8, 7.10,
19 7.11, 7.12, 7.13, 7.14, 7.15, 7.20, 7.25, 9.3, 9.5, 13.2, 14.5,
20 17.2, 17.3, 17.4, and 22.5 as follows:

21 (230 ILCS 10/1) (from Ch. 120, par. 2401)

22 Sec. 1. Short title. This Act shall be known and may be
23 cited as the Illinois ~~Riverboat~~ Gambling Act.

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

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

3 Sec. 2. Legislative intent; findings ~~Intent~~.

4 (a) This Act is intended to benefit the people of the State
5 of Illinois by assisting economic development and promoting
6 Illinois tourism and by increasing the amount of revenues
7 available to the State for infrastructure and capital programs
8 and to assist and support education.

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

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

23 (d) The General Assembly finds that the Illinois gaming
24 industry does not include a fair proportion of minority and
25 female ownership participation in the gaming industry. It is

1 vital to the gaming industry in this State to promote diverse
2 interests in order to create social and economic parity. As a
3 result of historical exclusion within the gaming industry,
4 there is a need to increase the number of minority and female
5 owners within the State. The State shall require that at least
6 20% of an owners licensee's equity interest be awarded to
7 minorities and at least 5% of an owners licensee's equity
8 interest be awarded to women.

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

10 (230 ILCS 10/3) (from Ch. 120, par. 2403)

11 Sec. 3. ~~Riverboat~~ Gambling Authorized.

12 (a) Riverboat gambling operations, casino gambling
13 operations, and electronic gaming operations ~~and the system of~~
14 ~~wagering incorporated therein~~, as defined in this Act, are
15 hereby authorized to the extent that they are carried out in
16 accordance with the provisions of this Act.

17 (b) This Act does not apply to the pari-mutuel system of
18 wagering or to advance deposit wagering used or intended to be
19 used in connection with the horse-race meetings as authorized
20 under the Illinois Horse Racing Act of 1975, lottery games
21 authorized under the Illinois Lottery Law, bingo authorized
22 under the Bingo License and Tax Act, charitable games
23 authorized under the Charitable Games Act or pull tabs and jar
24 games conducted under the Illinois Pull Tabs and Jar Games Act.

25 (c) Riverboat gambling conducted pursuant to this Act may

1 be authorized upon any water within the State of Illinois or
2 any water other than Lake Michigan which constitutes a boundary
3 of the State of Illinois. A casino licensee shall not conduct
4 gaming upon any water or lakefront within the City of Chicago.
5 Notwithstanding any provision in this subsection (c) to the
6 contrary, a licensee may conduct gambling at its home dock
7 facility as provided in Sections 7 and 11. A licensee may
8 conduct riverboat gambling authorized under this Act
9 regardless of whether it conducts excursion cruises. A licensee
10 may permit the continuous ingress and egress of passengers for
11 the purpose of gambling.

12 (d) Gambling that is conducted in accordance with this Act
13 using slot machines, video games of chance, and electronic
14 gambling games shall be authorized at electronic gaming
15 facilities as provided in this Act.

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

17 (230 ILCS 10/4) (from Ch. 120, par. 2404)

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

19 "Authority" means the Chicago Casino Development
20 Authority.

21 ~~(a)~~ "Board" means the Illinois Gaming Board.

22 ~~(b)~~ "Occupational license" means a license issued by the
23 Board to a person or entity to perform an occupation which the
24 Board has identified as requiring a license to engage in
25 ~~riverboat~~ gambling in Illinois.

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

7 ~~(d)~~ "Riverboat" means a self-propelled excursion boat, a
8 permanently moored barge, or permanently moored barges that are
9 permanently fixed together to operate as one vessel, on which
10 lawful gambling is authorized and licensed as provided in this
11 Act.

12 ~~(e)~~ "Managers license" means a license issued by the Board
13 to a person or entity to manage gambling operations conducted
14 by the State pursuant to Section 7.3.

15 ~~(f)~~ "Dock" means the location where a riverboat moors for
16 the purpose of embarking passengers for and disembarking
17 passengers from the riverboat.

18 ~~(g)~~ "Gross receipts" means the total amount of cash or any
19 instrument exchangeable for cash ~~money~~ exchanged for the
20 purchase of chips, tokens or electronic cards by ~~riverboat~~
21 patrons on a riverboat, in a casino, or at an electronic gaming
22 facility. "Gross receipts" includes revenues derived by the
23 gaming licensee from the conduct of electronic poker.

24 ~~(h)~~ "Adjusted gross receipts" means the gross receipts less
25 winnings paid to wagerers.

26 ~~(i)~~ "Cheat" means to alter the selection of criteria which

1 determine the result of a gambling game or electronic poker
2 outcome or the amount or frequency of payment in a gambling
3 game or electronic poker.

4 ~~(j) "Department" means the Department of Revenue.~~

5 ~~(k) "Gambling operation" means the conduct of ~~authorized~~~~
6 gambling games and electronic poker authorized under this Act
7 on ~~upon~~ a riverboat, in a casino, or at an electronic gaming
8 facility as authorized under this Act.

9 ~~(l) "License bid" means the lump sum amount of money that~~
10 ~~an applicant bids and agrees to pay the State in return for an~~
11 ~~owners license that is re-issued on or after July 1, 2003.~~

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

15 "Casino" means a land-based facility at which lawful
16 gambling is authorized and licensed as provided in this Act.

17 "Owners license" means a license to conduct riverboat
18 gambling operations, but does not include a casino license or
19 an electronic gaming license.

20 "Electronic gaming license" means a license issued by the
21 Board under Section 7.7 of this Act authorizing electronic
22 gaming at an electronic gaming facility.

23 "Electronic gaming" means the conduct of gambling using
24 slot machines, video games of chance, and electronic gambling
25 games at a race track licensed under the Illinois Horse Racing
26 Act of 1975 pursuant to the Illinois Horse Racing Act of 1975

1 and this Act.

2 "Electronic gaming facility" means the area where the Board
3 has authorized electronic gaming at a race track of an
4 organization licensee under the Illinois Horse Racing Act of
5 1975 that holds an electronic gaming license.

6 "Organization license" means a license issued by the
7 Illinois Racing Board authorizing the conduct of pari-mutuel
8 wagering in accordance with the Illinois Horse Racing Act of
9 1975.

10 "Gaming license" includes an owners license, a casino
11 license, an electronic gaming license, a managers license, and
12 a casino operator license.

13 "Licensed facility" means a riverboat, a casino, or an
14 electronic gaming facility.

15 "Electronic poker" means a form of gambling operation by
16 which players can play poker electronically via a network of
17 machines at the same or any other licensed facility in this
18 State. "Electronic poker" is not considered a gambling game as
19 defined by this Act.

20 "Casino license" means the license held by the Authority to
21 conduct or cause to be conducted gambling operations at a
22 casino in the City of Chicago pursuant to this Act and the
23 Chicago Casino Development Authority Act.

24 "Casino operator license" means the license held by the
25 person or entity selected by the Authority to manage and
26 operate a casino within the City of Chicago pursuant to a

1 casino management contract, as provided for under the Chicago
2 Casino Development Authority Act.

3 "License" includes all licenses authorized under this Act,
4 including a gaming license, an occupational license, and
5 suppliers license.

6 (Source: P.A. 95-331, eff. 8-21-07.)

7 (230 ILCS 10/5) (from Ch. 120, par. 2405)

8 Sec. 5. Gaming Board.

9 (a) (1) There is hereby established the ~~within the~~
10 ~~Department of Revenue an~~ Illinois Gaming Board, which shall
11 have the powers and duties specified in this Act, and all other
12 powers necessary and proper to fully and effectively execute
13 this Act for the purpose of administering and ~~regulating, and~~
14 ~~enforcing~~ the system of ~~riverboat~~ gambling established by this
15 Act. Its jurisdiction shall extend under this Act to every
16 person, association, corporation, partnership and trust
17 involved in ~~riverboat~~ gambling operations in the State of
18 Illinois.

19 (2) The Board shall consist of 5 members to be appointed by
20 the Governor with the advice and consent of the Senate, one of
21 whom shall be designated by the Governor to be chairperson
22 ~~chairman~~. Each member shall have a reasonable knowledge of the
23 practice, procedure and principles of gambling operations.
24 Each member shall either be a resident of Illinois or shall
25 certify that he or she will become a resident of Illinois

1 before taking office. Notwithstanding any provision of this
2 Section to the contrary, the term of office of each member of
3 the Board ends on the effective date of this amendatory Act of
4 the 95th General Assembly and those members shall hold office
5 only until their successors are appointed and qualified
6 pursuant to this amendatory Act. Members appointed pursuant to
7 this amendatory Act of the 95th General Assembly and their
8 successors shall serve on a full-time basis and may not hold
9 any other employment for which they are compensated.

10 Beginning on the effective date of this amendatory Act of
11 the 95th General Assembly, the Board shall consist of 5 members
12 appointed by the Governor from nominations presented to the
13 Governor by the Nomination Panel and with the advice and
14 consent of the Senate. The Board must include the following:

15 (1) One member must have, at a minimum, a bachelor's
16 degree from an accredited school and at least 10 years of
17 verifiable training and experience in the fields of
18 investigation and law enforcement.

19 (2) One member must be a certified public accountant
20 with experience in auditing and with knowledge of complex
21 corporate structures and transactions.

22 (3) One member must have 5 years' experience as a
23 principal, senior officer, or director of a company or
24 business with either material responsibility for the daily
25 operations and management of the overall company or
26 business or material responsibility for the policy making

1 of the company or business.

2 (4) Two members must be former judges elected or
3 appointed to judicial office in Illinois or former federal
4 judges appointed to serve in Illinois.

5 No more than 3 members of the Board may be from the same
6 political party. The Board should reflect the ethnic, cultural,
7 and geographic diversity of the State. Each member shall have a
8 reasonable knowledge of the practice, procedures, and
9 principles of gambling operations. No Board member, within a
10 period of 2 years immediately preceding nomination, shall have
11 been employed or received compensation or fees for services
12 from a person or entity, or its parent or affiliate, that has
13 engaged in business with the Board, a licensee, or a licensee
14 under the Horse Racing Act of 1975. Each member shall either be
15 a resident of Illinois or shall certify that he or she will
16 become a resident of Illinois before taking office. ~~At least~~
17 ~~one member shall be experienced in law enforcement and criminal~~
18 ~~investigation, at least one member shall be a certified public~~
19 ~~accountant experienced in accounting and auditing, and at least~~
20 ~~one member shall be a lawyer licensed to practice law in~~
21 ~~Illinois.~~

22 (3) The terms of office of the Board members shall be 4 ~~3~~
23 years, except that the terms of office of the initial Board
24 members appointed pursuant to this amendatory Act of the 95th
25 General Assembly Act will commence from the effective date of
26 this amendatory Act and run as follows, to be determined by

1 lot: one for a term ending July 1 of the year following
2 confirmation, ~~1991~~, one 2 for a term ending July 1 two years
3 following confirmation, ~~1992~~, one and 2 for a term ending July
4 1 three years following confirmation, and 2 for a term ending
5 July 1 four years following confirmation ~~1993~~. Upon the
6 expiration of the foregoing terms, the successors of such
7 members shall serve a term for 4 3 years and until their
8 successors are appointed and qualified for like terms.
9 Vacancies in the Board shall be filled for the unexpired term
10 in like manner as original appointments. Each member of the
11 Board shall be eligible for reappointment, subject to the
12 nomination process of the Nomination Panel, by at the
13 discretion of the Governor with the advice and consent of the
14 Senate.

15 Until all 5 members of the Board are appointed and
16 qualified pursuant to this amendatory Act of the 95th General
17 Assembly, the Illinois Gaming Board may not act with regard to
18 any license under which gambling operations are not being
19 conducted on the effective date of this amendatory Act;
20 however, the Board may authorize additional positions at
21 riverboats in operation on the effective date of this
22 amendatory Act and issue electronic gaming licenses pursuant to
23 this amendatory Act.

24 (4) The chairman of the Board shall receive an annual
25 salary equal to the annual salary of a State appellate court
26 judge. Other members of the Board shall receive an annual

1 salary equal to the annual salary of a State circuit court
2 judge. ~~Each member of the Board shall receive \$300 for each day~~
3 ~~the Board meets and for each day the member conducts any~~
4 ~~hearing pursuant to this Act.~~ Each member of the Board shall
5 also be reimbursed for all actual and necessary expenses and
6 disbursements incurred in the execution of official duties.

7 (5) (Blank). ~~No person shall be appointed a member of the~~
8 ~~Board or continue to be a member of the Board who is, or whose~~
9 ~~spouse, child or parent is, a member of the board of directors~~
10 ~~of, or a person financially interested in, any gambling~~
11 ~~operation subject to the jurisdiction of this Board, or any~~
12 ~~race track, race meeting, racing association or the operations~~
13 ~~thereof subject to the jurisdiction of the Illinois Racing~~
14 ~~Board. No Board member shall hold any other public office for~~
15 ~~which he shall receive compensation other than necessary travel~~
16 ~~or other incidental expenses. No person shall be a member of~~
17 ~~the Board who is not of good moral character or who has been~~
18 ~~convicted of, or is under indictment for, a felony under the~~
19 ~~laws of Illinois or any other state, or the United States.~~

20 (6) Any member of the Board may be removed by the Governor
21 for neglect of duty, misfeasance, malfeasance, or nonfeasance
22 in office or for engaging in any political activity.

23 (7) Before entering upon the discharge of the duties of his
24 office, each member of the Board shall take an oath that he
25 will faithfully execute the duties of his office according to
26 the laws of the State and the rules and regulations adopted

1 therewith and shall give bond to the State of Illinois,
2 approved by the Governor, in the sum of \$25,000. Every such
3 bond, when duly executed and approved, shall be recorded in the
4 office of the Secretary of State. Whenever the Governor
5 determines that the bond of any member of the Board has become
6 or is likely to become invalid or insufficient, he shall
7 require such member forthwith to renew his bond, which is to be
8 approved by the Governor. Any member of the Board who fails to
9 take oath and give bond within 30 days from the date of his
10 appointment, or who fails to renew his bond within 30 days
11 after it is demanded by the Governor, shall be guilty of
12 neglect of duty and may be removed by the Governor. The cost of
13 any bond given by any member of the Board under this Section
14 shall be taken to be a part of the necessary expenses of the
15 Board.

16 (8) The ~~Upon the request of the Board, the Department~~ shall
17 employ such personnel as may be necessary to carry out its ~~the~~
18 functions and shall determine the salaries of all personnel,
19 except those personnel whose salaries are determined under the
20 terms of a collective bargaining agreement ~~of the Board~~. No
21 person shall be employed to serve the Board who is, or whose
22 spouse, parent or child is, an official of, or has a financial
23 interest in or financial relation with, any operator engaged in
24 gambling operations within this State or any organization
25 engaged in conducting horse racing within this State. For the 2
26 years immediately preceding employment, an employee shall not

1 have been employed or received compensation or fees for
2 services from a person or entity, or its parent or affiliate,
3 that has engaged in business with the Board, a licensee, or a
4 licensee under the Horse Racing Act of 1975. Any employee
5 violating these prohibitions shall be subject to termination of
6 employment.

7 (9) An Administrator shall perform any and all duties that
8 the Board shall assign him. The salary of the Administrator
9 shall be determined by the Board ~~and approved by the Director~~
10 ~~of the Department~~ and, in addition, he shall be reimbursed for
11 all actual and necessary expenses incurred by him in discharge
12 of his official duties. The Administrator shall keep records of
13 all proceedings of the Board and shall preserve all records,
14 books, documents and other papers belonging to the Board or
15 entrusted to its care. The Administrator shall devote his full
16 time to the duties of the office and shall not hold any other
17 office or employment.

18 (b) The Board shall have general responsibility for the
19 implementation of this Act. Its duties include, without
20 limitation, the following:

21 (1) To decide promptly and in reasonable order all
22 license applications. Any party aggrieved by an action of
23 the Board denying, suspending, revoking, restricting or
24 refusing to renew a license may request a hearing before
25 the Board. A request for a hearing must be made to the
26 Board in writing within 5 days after service of notice of

1 the action of the Board. Notice of the action of the Board
2 shall be served either by personal delivery or by certified
3 mail, postage prepaid, to the aggrieved party. Notice
4 served by certified mail shall be deemed complete on the
5 business day following the date of such mailing. The Board
6 shall conduct all requested hearings promptly and in
7 reasonable order;

8 (2) To conduct all hearings pertaining to civil
9 violations of this Act or rules and regulations promulgated
10 hereunder;

11 (3) To promulgate such rules and regulations as in its
12 judgment may be necessary to protect or enhance the
13 credibility and integrity of gambling operations
14 authorized by this Act and the regulatory process
15 hereunder;

16 (4) To provide for the establishment and collection of
17 all license and registration fees and taxes imposed by this
18 Act and the rules and regulations issued pursuant hereto.
19 All such fees and taxes shall be deposited into the State
20 Gaming Fund, unless otherwise provided for;

21 (5) To provide for the levy and collection of penalties
22 and fines for the violation of provisions of this Act and
23 the rules and regulations promulgated hereunder. All such
24 fines and penalties shall be deposited into the Education
25 Assistance Fund, created by Public Act 86-0018, of the
26 State of Illinois;

1 (6) (Blank) ~~To be present through its inspectors and~~
2 ~~agents any time gambling operations are conducted on any~~
3 ~~riverboat for the purpose of certifying the revenue~~
4 ~~thereof, receiving complaints from the public, and~~
5 ~~conducting such other investigations into the conduct of~~
6 ~~the gambling games and the maintenance of the equipment as~~
7 ~~from time to time the Board may deem necessary and proper;~~

8 (7) To review and rule upon any complaint by a licensee
9 regarding any investigative procedures of the State which
10 are unnecessarily disruptive of gambling operations. The
11 need to inspect and investigate shall be presumed at all
12 times. The disruption of a licensee's operations shall be
13 proved by clear and convincing evidence, and establish
14 that: (A) the procedures had no reasonable law enforcement
15 purposes, and (B) the procedures were so disruptive as to
16 unreasonably inhibit gambling operations;

17 (8) (Blank) ~~To hold at least one meeting each quarter~~
18 ~~of the fiscal year. In addition, special meetings may be~~
19 ~~called by the Chairman or any 2 Board members upon 72 hours~~
20 ~~written notice to each member. All Board meetings shall be~~
21 ~~subject to the Open Meetings Act. Three members of the~~
22 ~~Board shall constitute a quorum, and 3 votes shall be~~
23 ~~required for any final determination by the Board. The~~
24 ~~Board shall keep a complete and accurate record of all its~~
25 ~~meetings. A majority of the members of the Board shall~~
26 ~~constitute a quorum for the transaction of any business,~~

1 ~~for the performance of any duty, or for the exercise of any~~
2 ~~power which this Act requires the Board members to~~
3 ~~transact, perform or exercise on behalf, except that, upon~~
4 ~~order of the Board, one of the Board members or an~~
5 ~~administrative law judge designated by the Board may~~
6 ~~conduct any hearing provided for under this Act or by Board~~
7 ~~rule and may recommend findings and decisions to the Board.~~
8 ~~The Board member or administrative law judge conducting~~
9 ~~such hearing shall have all powers and rights granted to~~
10 ~~the Board in this Act. The record made at the time of the~~
11 ~~hearing shall be reviewed by the Board, or a majority~~
12 ~~thereof, and the findings and decision of the majority of~~
13 ~~the Board shall constitute the order of the Board in such~~
14 ~~case;~~

15 (9) To maintain records which are separate and distinct
16 from the records of any other State board or commission.
17 Such records shall be available for public inspection and
18 shall accurately reflect all Board proceedings;

19 (10) (Blank) ~~To file a written annual report with the~~
20 ~~Governor on or before March 1 each year and such additional~~
21 ~~reports as the Governor may request. The annual report~~
22 ~~shall include a statement of receipts and disbursements by~~
23 ~~the Board, actions taken by the Board, and any additional~~
24 ~~information and recommendations which the Board may deem~~
25 ~~valuable or which the Governor may request;~~

26 (11) (Blank); and

1 (12) (Blank); and ~~To assume responsibility for the~~
2 ~~administration and enforcement of the Bingo License and Tax~~
3 ~~Act, the Charitable Games Act, and the Pull Tabs and Jar~~
4 ~~Games Act if such responsibility is delegated to it by the~~
5 ~~Director of Revenue.~~

6 (13) To assume responsibility for the administration
7 and enforcement of operations at electronic gaming
8 facilities pursuant to this Act.

9 (c) The Board shall have jurisdiction over and shall
10 supervise all gambling operations governed by this Act. The
11 Board shall have all powers necessary and proper to fully and
12 effectively execute the provisions of this Act, including, but
13 not limited to, the following:

14 (1) To ~~investigate applicants and~~ determine the
15 eligibility of applicants for licenses and to select among
16 competing applicants the applicants which best serve the
17 interests of the citizens of Illinois.

18 (2) To have jurisdiction and supervision over all
19 ~~riverboat~~ gambling operations authorized under this Act ~~in~~
20 ~~this State~~ and all persons in places ~~on riverboats~~ where
21 gambling operations are conducted.

22 (3) To promulgate rules and regulations for the purpose
23 of administering the provisions of this Act and to
24 prescribe rules, regulations and conditions under which
25 all ~~riverboat~~ gambling operations subject to this Act ~~in~~
26 ~~the State~~ shall be conducted. Such rules and regulations

1 are to provide for the prevention of practices detrimental
2 to the public interest and for the best interests of
3 ~~riverboat~~ gambling, including rules and regulations
4 regarding the inspection of licensed facilities ~~such~~
5 ~~riverboats~~ and the review of any permits or licenses
6 necessary to operate a licensed facility ~~riverboat~~ under
7 any laws or regulations applicable to licensed facilities
8 ~~riverboats,~~ and to impose penalties for violations
9 thereof.

10 (4) (Blank). ~~To enter the office, riverboats,~~
11 ~~facilities, or other places of business of a licensee,~~
12 ~~where evidence of the compliance or noncompliance with the~~
13 ~~provisions of this Act is likely to be found.~~

14 (5) ~~To investigate alleged violations of this Act or~~
15 ~~the rules of the Board and to take appropriate disciplinary~~
16 ~~action against a licensee or a holder of an occupational~~
17 ~~license for a violation, or institute appropriate legal~~
18 ~~action for enforcement, or both.~~

19 (6) To adopt standards for the licensing of all persons
20 under this Act, as well as for electronic or mechanical
21 gambling games, and to establish fees for such licenses.

22 (7) To adopt appropriate standards for all licensed
23 facilities authorized under this Act ~~riverboats and~~
24 ~~facilities.~~

25 (8) To require that the records, including financial or
26 other statements of any licensee under this Act, shall be

1 kept in such manner as prescribed by the Board and that any
2 such licensee involved in the ownership or management of
3 gambling operations submit to the Board an annual balance
4 sheet and profit and loss statement, list of the
5 stockholders or other persons having a 1% or greater
6 beneficial interest in the gambling activities of each
7 licensee, and any other information the Board deems
8 necessary in order to effectively administer this Act and
9 all rules, regulations, orders and final decisions
10 promulgated under this Act.

11 (9) To conduct hearings, issue subpoenas for the
12 attendance of witnesses and subpoenas duces tecum for the
13 production of books, records and other pertinent documents
14 in accordance with the Illinois Administrative Procedure
15 Act, and to administer oaths and affirmations to the
16 witnesses, when, in the judgment of the Board, it is
17 necessary to administer or enforce this Act or the Board
18 rules.

19 (10) To prescribe a form to be used by any licensee
20 involved in the ownership or management of gambling
21 operations as an application for employment for their
22 employees.

23 (11) To revoke or suspend licenses, as the Board may
24 see fit and in compliance with applicable laws of the State
25 regarding administrative procedures, and to review
26 applications for the renewal of licenses.

1 (11.5) To ~~The Board may~~ suspend a ~~an owners~~ license,
2 without notice or hearing, upon a determination that the
3 safety or health of patrons or employees is jeopardized by
4 continuing a gambling operation conducted under that
5 license ~~a riverboat's operation~~. The suspension may remain
6 in effect until the Board determines that the cause for
7 suspension has been abated. After such a suspension, the
8 ~~The~~ Board may revoke a ~~the owners~~ license upon a
9 determination that the licensee ~~owner~~ has not made
10 satisfactory progress toward abating the hazard.

11 (12) (Blank). ~~To eject or exclude or authorize the~~
12 ~~ejection or exclusion of, any person from riverboat~~
13 ~~gambling facilities where such person is in violation of~~
14 ~~this Act, rules and regulations thereunder, or final orders~~
15 ~~of the Board, or where such person's conduct or reputation~~
16 ~~is such that his presence within the riverboat gambling~~
17 ~~facilities may, in the opinion of the Board, call into~~
18 ~~question the honesty and integrity of the gambling~~
19 ~~operations or interfere with orderly conduct thereof;~~
20 ~~provided that the propriety of such ejection or exclusion~~
21 ~~is subject to subsequent hearing by the Board.~~

22 (13) To require all gaming licensees ~~of gambling~~
23 ~~operations~~ to utilize a cashless wagering system whereby
24 all players' money is converted to tokens, electronic
25 cards, or chips which shall be used only for wagering in
26 the gambling establishment.

1 (14) (Blank).

2 (15) To suspend, revoke or restrict licenses, to
3 require the removal of a licensee or an employee of a
4 licensee for a violation of this Act or a Board rule or for
5 engaging in a fraudulent practice, and to impose civil
6 penalties of up to \$5,000 against individuals and up to
7 \$10,000 or an amount equal to the daily gross receipts,
8 whichever is larger, against licensees for each violation
9 of any provision of the Act, any rules adopted by the
10 Board, any order of the Board or any other action which, in
11 the Board's discretion, is a detriment or impediment to
12 ~~riverboat~~ gambling operations.

13 (16) To hire employees to ~~gather information, conduct~~
14 ~~investigations and~~ carry out any other tasks contemplated
15 under this Act.

16 (17) To establish minimum levels of insurance to be
17 maintained by licensees.

18 (18) To authorize a gaming licensee to sell or serve
19 alcoholic liquors, wine or beer as defined in the Liquor
20 Control Act of 1934 in a licensed facility ~~on board a~~
21 ~~riverboat~~ and to have exclusive authority to establish the
22 hours for sale and consumption of alcoholic liquor in a
23 licensed facility ~~on board a riverboat~~, notwithstanding
24 any provision of the Liquor Control Act of 1934 or any
25 local ordinance, and regardless of whether the riverboat
26 makes excursions. The establishment of the hours for sale

1 and consumption of alcoholic liquor in a licensed facility
2 ~~on board a riverboat~~ is an exclusive power and function of
3 the State. A home rule unit may not establish the hours for
4 sale and consumption of alcoholic liquor in a licensed
5 facility on board a riverboat. This subdivision (18)
6 ~~amendatory Act of 1991~~ is a denial and limitation of home
7 rule powers and functions under subsection (h) of Section 6
8 of Article VII of the Illinois Constitution.

9 (19) After consultation with the U.S. Army Corps of
10 Engineers, to establish binding emergency orders upon the
11 concurrence of a majority of the members of the Board
12 regarding the navigability of water, relative to
13 excursions, in the event of extreme weather conditions,
14 acts of God or other extreme circumstances.

15 (20) To delegate the execution of any of its powers
16 under this Act for the purpose of administering and
17 enforcing this Act and its rules and regulations hereunder.

18 (21) To make rules concerning the conduct of electronic
19 gaming.

20 (22) To make rules concerning the conduct of electronic
21 poker.

22 (23) When all 5 members of the Board are appointed and
23 qualified pursuant to this amendatory Act of the 95th
24 General Assembly, to review all contracts entered into by
25 gaming licensees authorized under this Act. The Board must
26 review and approve all contracts entered into by a gaming

1 licensee for an aggregate amount of \$10,000 or more or for
2 a term to exceed 365 days. If an electronic gaming licensee
3 enters into a contract that is exclusively related to the
4 operation of the licensee's race track, however, then no
5 Board approval is necessary. If there is any doubt as to
6 whether a contract entered into is exclusively related to
7 the operation of the licensee's race track, then the
8 contract shall be determined to be subject to the
9 jurisdiction of the Board. If a contract has been entered
10 into prior to Board authorization of a requested action,
11 including without limitation a contract for a construction
12 project for expansion of a facility, or for construction of
13 a relocated facility, then the contract is not valid until
14 the Board approves both the requested action and the
15 contract itself.

16 (24) (21) To take any other action as may be reasonable
17 or appropriate to enforce this Act and rules and
18 regulations hereunder.

19 (d) (Blank). ~~The Board may seek and shall receive the~~
20 ~~cooperation of the Department of State Police in conducting~~
21 ~~background investigations of applicants and in fulfilling its~~
22 ~~responsibilities under this Section. Costs incurred by the~~
23 ~~Department of State Police as a result of such cooperation~~
24 ~~shall be paid by the Board in conformance with the requirements~~
25 ~~of Section 2605-400 of the Department of State Police Law (20~~
26 ~~ILCS 2605/2605-400).~~

1 (e) (Blank). ~~The Board must authorize to each investigator~~
2 ~~and to any other employee of the Board exercising the powers of~~
3 ~~a peace officer a distinct badge that, on its face, (i) clearly~~
4 ~~states that the badge is authorized by the Board and (ii)~~
5 ~~contains a unique identifying number. No other badge shall be~~
6 ~~authorized by the Board.~~

7 (f) Except as provided in subsection (h) of Section 5.4,
8 all Board meetings are subject to the Open Meetings Act. Three
9 members of the Board constitute a quorum, and 3 votes are
10 required for any final determination by the Board. The Board
11 shall keep a complete and accurate record of all its meetings.
12 A majority of the members of the Board constitute a quorum for
13 the transaction of any business, for the performance of any
14 duty, or for the exercise of any power that this Act requires
15 the Board members to transact, perform, or exercise en banc,
16 except that, upon order of the Board, one of the Board members
17 or an administrative law judge designated by the Board may
18 conduct any hearing provided for under this Act or by Board
19 rule and may recommend findings and decisions to the Board. The
20 Board member or administrative law judge conducting such
21 hearing has all powers and rights granted to the Board in this
22 Act. The record made at the time of the hearing shall be
23 reviewed by the Board, or a majority thereof, and the findings
24 and decision of the majority of the Board constitutes the order
25 of the Board in such case.

26 (g) The Board shall carry on a continuous study of the

1 operation and administration of gaming laws that may be in
2 effect in other jurisdictions, literature on this subject that
3 may from time to time become available, federal laws that may
4 affect the operation of gaming in this State, and the reaction
5 of Illinois citizens to existing and potential features of
6 gaming under this Act. The Board is responsible for
7 ascertaining any defects in this Act or in the rules adopted
8 thereunder, formulating recommendations for changes in this
9 Act to prevent abuses thereof, guarding against the use of this
10 Act as a cloak for the carrying on of illegal gambling or other
11 criminal activities, and insuring that this Act and the rules
12 are in such form and so administered as to serve the true
13 purposes of this Act.

14 (h) The Board shall file with the Governor and the General
15 Assembly an annual report of (i) all revenues, expenses, and
16 disbursements, (ii) actions taken by the Board, (iii) activity
17 at Responsible Play Information Centers at licensed
18 facilities, and (iv) any recommendations for changes in this
19 Act as the Board deems necessary or desirable. The Board shall
20 also report recommendations that promote more efficient
21 operations of the Board.

22 (i) The Board shall report immediately to the Governor and
23 the General Assembly any matters that in its judgment require
24 immediate changes in the laws of this State in order to prevent
25 abuses and evasions of this Act or of its rules or to rectify
26 undesirable conditions in connection with the operation and

1 regulation of gambling operations.

2 (Source: P.A. 91-40, eff. 1-1-00; 91-239, eff. 1-1-00; 91-883,
3 eff. 1-1-01.)

4 (230 ILCS 10/5.1) (from Ch. 120, par. 2405.1)

5 Sec. 5.1. Disclosure of records.

6 (a) Notwithstanding any applicable statutory provision to
7 the contrary, the Board shall, on written request from any
8 person, provide information furnished by an applicant for a
9 gaming license or a gaming licensee concerning the applicant or
10 licensee, his products, services or gambling enterprises and
11 his business holdings, as follows:

12 (1) The name, business address and business telephone
13 number of any applicant or licensee.

14 (2) An identification of any applicant or licensee
15 including, if an applicant or licensee is not an
16 individual, the state of incorporation or registration,
17 the corporate officers, and the identity of all
18 shareholders or participants. If an applicant or licensee
19 has a pending registration statement filed with the
20 Securities and Exchange Commission, only the names of those
21 persons or entities holding interest of 1% ~~5%~~ or more must
22 be provided.

23 (3) An identification of any business, including, if
24 applicable, the state of incorporation or registration, in
25 which an applicant or licensee or an applicant's or

1 licensee's spouse or children has an equity interest of
2 more than 1% ~~5%~~. If an applicant or licensee is a
3 corporation, partnership or other business entity, the
4 applicant or licensee shall identify any other
5 corporation, partnership or business entity in which it has
6 an equity interest of 1% ~~5%~~ or more, including, if
7 applicable, the state of incorporation or registration.
8 This information need not be provided by a corporation,
9 partnership or other business entity that has a pending
10 registration statement filed with the Securities and
11 Exchange Commission.

12 (4) Whether an applicant or licensee has been indicted,
13 convicted, pleaded guilty or nolo contendere, or forfeited
14 bail concerning any criminal offense under the laws of any
15 jurisdiction, either felony or misdemeanor (except for
16 traffic violations), including the date, the name and
17 location of the court, arresting agency and prosecuting
18 agency, the case number, the offense, the disposition and
19 the location and length of incarceration.

20 (5) Whether an applicant or licensee has had any
21 license or certificate issued by a licensing authority in
22 Illinois or any other jurisdiction denied, restricted,
23 suspended, revoked or not renewed and a statement
24 describing the facts and circumstances concerning the
25 denial, restriction, suspension, revocation or
26 non-renewal, including the licensing authority, the date

1 each such action was taken, and the reason for each such
2 action.

3 (6) Whether an applicant or licensee has ever filed or
4 had filed against it a proceeding in bankruptcy or has ever
5 been involved in any formal process to adjust, defer,
6 suspend or otherwise work out the payment of any debt
7 including the date of filing, the name and location of the
8 court, the case and number of the disposition.

9 (7) Whether an applicant or licensee has filed, or been
10 served with a complaint or other notice filed with any
11 public body, regarding the delinquency in the payment of,
12 or a dispute over the filings concerning the payment of,
13 any tax required under federal, State or local law,
14 including the amount, type of tax, the taxing agency and
15 time periods involved.

16 (8) A statement listing the names and titles of all
17 public officials or officers of any unit of government, and
18 relatives of said public officials or officers who,
19 directly or indirectly, own any financial interest in, have
20 any beneficial interest in, are the creditors of or hold
21 any debt instrument issued by, or hold or have any interest
22 in any contractual or service relationship with, an
23 applicant or licensee.

24 (9) Whether an applicant or licensee has made, directly
25 or indirectly, any political contribution, or any loans,
26 donations or other payments, to any candidate or office

1 holder, within 5 years from the date of filing the
2 application, including the amount and the method of
3 payment.

4 (10) The name and business telephone number of the
5 counsel representing an applicant or licensee in matters
6 before the Board.

7 (11) A description of any proposed or approved gambling
8 ~~riverboat gaming~~ operation, including the type of boat (if
9 applicable), ~~home dock~~ location, expected economic benefit
10 to the community, anticipated or actual number of
11 employees, any statement from an applicant or licensee
12 regarding compliance with federal and State affirmative
13 action guidelines, projected or actual admissions and
14 projected or actual adjusted gross gaming receipts.

15 (12) A description of the product or service to be
16 supplied by an applicant for a supplier's license.

17 (b) Notwithstanding any applicable statutory provision to
18 the contrary, the Board shall, on written request from any
19 person, also provide the following information furnished by an
20 applicant for a gaming license or gaming licensee:

21 (1) The amount of the wagering tax and admission tax
22 paid daily to the State of Illinois by the holder of an
23 owner's license.

24 (2) Whenever the Board finds an applicant for an
25 owner's license unsuitable for licensing, a copy of the
26 written letter outlining the reasons for the denial.

1 (3) Whenever the Board has refused to grant leave for
2 an applicant to withdraw his application, a copy of the
3 letter outlining the reasons for the refusal.

4 (c) Subject to the above provisions, the Board shall not
5 disclose any information which would be barred by:

6 (1) Section 7 of the Freedom of Information Act; or

7 (2) The statutes, rules, regulations or
8 intergovernmental agreements of any jurisdiction.

9 (d) The Board may assess fees for the copying of
10 information in accordance with Section 6 of the Freedom of
11 Information Act.

12 (Source: P.A. 87-826.)

13 (230 ILCS 10/5.2 new)

14 Sec. 5.2. Separation from Department of Revenue. On the
15 effective date of this amendatory Act of the 95th General
16 Assembly, all of the powers, duties, assets, liabilities,
17 employees, contracts, property, records, pending business, and
18 unexpended appropriations of the Department of Revenue related
19 to the administration and enforcement of this Act are
20 transferred to the Illinois Gaming Board and the Office of
21 Gaming Enforcement.

22 The status and rights of the transferred employees, and the
23 rights of the State of Illinois and its agencies, under the
24 Personnel Code and applicable collective bargaining agreements
25 or under any pension, retirement, or annuity plan are not

1 affected (except as provided in the Illinois Pension Code) by
2 that transfer or by any other provision of this amendatory Act
3 of the 95th General Assembly.

4 (230 ILCS 10/5.3 new)

5 Sec. 5.3. Nomination Panel.

6 (a) The Nomination Panel is established to provide a list
7 of nominees to the Governor for appointment to the Illinois
8 Gaming Board, the Illinois Racing Board, and the position of
9 Director of Gaming Enforcement. Members of the Nomination Panel
10 shall be appointed by majority vote of the following appointing
11 authorities: (1) the Executive Ethics Commissioner appointed
12 by the Secretary of State; (2) the Executive Ethics
13 Commissioner appointed by the Treasurer; (3) the Executive
14 Ethics Commissioner appointed by the Comptroller; (4) the
15 Executive Ethics Commissioner appointed by the Attorney
16 General; and (5) the Executive Ethics Commissioner appointed to
17 serve as the first Chairman of the Executive Ethics Commission,
18 or, upon his disqualification or resignation, the
19 longest-serving Executive Ethics Commissioner appointed by the
20 Governor. Provided, however, the appointing authorities as of
21 the effective date of this amendatory Act of the 95th General
22 Assembly shall remain empowered to fill vacancies on the
23 Nomination Panel until all members of the new Gaming Board,
24 Racing Board, and Director of Gaming Enforcement have been
25 appointed and qualified, regardless of whether such appointing

1 authorities remain members of the Executive Ethics Commission.
2 For appointing authorities who were appointed to the Executive
3 Ethics Commission by a Constitutional officer other than the
4 Governor, in the event of such appointing authority's
5 disqualification, resignation, or refusal to serve as an
6 appointing authority, the Constitutional officer that
7 appointed the Executive Ethics Commissioner may name a designee
8 to serve as an appointing authority for the Nomination Panel.
9 For the appointing authority who was appointed to the Executive
10 Ethics Commission by the Governor, in the event of such
11 appointing authority's disqualification, resignation, or
12 refusal to serve as an appointing authority, the
13 longest-serving Executive Ethics Commissioner appointed by the
14 Governor shall become the appointing authority. The appointing
15 authorities may hold so many public or non-public meetings as
16 is required to fulfill their duties, and may utilize the staff
17 and budget of the Executive Ethics Commission in carrying out
18 their duties; provided, however, that a final vote on
19 appointees to the Nomination Panel shall take place in a
20 meeting governed by the Open Meetings Act. Any ex parte
21 communications regarding the Nomination Panel must be made a
22 part of the record at the next public meeting and part of a
23 written record. The appointing authorities shall file a list of
24 members of the Nomination Panel with the Secretary of State
25 within 60 days after the effective date of this amendatory Act
26 of the 95th General Assembly. A vacancy on the Nomination Panel

1 due to disqualification or resignation must be filled within 60
2 days of a vacancy and the appointing authorities must file the
3 name of the new appointee with the Secretary of State.

4 (b) The Nomination Panel shall consist of the following
5 members: (i) 2 members shall be former federal or State judges
6 from Illinois, (ii) 2 members shall be former federal
7 prosecutors from Illinois, (iii) one member shall be a former
8 sworn federal officer with investigatory experience with a
9 federal agency, including but not limited to the Federal Bureau
10 of Investigation, the Internal Revenue Service, the Securities
11 and Exchange Commission, the Drug Enforcement Administration,
12 the Bureau of Alcohol, Tobacco, Firearms and Explosives, or any
13 other federal agency, (iv) 2 former members of federal agencies
14 with experience in regulatory oversight, and (v) 2 members with
15 at least 5 years of experience with nonprofit agencies in
16 Illinois committed to public-interest advocacy, after the
17 appointing authorities' solicitation of recommendations from
18 the Campaign for Political Reform, the Better Government
19 Association, the Chicago Crime Commission, the League of Women
20 Voters, the Urban League, the Mexican American Legal Defense
21 and Educational Fund, the Citizen Advocacy Center, and any
22 other source deemed appropriate. Each member of the Panel shall
23 receive \$300 for each day the Panel meets.

24 (c) Candidates for nomination to the Illinois Gaming Board,
25 the Illinois Racing Board, or the position of Director of
26 Gaming Enforcement may apply or be nominated. All candidates

1 must fill out a written application and submit to a background
2 investigation to be eligible for consideration. The written
3 application must include, at a minimum, a sworn statement
4 disclosing any communications that the applicant has engaged in
5 with a constitutional officer, a member of the General
6 Assembly, a special government agent (as that term is defined
7 in Section 4A-101 of the Illinois Governmental Ethics Act), a
8 director, secretary, or other employee of the executive branch
9 of the State, or an employee of the legislative branch of the
10 State related to the regulation of gaming within the last year.

11 A person who provides false or misleading information on
12 the application or fails to disclose a communication required
13 to be disclosed in the sworn statement under this Section is
14 guilty of a Class 4 felony.

15 (d) Once an application is submitted to the Nomination
16 Panel and until (1) the candidate is rejected by the Nomination
17 Panel, (2) the candidate is rejected by the Governor, (3) the
18 candidate is rejected by the Senate, or (4) the candidate is
19 confirmed by the Senate, whichever is applicable, a candidate
20 may not engage in ex parte communications, as that term is
21 defined in Section 5.5 of this Act.

22 (e) For the purpose of making the initial nominations after
23 the effective date of the amendatory Act of the 95th General
24 Assembly, the Nomination Panel shall request the assistance of
25 the Federal Bureau of Investigation to conduct the background
26 investigation. If the Federal Bureau of Investigation does not

1 agree to conduct the background investigations within 120 days
2 after the request, the Nomination Panel may contract with an
3 independent agency that specialized in conducting personal
4 investigations. The Nomination Panel, however, may not engage
5 the services or enter into any contract with State or local
6 agencies. The Nomination Panel shall conduct a background
7 investigation on eligible applicants prior to nomination.
8 After the Office of Gaming Enforcement is operational, the
9 Nomination Panel must use the Office of Gaming Enforcement's
10 investigatory staff. The Office may seek the assistance of the
11 Federal Bureau of Investigations or an independent agency that
12 specializes in conducting background investigations. The
13 Office may not, however, enter into any intergovernmental
14 agreements with State or local agencies.

15 (f) The Nomination Panel must review written applications,
16 determine eligibility for oral interviews, confirm
17 satisfactory background investigations, and hold public
18 hearings on qualifications of candidates. Initial interviews
19 of candidates need not be held in meetings subject to the Open
20 Meetings Act; members or staff may arrange for informal
21 interviews. Prior to recommendation, however, the Nomination
22 Panel must question candidates in a meeting subject to the Open
23 Meetings Act under oath.

24 (g) The Nomination Panel must recommend 15 candidates for
25 nomination to the Illinois Gaming Board, 21 candidates for
26 nomination to the Illinois Racing Board, and 3 candidates for

1 nomination to the position of Director of Gaming Enforcement.
2 The Governor may choose only from these recommendations. The
3 Nomination Panel shall deliver a list of the nominees,
4 including a memorandum detailing the nominees' qualifications,
5 to the Governor. After submitting the names to the Governor,
6 the Nomination Panel shall file a copy along with a statement
7 confirming delivery of the list and memorandum to the Governor
8 with the Secretary of State. The Secretary of State shall
9 indicate the date and time of filing.

10 (h) After reviewing the nominations, the Governor may
11 select 5 nominees for the Illinois Gaming Board, 7 nominees for
12 the Illinois Racing Board, and one nominee for the Director of
13 Gaming Enforcement to be confirmed by the Senate. The Governor
14 shall file the names of his nominees with the Senate and the
15 Secretary of State. The Secretary of State shall indicate the
16 date and time of filing.

17 The Governor has 90 days from the date the Nomination Panel
18 files with the Secretary of State to select nominees for
19 confirmation by the Senate. If the Governor does not select all
20 nominees within 90 days, the Nomination Panel may select the
21 members or remaining members of the Board or the Director of
22 Gaming Enforcement. The Nomination Panel shall file the names
23 of nominees with the Senate and the Secretary of State. The
24 Secretary of State shall indicate the date and time of filing.

25 (i) Selections by the Governor or Nomination Panel must
26 receive the consent of the Senate by two-thirds of members by

1 record vote. Any nomination not acted upon within 30 calendar
2 days after the date of filing with the Secretary of State shall
3 be deemed to have received the advice and consent of the
4 Senate.

5 (j) When a vacancy occurs on the Illinois Gaming Board or
6 Illinois Racing Board or for the position of the Director of
7 Gaming Enforcement, the Nomination Panel shall use its best
8 efforts to recommend at least 3 candidates for that vacancy
9 within 90 days after the vacancy, and the Governor shall
10 respond within 90 days or the Nomination Panel may make the
11 appointment. Vacancies shall be confirmed in the same manner
12 prescribed in this Section.

13 (230 ILCS 10/5.4 new)

14 Sec. 5.4. Office of Gaming Enforcement.

15 (a) There is established the Office of Gaming Enforcement,
16 which shall have the powers and duties specified in this Act or
17 the Illinois Horse Racing Act of 1975. Its jurisdiction shall
18 extend under this Act and the Illinois Horse Racing Act of 1975
19 to every licensee, person, association, corporation,
20 partnership and trust involved in gambling operations in the
21 State of Illinois.

22 (b) The Office shall have an officer as its head who shall
23 be known as the Director and who shall execute the powers and
24 discharge the duties given to the Office by this Act and the
25 Illinois Horse Racing Act of 1975. The Director must have at

1 least 10 years experience in law enforcement and investigatory
2 methods at the federal or state level, but not necessarily in
3 Illinois, with a preference given for experience in regulation
4 or investigation in the gaming industry. Nominations for the
5 position of Director must be made by the Nomination Panel as
6 provided in Section 5.3. The Director of the Office may be
7 removed by the Governor for neglect of duty, misfeasance,
8 malfeasance, or nonfeasance in office. The Director shall
9 receive an annual salary equal to the annual salary of a State
10 appellate court judge and shall hold no other employment for
11 which he or she receives compensation. The Director may not
12 hold a local, state, or federal elective or appointive office
13 or be employed by a local, state, or federal governmental
14 entity while in office.

15 (c) The Director shall employ such personnel as may be
16 necessary to carry out the functions of the Office and shall
17 determine the salaries of all personnel, except those personnel
18 whose salaries are determined under the terms of a collective
19 bargaining agreement. An employee or the employee's spouse,
20 parent, or child, may not, for 2 years before employment,
21 during employment, and for 5 years after employment by the
22 Office have a financial interest in or financial relationship
23 with, any operator engaged in gambling operations within this
24 State or any organization engaged in conducting horse racing
25 within this State. Any employee violating these prohibitions is
26 subject to termination of employment.

1 (d) The Office shall have general responsibility for the
2 investigation and enforcement under this Act and the Illinois
3 Horse Racing Act of 1975. Its duties include without limitation
4 the following:

5 (1) To be present through its inspectors and agents any
6 time gambling operations are conducted for the purpose of
7 certifying the revenue thereof, receiving complaints from
8 the public, and conducting such other investigations into
9 the conduct of the gambling games and the maintenance of
10 the equipment as from time to time the Board may deem
11 necessary and proper.

12 (2) To supervise all gambling operations authorized
13 under this Act and the Illinois Horse Racing Act of 1975
14 and all persons in places where gambling operations are
15 conducted.

16 (3) To promulgate rules regarding the inspection of
17 riverboats, casinos, and electronic gaming facilities.

18 (4) To enter the licensed facility or other places of
19 business of a licensee under this Act or the Illinois Horse
20 Racing Act of 1975 where evidence of the compliance or
21 noncompliance with the provisions of those Acts are likely
22 to be found.

23 (5) To exchange fingerprint data with, and receive
24 criminal history record information from, the Federal
25 Bureau of Investigation and the Department of State Police
26 for use in considering applicants for any license.

1 (6) To eject or exclude or authorize the ejection or
2 exclusion of any person from licensed facilities where the
3 person is in violation of this Act or the Illinois Horse
4 Racing Act of 1975, rules thereunder, or final orders of
5 the appropriate Board, or where such person's conduct or
6 reputation is such that his or her presence within the
7 licensed facilities may call into question the honesty and
8 integrity of the gambling operations or interfere with the
9 orderly conduct thereof; provided that the propriety of
10 such ejection or exclusion is subject to subsequent
11 hearing.

12 (7) To hire employees to gather information, conduct
13 investigations, and carry out any other tasks contemplated
14 under this Act or the Illinois Horse Racing Act of 1975.

15 (8) To conduct investigations on its own initiative or
16 as requested by the Illinois Gaming Board, Illinois Racing
17 Board, or the Nomination Panel, including without
18 limitation investigations for suspected violations of this
19 Act and the Illinois Horse Racing Act of 1975 and
20 investigations for issuance or renewal of a license.

21 (e) The Office must issue to each investigator and to any
22 other employee of the Office exercising the powers of a peace
23 officer a distinct badge that, on its face, (i) clearly states
24 that the badge is authorized by the Office and (ii) contains a
25 unique identifying number. No other badge shall be authorized
26 by the Office.

1 (f) The Office is a law enforcement agency, and its
2 employees and agents shall have such law enforcement powers as
3 may be delegated to them by the Attorney General to effectuate
4 the purposes of this Act.

5 (g) Whenever the Office has reason to believe that any
6 person may be in possession, custody, or control of any
7 documentary material or information relevant to an
8 investigation, the Office may, before commencing a civil
9 proceeding under this Act, issue in writing and cause to be
10 served upon such person, a subpoena requiring such person: (A)
11 to produce such documentary material for inspection and
12 copying, (B) to answer, in writing, written interrogatories
13 with respect to such documentary material or information, (C)
14 to give oral testimony concerning such documentary material or
15 information, or (D) to furnish any combination of such
16 material, answers, or testimony.

17 (h) The Office may order any person to answer a question or
18 questions or produce evidence of any kind and confer immunity
19 as provided in this subsection. If, in the course of any
20 investigation or hearing conducted under this Act, a person
21 refuses to answer a question or produce evidence on the ground
22 that he or she will be exposed to criminal prosecution thereby,
23 then in addition to any other remedies or sanctions provided
24 for by this Act, the Office may, by resolution of the Board and
25 after the written approval of the Attorney General, issue an
26 order to answer or to produce evidence with immunity. Hearings,

1 documents, and other communications regarding the granting of
2 immunity are not subject to the Freedom of Information Act or
3 the Open Meetings Act. If, upon issuance of such an order, the
4 person complies therewith, he or she shall be immune from
5 having such responsive answer given by him or her or such
6 responsive evidence produced by him or her, or evidence derived
7 therefrom, used to expose him or her to criminal prosecution,
8 except that such person may nevertheless be prosecuted for any
9 perjury committed in such answer or in producing such evidence,
10 or for contempt for failing to give an answer or produce
11 evidence in accordance with the order of the Office; provided,
12 however, that no period of incarceration for contempt shall
13 exceed 18 months in duration. Any such answer given or evidence
14 produced shall be admissible against him or her upon any
15 criminal investigation, proceeding, or trial against him or her
16 for such perjury; upon any investigation, proceeding or trial
17 against him or her for such contempt; or in any manner
18 consistent with State and constitutional provisions.

19 (i) When the Office or any entity authorized under this Act
20 or the Illinois Horse Racing Act of 1975 is authorized or
21 required by law to conduct a background investigation, the
22 Office shall:

23 (1) conduct a criminal history record check
24 investigation to obtain any information currently or
25 subsequently contained in the files of the State Police
26 and, if possible, the Federal Bureau of Investigation,

1 regarding possible criminal behavior, including
2 misdemeanor and felony convictions;

3 (2) conduct a civil action record check investigation
4 to obtain information regarding any civil matters to which
5 the person was a party, witness, or in any way
6 substantially participated in the matter;

7 (3) conduct investigation of personal and professional
8 references and acquaintances, including, but not limited
9 to, current and former employers or employees; or

10 (4) conduct investigation of financial history.

11 (230 ILCS 10/5.5 new)

12 Sec. 5.5. Ethics provisions.

13 (a) Conflict of Interest. Board members, members of the
14 Nomination Panel, the Director of Gaming Enforcement, and
15 employees may not engage in communications or any activity that
16 may cause or have the appearance of causing a conflict of
17 interest. A conflict of interest exists if a situation
18 influences or creates the appearance that it may influence
19 judgment or performance of regulatory duties and
20 responsibilities. This prohibition shall extend to any act
21 identified by Board action that, in the judgment of the Board,
22 could represent the potential for or the appearance of a
23 conflict of interest.

24 (b) Financial Interest. Board members, members of the
25 Nomination Panel, the Director of Gaming Enforcement, and

1 employees may not have a financial interest, directly or
2 indirectly, in his or her own name or in the name of any other
3 person, partnership, association, trust, corporation, or other
4 entity, in any contract or subcontract for the performance of
5 any work for the Board of any licensee. This prohibition shall
6 extend to the holding or acquisition of an interest in any
7 entity identified by Board action that, in the judgment of the
8 Board, could represent the potential for or the appearance of a
9 financial interest. The holding or acquisition of an interest
10 in such entities through an indirect means, such as through a
11 mutual fund, shall not be prohibited, except that Board may
12 identify specific investments or funds that, in its judgment,
13 are so influenced by gaming holdings as to represent the
14 potential for or the appearance of a conflict of interest.

15 (c) Gambling. Except as may be required in the conduct of
16 official duties, Board members and employees shall not engage
17 in gambling on any riverboat, in any casino, or in an
18 electronic gaming facility licensed by the Board or engage in
19 legalized gambling in any establishment identified by Board
20 action that, in the judgment of the Board, could represent a
21 potential for a conflict of interest.

22 (d) Outside employment. A Board member, an employee, or the
23 Director of Gaming Enforcement may not, within a period of 5
24 years immediately after termination of employment, knowingly
25 accept employment or receive compensation or fees for services
26 from a person or entity, or its parent or affiliate, that has

1 engaged in business with the Board that resulted in contracts
2 with an aggregate value of at least \$25,000 or made a decision
3 that directly applied to the person or entity, or its parent or
4 affiliate. Board members and employees shall not hold or pursue
5 employment, office, position, business, or occupation that
6 conflict with his or her official duties. Board members shall
7 not engage in other employment. Employees may engage in other
8 gainful employment so long as that employment does not
9 interfere or conflict with their duties and such employment is
10 approved by the Board.

11 (e) Gift ban. Board members, the Director of Gaming
12 Enforcement, and employees may not accept any gift, gratuity,
13 service, compensation, travel, lodging, or thing of value, with
14 the exception of unsolicited items of an incidental nature,
15 from any person, corporation or entity doing business with the
16 Board. For the Director and employees of the Office of Gaming
17 Enforcement, this ban shall also apply to any person,
18 corporation, or entity doing business with the Illinois Racing
19 Board.

20 (f) Abuse of Position. A Board member, member of the
21 Nomination Panel, Director of Gaming Enforcement, or employee
22 shall not use or attempt to use his or her official position to
23 secure, or attempt to secure, any privilege, advantage, favor,
24 or influence for himself or herself or others. No Board member,
25 member of the Nomination Panel, Director of Gaming Enforcement,
26 or employee of the Authority may attempt, in any way, to

1 influence any person or corporation doing business with the
2 Authority or any officer, agent, or employee thereof to hire or
3 contract with any person or corporation for any compensated
4 work.

5 (g) Political activity. No member of the Board, employee,
6 or the Director of Gaming Enforcement shall engage in any
7 political activity. For the purposes of this subsection,
8 "political activity" means any activity in support of or in
9 connection with any campaign for State or local elective office
10 or any political organization, but does not include activities
11 (i) relating to the support of opposition of any executive,
12 legislative, or administrative action (as those terms are
13 defined in Section 2 of the Lobbyist Registration Act), (ii)
14 relating to collective bargaining, or (iii) that are otherwise
15 in furtherance of the person's official State duties or
16 governmental and public service functions.

17 (h) A spouse, child, or parent of a Board member, the
18 Director of Gaming Enforcement, or an employee may not:

19 (1) Have a financial interest, directly or indirectly,
20 in his or her own name or in the name of any other person,
21 partnership, association, trust, corporation, or other
22 entity, in any contract or subcontract for the performance
23 of any work for the Board of any licensee. This prohibition
24 shall extend to the holding or acquisition of an interest
25 in any entity identified by Board action that, in the
26 judgment of the Board, could represent the potential for or

1 the appearance of a conflict of interest. The holding or
2 acquisition of an interest in such entities through an
3 indirect means, such as through a mutual fund, shall not be
4 prohibited, except that the Board may identify specific
5 investments or funds that, in its judgment, are so
6 influenced by gaming holdings as to represent the potential
7 for or the appearance of a conflict of interest.

8 (2) Accept any gift, gratuity, service, compensation,
9 travel, lodging, or thing of value, with the exception of
10 unsolicited items of an incidental nature, from any person,
11 corporation or entity doing business with the Board.

12 (3) Within a period of 2 years immediately after
13 termination of employment, knowingly accept employment or
14 receive compensation or fees for services from a person or
15 entity, or its parent or affiliate, that has engaged in
16 business with the Authority that resulted in contracts with
17 an aggregate value of at least \$25,000 or made a decision
18 that directly applied to the person or entity, or its
19 parent or affiliate.

20 (i) Any Board member, member of the Nomination Panel,
21 Director of Gaming Enforcement, or employee or spouse, child,
22 or parent of a Board member, member of the Nomination Panel,
23 Director of Gaming Enforcement, or employee who violates any
24 provision of this Section is guilty of a Class 4 felony.

1 Sec. 5.7. Ex parte communications.

2 (a) For the purpose of this Section:

3 "Ex parte communication" means any written or oral
4 communication by any person that imparts or requests material
5 information or makes a material argument regarding potential
6 action concerning regulatory, quasi regulatory, investment, or
7 licensing matters pending before or under consideration by the
8 Illinois Gaming Board. "Ex parte communication" does not
9 include the following: (i) statements by a person publicly made
10 in a public forum; (ii) statements regarding matters of
11 procedure and practice, such as format, the number of copies
12 required, the manner of filing, and the status of a matter;
13 (iii) statements regarding recommendation for pending or
14 approved legislation; (iv) statements made by a State employee
15 of the agency to the agency head or other employees of that
16 agency.

17 "Interested party" means a person or entity whose rights,
18 privileges, or interests are the subject of or are directly
19 affected by a regulatory, quasi-adjudicatory, investment, or
20 licensing matter of the Board.

21 (b) A constitutional officer, a member of the General
22 Assembly, a special government agent as that term is defined in
23 Section 4A-101 of the Illinois Governmental Ethics Act, a
24 director, secretary, or other employee of the executive branch
25 of the State, an employee of the legislative branch of the
26 State, or an interested party may not engage in any ex parte

1 communication with a member of the Board or an employee. A
2 member of the Board or an employee must immediately report any
3 ex parte communication to the Inspector General for gaming
4 activities. A violation of this subsection (b) is a Class 4
5 felony.

6 (c) A constitutional officer, a member of the General
7 Assembly, a special government agent as that term is defined in
8 Section 4A-101 of the Illinois Governmental Ethics Act, a
9 director, secretary, or other employee of the executive branch
10 of the State, an employee of the legislative branch of the
11 State, or an interested party may not engage in any ex parte
12 communication with a nominee for the Board or a nominee for the
13 Director of Gaming Enforcement. A person is deemed a nominee
14 once they have submitted information to the nomination panel. A
15 nominee must immediately report any ex parte communication to
16 the Inspector General for gaming activities. A violation of
17 this subsection (c) is a Class 4 felony.

18 (d) Any ex parte communication from a constitutional
19 officer, a member of the General Assembly, a special government
20 agent as that term is defined in Section 4A-101 of the Illinois
21 Governmental Ethics Act, a director, secretary, or other
22 employee of the executive branch of the State, an employee of
23 the legislative branch of the State, or an interested party
24 received by a member of the Nomination Panel or employee
25 assisting the Nomination Panel must be immediately
26 memorialized and made a part of the record at the next meeting.

1 Report of the communication shall include all written
2 communications along with a statement describing the nature and
3 substance of all oral communications, any action the person
4 requested or recommended, the identity and job title of the
5 person to whom each communication was made, all responses made
6 by the member. A violation of this subsection (d) is Class A
7 misdemeanor.

8 (230 ILCS 10/6) (from Ch. 120, par. 2406)

9 Sec. 6. Application for Owners License.

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

1 shall conduct with respect to each applicant. An incomplete
2 application shall be cause for denial of a license by the
3 Board.

4 (a-5) In addition to any other information required under
5 this Section, each application for an owners license must
6 include the following information:

7 (1) The history and success of the applicant and each
8 person and entity disclosed under subsection (c) of this
9 Section in developing tourism facilities ancillary to
10 gaming, if applicable.

11 (2) The likelihood that granting a license to the
12 applicant will lead to the creation of quality, living wage
13 jobs and permanent, full-time jobs for residents of the
14 State and residents of the unit of local government that is
15 designated as the home dock of the proposed facility where
16 gambling is to be conducted by the applicant.

17 (3) The projected number of jobs that would be created
18 if the license is granted and the projected number of new
19 employees at the proposed facility where gambling is to be
20 conducted by the applicant.

21 (4) The record of the applicant and its developer in
22 meeting commitments to local agencies, community-based
23 organizations, and employees at other locations where the
24 applicant or its developer has performed similar functions
25 as they would perform if the applicant were granted a
26 license.

1 (5) Identification of adverse effects that might be
2 caused by the proposed facility where gambling is to be
3 conducted by the applicant, including the costs of meeting
4 increased demand for public health care, child care, public
5 transportation, affordable housing, and social services,
6 and a plan to mitigate those adverse effects.

7 (6) The record of the applicant and its developer
8 regarding compliance with:

9 (A) Federal, State, and local discrimination, wage
10 and hour, disability, and occupational and
11 environmental health and safety laws.

12 (B) State and local labor relations and employment
13 laws.

14 (7) The applicant's record in dealing with its
15 employees and their representatives at other locations.

16 (8) A plan concerning the utilization of minority
17 person-owned and female-owned businesses and concerning
18 the hiring of minorities and females. For the purposes of
19 this item (8), the terms "minority person" and "female"
20 have the meanings provided in Section 2 of the Business
21 Enterprise for Minorities, Females, and Persons with
22 Disabilities Act.

23 (b) Applicants shall submit with their application all
24 documents, resolutions, and letters of support from the
25 governing body that represents the municipality or county
26 wherein the licensee will dock.

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

10 (d) An application shall be filed and considered in
11 accordance with the rules of the Board ~~with the Board by~~
12 ~~January 1 of the year preceding any calendar year for which an~~
13 ~~applicant seeks an owners license; however, applications for an~~
14 ~~owners license permitting operations on January 1, 1991 shall~~
15 ~~be filed by July 1, 1990.~~ A non-refundable ~~An~~ application fee
16 of \$250,000 ~~\$50,000~~ shall be paid at the time of filing and
17 shall be applied to the initial license fee if the application
18 is approved. ~~to defray the costs associated with the background~~
19 ~~investigation conducted by the Board. If the costs of the~~
20 ~~investigation exceed \$50,000, the applicant shall pay the~~
21 ~~additional amount to the Board. If the costs of the~~
22 ~~investigation are less than \$50,000, the applicant shall~~
23 ~~receive a refund of the remaining amount.~~ All information,
24 records, interviews, reports, statements, memoranda or other
25 data supplied to or used by the Board in the course of its
26 review or investigation of an application for a license under

1 this Act shall be privileged, strictly confidential and shall
2 be used only for the purpose of evaluating an applicant. Such
3 information, records, interviews, reports, statements,
4 memoranda or other data shall not be admissible as evidence,
5 nor discoverable in any action of any kind in any court or
6 before any tribunal, board, agency or person, except for any
7 action deemed necessary by the Board.

8 (e) (Blank). ~~The Board shall charge each applicant a fee~~
9 ~~set by the Department of State Police to defray the costs~~
10 ~~associated with the search and classification of fingerprints~~
11 ~~obtained by the Board with respect to the applicant's~~
12 ~~application. These fees shall be paid into the State Police~~
13 ~~Services Fund.~~

14 (f) The licensed owner shall be the person primarily
15 responsible for the boat itself. Only one riverboat gambling
16 operation may be authorized by the Board on any riverboat. The
17 applicant must identify each riverboat it intends to use and
18 certify that the riverboat: (1) has the authorized capacity
19 required in this Act; (2) is accessible to disabled persons;
20 and (3) is fully registered and licensed in accordance with any
21 applicable laws.

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

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

25 (230 ILCS 10/7) (from Ch. 120, par. 2407)

1 Sec. 7. Owners Licenses.

2 (a) The Board shall issue owners licenses to persons, firms
3 or corporations which apply for such licenses upon payment to
4 the Board of the non-refundable license fee set by the Board
5 pursuant to this Act, ~~upon payment of a \$25,000 license fee for~~
6 ~~the first year of operation and a \$5,000 license fee for each~~
7 ~~succeeding year~~ and upon a determination by the Board that the
8 applicant is eligible for an owners license pursuant to this
9 Act and the rules of the Board. From May 26, 2006 (For a period
10 of 2 years beginning on the effective date of Public Act
11 94-804) until the effective date of this amendatory Act of the
12 95th General Assembly ~~this amendatory Act of the 94th General~~
13 ~~Assembly~~, as a condition of licensure and as an alternative
14 source of payment for those funds payable under subsection
15 (c-5) of Section 13 of this ~~the Riverboat Gambling~~ Act, any
16 owners licensee that holds or receives its owners license on or
17 after the effective date of this amendatory Act of the 94th
18 General Assembly, other than an owners licensee operating a
19 riverboat with adjusted gross receipts in calendar year 2004 of
20 less than \$200,000,000, must pay into the Horse Racing Equity
21 Trust Fund, in addition to any other payments required under
22 this Act, an amount equal to 3% of the adjusted gross receipts
23 received by the owners licensee. The payments required under
24 this Section shall be made by the owners licensee to the State
25 Treasurer no later than 3:00 o'clock p.m. of the day after the
26 day when the adjusted gross receipts were received by the

1 owners licensee. A person, firm or corporation is ineligible to
2 receive an owners license if:

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

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

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

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

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

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

18 (7) (blank); or

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

22 (a-5) The Board shall establish annual fees for the
23 issuance or renewal of owners licenses by rule. The issuance
24 fee shall be based upon the cost of investigation and
25 consideration of the license application and shall not be less
26 than \$250,000.

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

11 Notwithstanding anything to the contrary in subsection
12 (e), an applicant may apply to the Board for approval of
13 relocation of a re-issued license to a new home dock location
14 authorized under Section 3(c) upon receipt of the approval from
15 the municipality or county, as the case may be, pursuant to
16 subsection (j) of this Section.

17 (b) In determining whether to grant an owners license,
18 reissue a revoked owners license, or non-renew an owners
19 license to an applicant, the Board shall consider:

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

23 (A) controls, directly or indirectly, such
24 applicant, or

25 (B) is controlled, directly or indirectly, by such
26 applicant or by a person which controls, directly or

1 indirectly, such applicant;

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

4 (3) the highest prospective total revenue to be derived
5 by the State from the conduct of ~~riverboat~~ gambling;

6 (4) the extent to which the ownership of the applicant
7 reflects the diversity of the State by including minority
8 persons and females and the good faith affirmative action
9 plan of each applicant to recruit, train and upgrade
10 minority persons and females in all employment
11 classifications;

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

14 (6) whether the applicant has adequate capitalization
15 to provide and maintain, for the duration of a license, a
16 riverboat;

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

20 (8) The amount of the applicant's license bid made
21 pursuant to Section 7.5.

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

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

26 (e) The Board may issue up to 11 ~~10~~ licenses authorizing

1 the holders of such licenses to own riverboats. In the
2 application for an owners license, the applicant shall state
3 the dock at which the riverboat is based and the water on which
4 the riverboat will be located. The Board shall issue 5 licenses
5 to become effective not earlier than January 1, 1991. Three of
6 such licenses shall authorize riverboat gambling on the
7 Mississippi River, or, with approval by the municipality in
8 which the riverboat was docked on August 7, 2003 and with Board
9 approval, be authorized to relocate to a new location, in a
10 municipality that (1) borders on the Mississippi River or is
11 within 5 miles of the city limits of a municipality that
12 borders on the Mississippi River and (2), on August 7, 2003,
13 had a riverboat conducting riverboat gambling operations
14 pursuant to a license issued under this Act; one of which shall
15 authorize riverboat gambling from a home dock in the city of
16 East St. Louis. One other license shall authorize riverboat
17 gambling on the Illinois River south of Marshall County. The
18 Board shall issue one additional license to become effective
19 not earlier than March 1, 1992, which shall authorize riverboat
20 gambling on the Des Plaines River in Will County. The Board may
21 issue 4 additional licenses to become effective not earlier
22 than March 1, 1992. After the 5 members of the Board are
23 appointed and qualified pursuant to this amendatory Act of the
24 95th General Assembly, the Board may issue one additional
25 license subject to the competitive bidding process described in
26 Section 7.5. In determining the water upon which riverboats

1 will operate, the Board shall consider the economic benefit
2 which riverboat gambling confers on the State, and shall seek
3 to assure that all regions of the State share in the economic
4 benefits of riverboat gambling.

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

18 (e-5) In addition to any other revocation powers granted to
19 the Board under this Act, the Board may revoke the owners
20 license of a licensee which fails to begin conducting gambling
21 within 12 ~~15~~ months of receipt of the Board's approval of the
22 application if the Board determines that license revocation is
23 in the best interests of the State. The Board may, after
24 holding a public hearing, grant extensions so long as an owners
25 licensee is working in good faith to begin conducting gambling.
26 The extension may be for a period of 6 months. If, after the

1 period of the extension, a licensee has not begun to conduct
2 gambling, another public hearing must be held by the Board
3 before it may grant another extension.

4 (f) The ~~first 10~~ owners licenses issued under this Act
5 shall permit the holder to own the riverboat ~~up to 2 riverboats~~
6 and equipment ~~thereon~~ for a period of 3 years after the
7 effective date of the license. Holders of ~~the first 10~~ owners
8 licenses must pay the annual license fee for each of the 3
9 years during which they are authorized to conduct gambling
10 operations ~~own riverboats.~~

11 (g) Upon the termination, expiration, or revocation of each
12 owners license ~~of the first 10 licenses, which shall be issued~~
13 ~~for a 3 year period,~~ all licenses are renewable for a period of
14 4 years, unless the Board sets a shorter period, ~~annually~~ upon
15 payment of the fee and a determination by the Board that the
16 licensee continues to meet all of the requirements of this Act
17 and the Board's rules. ~~However, for licenses renewed on or~~
18 ~~after May 1, 1998, renewal shall be for a period of 4 years,~~
19 ~~unless the Board sets a shorter period.~~

20 (h) An owners license shall entitle the licensee to operate
21 1,200 gaming positions plus any additional positions
22 authorized and obtained under subsection (h-2) of this Section
23 or subsection (f) of Section 7.7.

24 (h-2) Beginning on the effective date of this amendatory
25 Act of the 95th General Assembly, the Board shall make an equal
26 portion of an additional 3,500 positions available to each

1 owners licensee conducting gambling operations on the
2 effective date of this amendatory Act subject to an initial fee
3 of \$50,000 per position, plus the reconciliation payment as
4 required under subsection (h-5). Within 30 days after the Board
5 offers the positions, owners licensees may apply to the Board
6 to operate any portion of their allocated positions. The
7 \$50,000 fee per position is payable in full at the time
8 positions are awarded. Any positions that are not obtained by
9 an owners licensee shall be retained by the Board and shall be
10 offered in equal amounts to owners licensees who have purchased
11 the full amount of positions offered to them. This process
12 shall continue in a timely manner until all positions have been
13 purchased. In the event that any positions remain unpurchased,
14 those positions shall first be made available in equal amounts
15 to all electronic gaming licensees under Section 7.7, subject
16 to the payment of all applicable fees. In the event that
17 positions remain unpurchased after being offered to electronic
18 gaming licensees, those positions shall be held by the Board
19 for an owners licensee that was not conducting gambling
20 operations on the effective date of this amendatory Act of the
21 95th General Assembly. All positions obtained pursuant to this
22 process must be in operation within 12 months after they were
23 obtained or the licensee forfeits the right to operate all of
24 the positions, but is not entitled to a refund of any fees
25 paid. The Board may, after holding a public hearing, grant
26 extensions so long as an organization licensee is working in

1 good faith to begin conducting electronic gaming. The extension
2 may be for a period of 6 months. If, after the period of the
3 extension, a licensee has not begun to conduct electronic
4 gaming, another public hearing must be held by the Board before
5 it may grant another extension.

6 Subject to approval by the Board, owners licensees
7 conducting gambling operations on the effective date of this
8 amendatory Act of the 95th General Assembly may make
9 modifications and additions to their facilities, including the
10 portion that sits on land, to accommodate any additional
11 positions obtained under this subsection (h-2). A minimum of
12 1,200 positions must operate on water. The positions allowed on
13 land must be located in a single structure no farther than 100
14 yards from the water-based portion of the facility. Subject to
15 approval by the Board, the positions may be placed in a
16 temporary location for up to 12 months after the positions are
17 obtained, but the Board may grant extensions as provided in
18 this subsection (h-2).

19 (h-5) An owners licensee who purchases additional
20 positions under subsection (h-2) must make a reconciliation
21 payment 4 years after the date the owners license begins
22 operating the additional positions in an amount equal to 75% of
23 the owner licensee's annual adjusted gross receipts for the
24 most lucrative 12-month period of operations within the
25 previous 4 years, minus (i) the owners licensee's annual
26 adjusted gross receipts from 2007 and (ii) an amount equal to

1 \$50,000 per additional position obtained pursuant to
2 subsection (h-2). If this calculation results in a negative
3 amount, then the owners licensee is not entitled to any
4 reimbursement of fees previously paid. This reconciliation
5 payment may be made in installments over a period on no more
6 than 5 years, subject to Board approval. ~~own up to 2~~
7 ~~riverboats.~~

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

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

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

13 (Source: P.A. 93-28, eff. 6-20-03; 93-453, eff. 8-7-03; 94-667,
14 eff. 8-23-05; 94-804, eff. 5-26-06.)

15 (230 ILCS 10/7.3)

16 Sec. 7.3. State conduct of gambling operations.

17 (a) If, after reviewing each application for a new or
18 re-issued gaming license, the Board determines that it is in
19 the best interest of the people of the State of Illinois for
20 the the highest prospective total revenue to the State would be
21 derived from State to conduct gambling operations ~~conduct of~~
22 ~~the gambling operation~~ in lieu of issuing or re-issuing the
23 gaming license, the Board shall inform each applicant of its
24 decision. The Board shall thereafter have the authority,
25 without obtaining a gaming ~~an owners~~ license, to conduct

1 ~~riverboat~~ gambling operations as previously authorized by the
2 new, terminated, expired, revoked, or nonrenewed license
3 through a licensed manager selected pursuant to an open and
4 competitive bidding process as set forth in Section 7.5 and as
5 provided in Section 7.4.

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

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

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

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

23 (230 ILCS 10/7.4)

24 Sec. 7.4. Managers licenses.

25 (a) A qualified person may apply to the Board for a

1 managers license to operate and manage any gambling operation
2 conducted by the State. The application shall be made on forms
3 provided by the Board and shall contain such information as the
4 Board prescribes, including but not limited to information
5 required in Sections 6(a), (b), and (c) and information
6 relating to the applicant's proposed price to manage State
7 gambling operations and to provide the riverboat, gambling
8 equipment, and supplies necessary to conduct State gambling
9 operations.

10 (b) (Blank). ~~Each applicant must submit evidence to the~~
11 ~~Board that minority persons and females hold ownership~~
12 ~~interests in the applicant of at least 16% and 4%,~~
13 ~~respectively.~~

14 (c) A person, firm, or corporation is ineligible to receive
15 a managers license if:

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

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

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

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

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

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

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

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

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

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

17 (g) The managers license shall be for a term not to exceed
18 10 years, shall be renewable at the Board's option, and shall
19 contain such terms and provisions as the Board deems necessary
20 to protect or enhance the credibility and integrity of State
21 gambling operations, achieve the highest prospective total
22 revenue to the State, and otherwise serve the interests of the
23 citizens of Illinois.

24 (h) Issuance of a managers license shall be subject to an
25 open and competitive bidding process. The Board may select an
26 applicant other than the lowest bidder by price. If it does not

1 select the lowest bidder, the Board shall issue a notice of who
2 the lowest bidder was and a written decision as to why another
3 bidder was selected.

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

5 (230 ILCS 10/7.5)

6 Sec. 7.5. Competitive Bidding. When the Board issues or
7 re-issues an owners license authorized under Section 7 or
8 ~~determines that it will re issue an owners license pursuant to~~
9 ~~an open and competitive bidding process, as set forth in~~
10 ~~Section 7.1, or~~ that it will issue a managers license pursuant
11 to an open and competitive bidding process, as set forth in
12 Section 7.4, the open and competitive bidding process shall
13 adhere to the following procedures:

14 (1) The Board shall make applications for owners and
15 managers licenses available to the public and allow a
16 reasonable time for applicants to submit applications to the
17 Board.

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

22 (3) After receiving all of the bid proposals, the Board
23 shall open all of the proposals in a public forum and disclose
24 the prospective owners or managers names, venture partners, if
25 any, and, in the case of applicants for owners licenses, the

1 locations of the proposed development sites.

2 (4) The Board shall summarize the terms of the proposals
3 and may make this summary available to the public.

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

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

9 (7) As soon as practicable after the public presentations
10 by the final applicants, the Board, in its discretion, may
11 conduct further negotiations among the 3 final applicants.
12 During such negotiations, each final applicant may increase its
13 license bid or otherwise enhance its bid proposal. At the
14 conclusion of such negotiations, the Board shall select the
15 winning proposal. In the case of negotiations for an owners
16 license, the Board may, at the conclusion of such negotiations,
17 make the determination 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 for
20 licensee suitability in accordance with all applicable
21 statutory and regulatory criteria.

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

1 Section 7.3(a).

2 (10) (A) After the Board has awarded the winning bid to a
3 new licensee, that licensee shall offer, or cause to be offered
4 ("the offering"), 25% of that licensee's equity interests in
5 units of \$5,000 as follows:

6 (i) 20% of that licensee's equity interests shall
7 be offered to minority persons as defined in the
8 Business Enterprise for Minorities, Females, and
9 Persons with Disabilities Act.

10 (ii) 5% of that licensee's equity interests shall
11 be offered to females.

12 (B) An eligible applicant described in paragraph (A) of
13 this Section shall be a resident and citizen of the State
14 of Illinois and at least 18 years of age.

15 (C) The offering shall commence not later than 180 days
16 following the issuance of the license, and shall continue
17 for a period of 180 days, unless extended for good cause by
18 the Board, (the "offering period"). The offering shall be
19 conducted in a manner, subject to the Board's pre-approval
20 and under the Board's supervision, that ensures that
21 Illinois' citizens statewide are given fair notice of, and
22 a reasonable opportunity to participate in, the offering.

23 (D) If, upon the close of the Offering Period, the
24 number of eligible applicants in any of the categories
25 described in paragraph (A) exceeds the number of available
26 units, then those units shall be awarded through a

1 lottery-based distribution, subject to the Board's
2 pre-approval and under the supervision of the Board.
3 Otherwise, all eligible applicants shall be awarded a
4 single \$5,000 equity interest.

5 (E) Prior to the offering, the Board shall adopt
6 procedures detailing the method of proof that applicants
7 shall be required to offer, with regard to each category
8 described in paragraph (A), in the event that applicant is
9 awarded an equity interest. Prior to the awarding of these
10 units, the Board shall require that each winning applicant
11 provide such proof to the Board. The failure to provide
12 such proof to the Board within 14 days of the Board's
13 request shall disqualify that applicant. The Board may also
14 disqualify an applicant if the Board finds the proof
15 insufficient for any reason. In the event of a
16 disqualification of one or more applicants, replacements
17 shall be selected pursuant to paragraph (D).

18 (F) Thereafter, in the event that any equity interests,
19 in any of the categories described in paragraph (A), remain
20 unsold, such unsold equity interests shall be offered for
21 an additional period of 180 days, unless extended for good
22 cause by the Board, (the "additional offering period")
23 pursuant to the provisions of this Section to the same
24 category of eligible applicants. The licensee shall have no
25 obligation to continue offering the equity interests
26 beyond the additional offering period.

1 (G) Individuals who are eligible under more than one
2 category described in paragraph (A) may apply under each
3 category in which they are eligible; provided, however,
4 that an individual may not be awarded more than a single
5 \$5,000 equity interest. No more than one equity interest
6 may be awarded among spouses and children living with them.

7 (H) The licensee shall bear all costs associated with
8 the offering.

9 (I) If the Board determines that an application is
10 fraudulent, the Board shall disqualify the applicant and
11 provide notice of such fraud to the applicant, the Director
12 of Gaming Enforcement, the Attorney General, and the
13 State's Attorney for the county in which the applicant
14 resides. Fraud in connection with the submission of an
15 application under this Section shall be a Class 4 felony.

16 (J) The Director of Gaming Enforcement possesses full
17 authority to review and investigate any aspect of the
18 Offering.

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

20 (230 ILCS 10/7.7 new)

21 Sec. 7.7. Electronic gaming.

22 (a) The General Assembly finds that the horse racing and
23 riverboat gambling industries share many similarities and
24 collectively comprise the bulk of the State's gaming industry.
25 One feature in common to both industries is that each is highly

1 regulated by the State of Illinois.

2 The General Assembly further finds, however, that despite
3 their shared features each industry is distinct from the other
4 in that horse racing is and continues to be intimately tied to
5 Illinois' agricultural economy and is, at its core, a spectator
6 sport. This distinction requires the General Assembly to
7 utilize different methods to regulate and promote the horse
8 racing industry throughout the State.

9 The General Assembly finds that in order to promote live
10 horse racing as a spectator sport in Illinois and the
11 agricultural economy of this State, it is necessary to allow
12 electronic gaming at Illinois race tracks given the success of
13 other states in increasing live racing purse accounts and
14 improving the quality of horses participating in horse race
15 meetings.

16 The General Assembly finds, however, that even though the
17 authority to conduct electronic gaming is a uniform means to
18 improve live horse racing in this State, electronic gaming must
19 be regulated and implemented differently in southern Illinois
20 versus the Chicago area. The General Assembly finds that
21 Fairmount Park is the only race track operating on a year-round
22 basis that offers live racing and for that matter only conducts
23 live thoroughbred racing. The General Assembly finds that the
24 current state of affairs deprives spectators and standardbred
25 horsemen residing in southern Illinois of the opportunity to
26 participate in live standardbred racing in a manner similar to

1 spectators, thoroughbred horsemen, and standardbred horsemen
2 residing in the Chicago area. The General Assembly declares
3 that southern Illinois spectators and standardbred horsemen
4 are entitled to have a similar opportunity to participate in
5 live standardbred racing as spectators in the Chicago area. The
6 General Assembly declares that in order to remove this
7 disparity between southern Illinois and the Chicago area, it is
8 necessary for the State to mandate standardbred racing
9 throughout the State by tying the authorization to conduct
10 electronic gaming to a commitment to conduct at least 25 days
11 of standardbred racing in any county in which an organization
12 licensee is operating.

13 (b) The Board shall award one electronic gaming license to
14 each organization licensee under the Illinois Horse Racing Act
15 of 1975, subject to application and eligibility requirements of
16 this Act, including the payment of all applicable fees.

17 (c) As soon as practical after the effective date of this
18 amendatory Act of the 95th General Assembly, the Board may
19 authorize up to 3,600 aggregate electronic gambling positions
20 statewide as provided in this Section. The authority to operate
21 positions under this Section shall be allocated as follows:

22 (1) The organization licensee operating at Arlington
23 Park Race Course may operate up to 1,100 gaming positions
24 at a time;

25 (2) The organization licensees operating at Hawthorne
26 Race Course, including the organization licensee formerly

1 operating at Sportsman's Park, may collectively operate up
2 to 900 gaming positions at a time;

3 (3) The organization licensee operating at Balmoral
4 Park may operate up to 300 gaming positions at a time;

5 (4) The organization licensee operating at Maywood
6 Park may operate up to 800 gaming positions at a time; and

7 (5) The organization licensee operating at Fairmount
8 Park may operate up to 500 gaming positions at a time.

9 (d) Any positions that are not obtained by an organization
10 licensee shall be retained by the Gaming Board and shall be
11 offered in equal amounts to organization licensees who have
12 purchased all of the positions that were offered. This process
13 shall continue until all positions have been purchased. All
14 positions obtained pursuant to this process must be in
15 operation within 18 months after they were obtained or the
16 organization licensee forfeits the right to operate all of the
17 positions, but is not entitled to a refund of any fees paid.
18 The Board may, after holding a public hearing, grant extensions
19 so long as an organization licensee is working in good faith to
20 begin conducting electronic gaming. The extension may be for a
21 period of 6 months. If, after the period of the extension, a
22 licensee has not begun to conduct electronic gaming, another
23 public hearing must be held by the Board before it may grant
24 another extension.

25 (e) In the event that any positions remain unpurchased,
26 those positions shall first be made available in equal amounts

1 to owners licensees conducting gambling operations on the
2 effective date of this amendatory Act of the 95th General
3 Assembly under subsection (h-2) of Section 7, subject to the
4 payment of all applicable fees. In the event the positions
5 remain unpurchased after being offered to owners licensees
6 conducting gambling operations on the effective date of this
7 amendatory Act of the 95th General Assembly, those positions
8 shall be held by the Board for any owners licensee that was not
9 conducting gambling operations on the effective date of this
10 amendatory Act.

11 (f) The Gaming Board shall determine hours of operation for
12 electronic gaming facilities by rule.

13 (g) To be eligible to conduct electronic gaming, an
14 organization licensee must (i) obtain an electronic gaming
15 license, (ii) hold an organization license under the Illinois
16 Horse Racing Act of 1975, (iii) hold an inter-track wagering
17 license, (iv) pay an initial fee of \$50,000 for each position
18 it is authorized to operate, plus make the reconciliation
19 payment required under subsection (i), (v) meet the live racing
20 requirements set forth in Section 20 of the Illinois Horse
21 Racing Act of 1975, and (vi) meet all other requirements of
22 this Act that apply to owners licensees. The \$50,000 fee per
23 position is payable in full at the time the positions are
24 awarded.

25 (h) Each organization licensee who obtains electronic
26 gaming positions must make a reconciliation payment 4 years

1 after the date the electronic gaming licensee begins operating
2 the positions in an amount equal to 75% of the net adjusted
3 gross receipts from electronic gaming for the most lucrative
4 12-month period of operations, minus an amount equal to \$50,000
5 per electronic gaming position. If this calculation results in
6 a negative amount, then the electronic gaming licensee is not
7 entitled to any reimbursement of fees previously paid. This
8 reconciliation payment may be made in installments over a
9 period of no more than 5 years, subject to Board approval. For
10 the purpose of this subsection (h), "net adjusted gross
11 receipts" has the same meaning as that term is given in
12 subsection (a-5) of Section 13.

13 (i) For each calendar year after 2007 in which an
14 electronic gaming licensee requests a number of racing days
15 under its organization license that is less than 90% of the
16 number of days of live racing it was awarded in 2007, the
17 electronic gaming licensee may not conduct electronic gaming.

18 (j) In any calendar year that an organization licensee with
19 an electronic gaming license conducts fewer races than they
20 were awarded in that calendar year, except for the reasons
21 specified in subsection (e-3) of Section 20 of the Illinois
22 Horse Racing Act of 1975, the revenues retained by the
23 electronic gaming licensee from electronic gaming on the days
24 when racing was awarded and did not occur will be split evenly
25 between that organization licensee's purse account and the
26 Racing Industry Worker's Trust Fund.

1 (k) Subject to the approval of the Illinois Gaming Board
2 and the Illinois Racing Board, an electronic gaming licensee
3 may make any temporary or permanent modification or additions
4 to any existing or new buildings and structures. No
5 modifications or additions shall alter the grounds of the
6 organization licensee such that the act of live racing is an
7 ancillary activity to electronic gaming.

8 Electronic gaming may take place in existing structures
9 where inter-track wagering is conducted at the race track or a
10 facility within 300 yards of the race track in accordance with
11 the provisions of this Act and the Illinois Horse Racing Act of
12 1975. Any electronic gaming conducted at a facility within 300
13 yards of the race track in accordance with this Act and the
14 Illinois Horse Racing Act of 1975 shall have an all-weather
15 egress connecting the electronic gaming facility and the race
16 track facility.

17 The electronic gambling facility must be distinctly
18 separate from the other areas of the racetrack to prohibit the
19 entrance of persons under 21 years of age and for the purpose
20 of tracking admissions to the electronic gambling facility to
21 comply with the admissions taxes under the Illinois Horse
22 Racing Act of 1975 and this Act.

23 (l) An electronic gaming licensee may conduct electronic
24 gaming at a temporary facility pending the construction of a
25 permanent facility or the remodeling of an existing facility to
26 accommodate electronic gaming participants for up to 12 months

1 after receiving an electronic gaming license. The Board may
2 grant extensions as provided in subsection (d) of this Section.

3 (m) The Illinois Gaming Board may adopt emergency rules in
4 accordance with Section 5-45 of the Illinois Administrative
5 Procedure Act as necessary to ensure compliance with the
6 provisions of this amendatory Act of the 95th General Assembly
7 concerning electronic gaming. The adoption of emergency rules
8 authorized by this subsection (m) shall be deemed to be
9 necessary for the public interest, safety, and welfare.

10 (n) As soon as practical after a request is made by the
11 Illinois Gaming Board, to minimize duplicate submissions by the
12 applicant, the Illinois Racing Board must provide information
13 on an applicant for an electronic gaming license to the
14 Illinois Gaming Board.

15 (o) In addition to any other revocation powers granted to
16 the Board under this Act, the Board may revoke the electronic
17 gaming license of a licensee that fails to begin conducting
18 gambling within 12 months after receipt of the Board's approval
19 of the application if the Board determines that license
20 revocation is in the best interests of the State. The Board may
21 grant extensions as provided in subsection (d) of this Section.

22 (p) The electronic gaming licenses issued under this Act
23 shall permit the holder to own the licensed facility and
24 equipment for a period of 3 years after the effective date of
25 the license. Holders of electronic gaming licenses must pay the
26 annual license fee for each of the 3 years during which they

1 are authorized to conduct gambling operations.

2 (g) Upon the termination, expiration, or revocation of each
3 electronic gaming license, all licenses are renewable for a
4 period of 4 years, unless the Board sets a shorter period, upon
5 payment of the fee and a determination by the Board that the
6 licensee continues to meet all of the requirements of this Act
7 and the Board's rules.

8 (230 ILCS 10/7.8 new)

9 Sec. 7.8. Home rule. The regulation and licensing of
10 electronic gaming and electronic gaming licensees are
11 exclusive powers and functions of the State. A home rule unit
12 may not regulate or license electronic gaming or electronic
13 gaming licensees. This Section is a denial and limitation of
14 home rule powers and functions under subsection (h) of Section
15 6 of Article VII of the Illinois Constitution.

16 (230 ILCS 10/7.10 new)

17 Sec. 7.10. Electronic poker.

18 (a) A gaming licensee may apply to the Board for
19 authorization to operate up to 100 electronic poker positions
20 at its licensed facility. The authorization that the Board
21 issues to the gaming licensee shall specify the number of
22 electronic poker positions the gaming licensee may operate,
23 which shall not be counted against the limit on the number of
24 gaming positions under this Act.

1 (b) The Board must adopt rules for the authorization and
2 administration of the conduct of electronic poker.

3 (230 ILCS 10/7.11 new)

4 Sec. 7.11. Casino license. Upon approval of the Authority
5 Board and the casino operator licensee, the Illinois Gaming
6 Board shall issue a casino license to the Authority that
7 authorizes the conduct of gambling operations in a land-based
8 facility located in the City of Chicago. A casino license shall
9 authorize the holder to operate 4,000 gaming positions. The
10 Illinois Gaming Board shall assess a license fee of
11 \$200,000,000, which the Board shall deposit into the GROW Fund.

12 In granting any license authorizing the conduct of gambling
13 operations in a casino, the Illinois Gaming Board shall
14 determine the fitness of the licensee to hold the license in
15 the same manner as any other license under this Act. If the
16 license is held by the Authority, the Illinois Gaming Board
17 shall have the same authority over that licensee as any other
18 licensee under this Act.

19 (230 ILCS 10/7.12 new)

20 Sec. 7.12. Casino operator license.

21 (a) A qualified person may apply to the Board for a casino
22 operator license to operate and manage any gambling operation
23 conducted by the Authority. The application shall be made on
24 forms provided by the Board and shall contain such information

1 as the Board prescribes, including but not limited to
2 information required in Sections 6(a), (b), and (c) and
3 information relating to the applicant's proposed price to
4 manage the Authority's gambling operations and to provide the
5 casino, gambling equipment, and supplies necessary to conduct
6 Authority gambling operations.

7 (b) A person, firm, or corporation is ineligible to receive
8 a casino operator license if:

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

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

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

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

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

20 (6) the firm or corporation employs a person defined in
21 (1), (2), (3), or (4) who participates in the management or
22 operation of gambling operations authorized under this
23 Act; or

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

1 revoked.

2 (c) In determining whether to grant a casino operator
3 license, the Board shall consider:

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

7 (A) controls, directly or indirectly, such
8 applicant, or

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

12 (2) the facilities or proposed facilities for the
13 conduct of gambling;

14 (3) the highest prospective total revenue to be derived
15 by the State from the conduct of gambling;

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

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

24 (6) whether the applicant has adequate capitalization
25 to provide and maintain, for the duration of a license, a
26 casino; and

1 (7) the extent to which the applicant exceeds or meets
2 other standards for the issuance of a managers license that
3 the Board may adopt by rule.

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

7 (e) The Board shall charge each applicant a fee, set by the
8 Board, to defray the costs associated with the background
9 investigation conducted by the Office of Gaming Enforcement.

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

12 (g) The casino operator license shall be issued only upon
13 proof that it has entered into a labor peace agreement with
14 each labor organization that is actively engaged in
15 representing and attempting to represent casino and
16 hospitality industry workers in this State. The labor peace
17 agreement must be a valid and enforceable agreement under 29
18 U.S.C. 185 that protects the city's and State's revenues from
19 the operation of the casino facility by prohibiting the labor
20 organization and its members from engaging in any picketing,
21 work stoppages, boycotts, or any other economic interference
22 with the casino facility for at least the first 5 years of the
23 casino license and must cover all operations at the casino
24 facility that are conducted by lessees or tenants or under
25 management agreements.

26 (h) The casino operator license shall be for a term not to

1 exceed 10 years, shall be renewable at the Board's option, and
2 shall contain such terms and provisions as the Board deems
3 necessary to protect or enhance the credibility and integrity
4 of State gambling operations, achieve the highest prospective
5 total revenue to the State, and otherwise serve the interests
6 of the citizens of Illinois.

7 (230 ILCS 10/7.14 new)

8 Sec. 7.14. Obligations of licensure; licensure is a
9 privilege.

10 (a) All licensees under this Act have a continuing duty to
11 maintain suitability for licensure. A license does not create a
12 property right, but is a revocable privilege granted by the
13 State contingent upon continuing suitability for licensure.

14 (b) Licensees under this Act shall have a continuing,
15 affirmative duty to investigate the backgrounds of its
16 principal shareholders and officers.

17 (c) An applicant for licensure under this Act is seeking a
18 privilege and assumes and accepts any and all risk of adverse
19 publicity, notoriety, embarrassment, criticism, or other
20 action or financial loss which may occur in connection with the
21 application process. Any misrepresentation or omission made
22 with respect to an application may be grounds for denial of the
23 application.

24 (230 ILCS 10/7.15 new)

1 Sec. 7.15. Undue economic concentration.

2 (a) In addition to considering all other requirements under
3 this Act, in deciding whether to approve direct or indirect
4 ownership or control of a gaming license, the Board shall
5 consider the impact of any economic concentration of the
6 ownership or control. No direct or indirect ownership or
7 control shall be approved and no gaming license shall be issued
8 or transferred to or held by any person or entity if the Board
9 determines that approval, issuance, transfer, or holding shall
10 result in undue economic concentration in the direct or
11 indirect ownership or control of gambling operations in
12 Illinois.

13 (b) For the purposes of this Section, "undue economic
14 concentration" means that a person or entity would have actual
15 or potential domination of gambling in Illinois sufficient to:

16 (1) substantially impede or suppress competition among
17 holders of gaming licenses;

18 (2) adversely impact the economic stability of the
19 gaming industry in Illinois; or

20 (3) negatively impact the purposes of this Act,
21 including tourism, economic development, benefits to local
22 communities, and State and local revenues.

23 (c) In determining whether the issuance, transfer, or
24 holding, directly or indirectly, of a gaming license shall
25 result in undue economic concentration, the Board shall
26 consider the following criteria:

1 (1) The percentage share of the market presently owned
2 or controlled by a person or entity, directly or
3 indirectly, in each of the following categories:

4 (A) The total number of licensed facilities in
5 Illinois.

6 (B) Total gaming square footage.

7 (C) Number of persons employed in the gambling
8 operation and any affiliated hotel operation.

9 (D) Number of guest rooms in an affiliated hotel.

10 (E) Number of electronic gaming devices.

11 (F) Number of table games.

12 (G) Net revenue and adjusted gross receipts.

13 (H) Table win.

14 (I) Electronic gaming device win.

15 (J) Table drop.

16 (K) Electronic gaming device drop.

17 (2) The estimated increase in the market shares in the
18 categories in item (1) of this subsection (c) if the person
19 or entity is approved, or is issued or permitted to hold
20 the gaming license.

21 (3) The relative position of other persons or entities
22 that own or control gaming licenses in Illinois, as
23 evidenced by the market shares of each gaming license in
24 the categories in item (1) of this subsection (c).

25 (4) The current and projected financial condition of
26 the gaming industry.

1 (5) Current market conditions, including level of
2 competition, consumer demand, market concentration, and
3 any other relevant characteristics of the market.

4 (6) Whether the gaming licenses to be issued,
5 transferred or held, directly or indirectly, by the person
6 or entity have separate organizational structures or other
7 independent obligations.

8 (7) The potential impact on the projected future growth
9 and development of the gambling industry, the local
10 communities in which gaming licenses are located, and the
11 State of Illinois.

12 (8) The barriers to entry into the gambling industry,
13 including the licensure requirements of this Act and its
14 rules, and whether the issuance or transfer to, or holding,
15 directly or indirectly, of, a gaming license by the person
16 or entity will operate as a barrier to new companies and
17 individuals desiring to enter the market.

18 (9) Whether the issuance or transfer to or holding,
19 directly or indirectly, of the gaming license by the person
20 or entity will adversely impact on consumer interests, or
21 whether such issuance, transfer or holding is likely to
22 result in enhancing the quality and customer appeal of
23 products and services offered by licensed facilities in
24 order to maintain or increase their respective market
25 shares.

26 (10) Whether a restriction on the issuance or transfer

1 of a gaming license to, or holding, directly or indirectly,
2 of, an additional gaming license by the person is necessary
3 in order to encourage and preserve competition in casino
4 operations.

5 (11) Any other information deemed relevant by the
6 Board.

7 (d) A current licensee may bid on any license awarded after
8 the effective date of this amendatory Act of the 95th General
9 Assembly; provided however, if the Board determines issuance of
10 the license will result in undue economic concentration, the
11 Board may require the licensee to divest holdings in a current
12 license as a condition of granting a license. The Board may
13 also require a licensee to divest holdings in a current license
14 if the licensee acquires an additional license through transfer
15 or sale.

16 (230 ILCS 10/7.25 new)

17 Sec. 7.25. Diversity program.

18 (a) Each gaming licensee and suppliers licensee shall
19 establish and maintain a diversity program to ensure
20 non-discrimination in the award and administration of
21 contracts. The programs shall establish goals of awarding not
22 less than 25% of the annual dollar value of all contracts,
23 purchase orders, or other agreements to minority owned
24 businesses and 5% of the annual dollar value of all contracts
25 to female owned businesses.

1 (b) Each gaming licensee shall establish and maintain a
2 diversity program designed to promote equal opportunity for
3 employment. The program shall establish hiring goals as the
4 Board and each licensee determines appropriate. The Board shall
5 monitor the progress of the gaming licensees' progress with
6 respect to the program's goals.

7 (c) No later than May 31st of each year each licensee shall
8 report to the Board the number of respective employees and the
9 number of their respective employees who have designated
10 themselves as members of a minority group and gender. In
11 addition, all licensees shall submit a report with respect to
12 the minority owned and female owned businesses program created
13 in this Section to the Board.

14 (d) There is created the Diversity Program Commission. The
15 Commission shall consist of 2 members appointed by the
16 Governor, 2 members appointed by the President of the Senate, 2
17 members appointed by the Minority Leader of the Senate, 2
18 members appointed by the Speaker of the House of
19 Representatives, and 2 members appointed by the Minority leader
20 of the House of Representatives. Within 2 years after the
21 members of the Commission are appointed, the Commission shall
22 file a report with the Illinois Gaming Board, the General
23 Assembly, and the Governor regarding the status of minority and
24 female participation in gaming investment opportunities. The
25 report shall focus on all of the following topics:

26 (1) The percentage of minorities and females that

1 currently reside in Illinois.

2 (2) The history of discrimination against minorities
3 and females within the gaming industry in Illinois.

4 (3) The availability of ready, willing, and able
5 minorities and females in Illinois to invest in gaming
6 operations within the State.

7 (4) The current amount of gaming investment throughout
8 Illinois by minorities and females.

9 (5) The need throughout the State to remedy past
10 discrimination practices regarding investment
11 opportunities for these groups.

12 (6) Other facts and statistical data to support the
13 need for remedial measures as a result of historical
14 exclusion of these groups within the gaming industry.

15 (230 ILCS 10/8) (from Ch. 120, par. 2408)

16 Sec. 8. Suppliers licenses.

17 (a) The Board may issue a suppliers license to such
18 persons, firms or corporations which apply therefor upon the
19 payment of a non-refundable application fee set by the Board,
20 upon a determination by the Board that the applicant is
21 eligible for a suppliers license and upon payment of a \$5,000
22 annual license fee.

23 (b) The holder of a suppliers license is authorized to sell
24 or lease, and to contract to sell or lease, gambling equipment
25 and supplies to any licensee involved in the ownership or

1 management of gambling operations.

2 (c) Gambling supplies and equipment may not be distributed
3 unless supplies and equipment conform to standards adopted by
4 rules of the Board.

5 (d) A person, firm or corporation is ineligible to receive
6 a suppliers license if:

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

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

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

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

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

18 (6) the firm or corporation employs a person who
19 participates in the management or operation of riverboat
20 gambling authorized under this Act;

21 (7) the 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 (e) Any person that supplies any equipment, devices, or
26 supplies to a gambling operation at a licensed facility

1 ~~licensed riverboat gambling operation~~ must first obtain a
2 suppliers license. A supplier shall furnish to the Board a list
3 of all equipment, devices and supplies offered for sale or
4 lease in connection with gambling ~~games~~ authorized under this
5 Act. A supplier shall keep books and records for the furnishing
6 of equipment, devices and supplies to gambling operations
7 separate and distinct from any other business that the supplier
8 might operate. A supplier shall file a quarterly return with
9 the Board listing all sales and leases. A supplier shall
10 permanently affix its name to all its equipment, devices, and
11 supplies for gambling operations. Any supplier's equipment,
12 devices or supplies which are used by any person in an
13 unauthorized gambling operation shall be forfeited to the
14 State. A gaming licensee ~~licensed owner~~ may own its own
15 equipment, devices and supplies. Each gaming licensee ~~holder of~~
16 ~~an owners license under the Act~~ shall file an annual report
17 listing its inventories of gambling equipment, devices and
18 supplies.

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

21 (g) Any gambling equipment, devices and supplies provided
22 by any licensed supplier may either be repaired at the licensed
23 facility ~~on the riverboat~~ or removed from the licensed facility
24 ~~riverboat~~ to a ~~an on-shore~~ facility owned by gaming licensee
25 ~~the holder of an owners license~~ for repair.

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

1 (230 ILCS 10/9) (from Ch. 120, par. 2409)

2 Sec. 9. Occupational licenses.

3 (a) The Board may issue an occupational license to an
4 applicant upon the payment of a non-refundable fee set by the
5 Board, upon a determination by the Board that the applicant is
6 eligible for an occupational license and upon payment of an
7 annual license fee in an amount to be established. To be
8 eligible for an occupational license, an applicant must:

9 (1) be at least 21 years of age if the applicant will
10 perform any function involved in gaming by patrons. Any
11 applicant seeking an occupational license for a non-gaming
12 function shall be at least 18 years of age;

13 (2) not have been convicted of a felony offense, a
14 violation of Article 28 of the Criminal Code of 1961, or a
15 similar statute of any other jurisdiction, or a crime
16 involving dishonesty or moral turpitude;

17 (3) have demonstrated a level of skill or knowledge
18 which the Board determines to be necessary in order to
19 operate gambling at a licensed facility or to staff a
20 Responsible Play Information Center ~~aboard a riverboat~~;
21 and

22 (4) have met standards for the holding of an
23 occupational license as adopted by rules of the Board. Such
24 rules shall provide that any person or entity seeking an
25 occupational license to manage gambling operations

1 hereunder shall be subject to background inquiries and
2 further requirements similar to those required of
3 applicants for an owners license. Furthermore, such rules
4 shall provide that each such entity shall be permitted to
5 manage gambling operations for only one licensed owner.

6 (b) Each application for an occupational license shall be
7 on forms prescribed by the Board and shall contain all
8 information required by the Board. The applicant shall set
9 forth in the application: whether he has been issued prior
10 gambling related licenses; whether he has been licensed in any
11 other state under any other name, and, if so, such name and his
12 age; and whether or not a permit or license issued to him in
13 any other state has been suspended, restricted or revoked, and,
14 if so, for what period of time.

15 (c) Each applicant shall submit with his application, on
16 forms provided by the Board, 2 sets of his fingerprints. The
17 Board shall charge each applicant a fee set by the Department
18 of State Police to defray the costs associated with the search
19 and classification of fingerprints obtained by the Board with
20 respect to the applicant's application. These fees shall be
21 paid into the State Police Services Fund.

22 (d) The Board may in its discretion refuse an occupational
23 license to any person: (1) who is unqualified to perform the
24 duties required of such applicant; (2) who fails to disclose or
25 states falsely any information called for in the application;
26 (3) who has been found guilty of a violation of this Act or

1 whose prior gambling related license or application therefor
2 has been suspended, restricted, revoked or denied for just
3 cause in any other state; or (4) for any other just cause.

4 (e) The Board may suspend, revoke or restrict any
5 occupational licensee: (1) for violation of any provision of
6 this Act; (2) for violation of any of the rules and regulations
7 of the Board; (3) for any cause which, if known to the Board,
8 would have disqualified the applicant from receiving such
9 license; or (4) for default in the payment of any obligation or
10 debt due to the State of Illinois; or (5) for any other just
11 cause.

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

14 (g) Any license issued pursuant to this Section shall be
15 valid for a period of one year from the date of issuance.

16 (h) Nothing in this Act shall be interpreted to prohibit a
17 gaming licensee ~~licensed owner~~ from entering into an agreement
18 with a school approved under the Private Business and
19 Vocational Schools Act for the training of any occupational
20 licensee. Any training offered by such a school shall be in
21 accordance with a written agreement between the gaming licensee
22 ~~licensed owner~~ and the school.

23 (i) Any training provided for occupational licensees may be
24 conducted either at the licensed facility ~~on the riverboat~~ or
25 at a school with which a gaming licensee ~~licensed owner~~ has
26 entered into an agreement pursuant to subsection (h).

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

2 (230 ILCS 10/9.3 new)

3 Sec. 9.3. License fees; deposit.

4 (a) The Board shall annually determine the annual cost of
5 maintaining control and regulatory activities contemplated by
6 this Act for each individual licensee. The Office of Gaming
7 Enforcement shall certify to the Board actual and prospective
8 costs of the investigative and enforcement functions of the
9 Office. These costs, together with the general operating
10 expenses of the Board, shall be the basis for the fee imposed
11 on each licensee. Each individual licensee's fees shall be
12 based upon disproportionate costs for each individual
13 licensee.

14 (b) Upon issuance or the first renewal of a gaming license
15 after the effective date of this amendatory Act of the 95th
16 General Assembly, a gaming licensee shall deposit \$100,000 into
17 a fund held by the Director of the Office of Gaming Enforcement
18 separate from State moneys. The moneys in the fund shall be
19 used by the Director of the Office of Gaming Enforcement for
20 the purpose of conducting any investigation concerning that
21 licensee. Upon each subsequent renewal of a gaming license, the
22 gaming licensee shall deposit the amount necessary to bring the
23 moneys in the fund attributable to that licensee to \$100,000.

24 (230 ILCS 10/9.5 new)

1 Sec. 9.5. Contractor disclosure of political
2 contributions.

3 (a) As used in this Section:

4 "Contracts" means any agreement for services or goods for a
5 period to exceed one year or with an annual value of at least
6 \$10,000.

7 "Contribution" means contribution as defined in this act.

8 "Affiliated person" means (i) any person with any ownership
9 interest or distributive share of the bidding or contracting
10 entity in excess of 1%, (ii) executive employees of the bidding
11 or contracting entity, and (iii) the spouse and minor children
12 of any such persons.

13 "Affiliated entity" means (i) any parent or subsidiary of
14 the bidding or contracting entity, (ii) any member of the same
15 unitary business group, or (iii) any political committee for
16 which the bidding or contracting entity is the sponsoring
17 entity.

18 (b) A bidder, offeror, or contractor for contracts with a
19 licensee shall disclose all political contributions of the
20 bidder, offeror, or contractor and any affiliated person or
21 entity. Such disclosure must accompany any contract. The
22 disclosure must be submitted to the Board with a copy of the
23 contract prior to Board approval of the contract. The
24 disclosure of each successful bidder or offeror shall become
25 part of the publicly available record.

26 (c) Disclosure by the bidder, offeror, or contractor shall

1 include at least the names and addresses of the contributors
2 and the dollar amounts of any contributions to any political
3 committee made within the previous 2 years.

4 (d) The Board shall refuse to approve any contract that
5 does not include the required disclosure. The Board must
6 include the disclosure on their website.

7 (e) The Board may direct a licensee to void a contract if a
8 violation of this Section occurs.

9 (230 ILCS 10/11) (from Ch. 120, par. 2411)

10 Sec. 11. Conduct of gambling. Gambling may be conducted by
11 gaming licensees at licensed facilities or in a temporary
12 location as provided in this Act. Gambling authorized under
13 this Section shall be ~~licensed owners or licensed managers on~~
14 ~~behalf of the State aboard riverboats,~~ subject to the following
15 standards:

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

21 (2) (Blank).

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

24 (4) Agents of the Office of Gaming Enforcement ~~Board~~
25 ~~and the Department of State Police~~ may board and inspect

1 any licensed facility ~~riverboat~~ at any time for the purpose
2 of determining whether this Act is being complied with.
3 Every riverboat, if under way and being hailed by a law
4 enforcement officer or agent of the Board, must stop
5 immediately and lay to.

6 (5) Employees of the Board or Office of Gaming
7 Enforcement shall have the right to be present at the
8 licensed facility ~~on the riverboat~~ or on adjacent
9 facilities under the control of the gaming licensee.

10 (6) Gambling equipment and supplies customarily used
11 in the conduct of ~~conducting riverboat~~ gambling must be
12 purchased or leased only from suppliers licensed for such
13 purpose under this Act.

14 (7) Persons licensed under this Act shall permit no
15 form of wagering on gambling games except as permitted by
16 this Act.

17 (8) Wagers may be received only from a person present
18 at a licensed facility ~~on a licensed riverboat~~. No person
19 present at a licensed facility ~~on a licensed riverboat~~
20 shall place or attempt to place a wager on behalf of
21 another person who is not present at the licensed facility
22 ~~on the riverboat~~.

23 (9) Wagering, including electronic gaming, shall not
24 be conducted with money or other negotiable currency.

25 (10) A person under age 21 shall not be permitted on an
26 area of a licensed facility ~~riverboat~~ where gambling is

1 being conducted, except for a person at least 18 years of
2 age who is an employee of the ~~riverboat~~ gambling operation.
3 No employee under age 21 shall perform any function
4 involved in gambling by the patrons. No person under age 21
5 shall be permitted to make a wager under this Act.

6 (11) Gambling excursion cruises are permitted only
7 when the waterway for which the riverboat is licensed is
8 navigable, as determined by the Board in consultation with
9 the U.S. Army Corps of Engineers. This paragraph (11) does
10 not limit the ability of a licensee to conduct gambling
11 authorized under this Act when gambling excursion cruises
12 are not permitted.

13 (12) All tokens, chips, or electronic cards used to
14 make wagers must be purchased (i) from an owners licensee a
15 licensed owner or manager, in the case of a riverboat,
16 either aboard the ~~a~~ riverboat or at an onshore facility
17 which has been approved by the Board and which is located
18 where the riverboat docks, (ii) in the case of a casino,
19 from a licensed casino operator at the casino, or (iii)
20 from an electronic gaming licensee at the electronic gaming
21 facility. The tokens, chips or electronic cards may be
22 purchased by means of an agreement under which the owner or
23 manager extends credit to the patron. Such tokens, chips or
24 electronic cards may be used while at the licensed facility
25 ~~aboard the riverboat~~ only for the purpose of making wagers
26 on gambling games and electronic poker.

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

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

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

20 (230 ILCS 10/11.1) (from Ch. 120, par. 2411.1)

21 Sec. 11.1. Collection of amounts owing under credit
22 agreements. Notwithstanding any applicable statutory provision
23 to the contrary, a gaming licensee ~~licensed owner or manager~~
24 who extends credit to a ~~riverboat~~ gambling patron pursuant to
25 Section 11 (a) (12) of this Act is expressly authorized to

1 institute a cause of action to collect any amounts due and
2 owing under the extension of credit, as well as the owner's or
3 manager's costs, expenses and reasonable attorney's fees
4 incurred in collection.

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

6 (230 ILCS 10/11.2)

7 Sec. 11.2. Relocation of riverboat home dock.

8 (a) Prior to the effective date of this amendatory Act of
9 the 95th General Assembly, a ~~A~~ licensee that was not conducting
10 riverboat gambling on January 1, 1998 may apply to the Board
11 for renewal and approval of relocation to a new home dock
12 location authorized under Section 3(c) and the Board shall
13 grant the application and approval upon receipt by the licensee
14 of approval from the new municipality or county, as the case
15 may be, in which the licensee wishes to relocate pursuant to
16 Section 7(j).

17 (b) Any licensee that relocates its home dock pursuant to
18 this Section shall attain a level of at least 20% minority
19 person and female ownership, at least 16% and 4% respectively,
20 within a time period prescribed by the Board, but not to exceed
21 12 months from the date the licensee begins conducting gambling
22 at the new home dock location. The 12-month period shall be
23 extended by the amount of time necessary to conduct a
24 background investigation pursuant to Section 6. For the
25 purposes of this Section, the terms "female" and "minority

1 person" have the meanings provided in Section 2 of the Business
2 Enterprise for Minorities, Females, and Persons with
3 Disabilities Act.

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

5 (230 ILCS 10/12) (from Ch. 120, par. 2412)

6 Sec. 12. Admission tax; fees.

7 (a) A tax is hereby imposed upon admissions to licensed
8 facilities ~~riverboats~~ operated by gaming licensees ~~licensed~~
9 ~~owners~~ authorized pursuant to this Act. Until July 1, 2002, the
10 rate is \$2 per person admitted. From July 1, 2002 until July 1,
11 2003, the rate is \$3 per person admitted. From July 1, 2003
12 until August 23, 2005 (the effective date of Public Act 94-673)
13 ~~this amendatory Act of the 94th General Assembly~~, for a
14 licensee that admitted 1,000,000 persons or fewer in the
15 previous calendar year, the rate is \$3 per person admitted; for
16 a licensee that admitted more than 1,000,000 but no more than
17 2,300,000 persons in the previous calendar year, the rate is \$4
18 per person admitted; and for a licensee that admitted more than
19 2,300,000 persons in the previous calendar year, the rate is \$5
20 per person admitted. From August 23, 2005 (the effective date
21 of Public Act 94-673) until the effective date of this
22 amendatory Act of the 95th General Assembly ~~Beginning on the~~
23 ~~effective date of this amendatory Act of the 94th General~~
24 ~~Assembly~~, for a licensee that admitted 1,000,000 persons or
25 fewer in calendar year 2004, the rate is \$2 per person

1 admitted, and for all other licensees the rate is \$3 per person
2 admitted. Beginning on the effective date of this amendatory
3 Act of the 95th General Assembly, for an owners licensee that
4 was conducting riverboat gambling in calendar year 2004 and
5 that admitted 1,000,000 persons or fewer in calendar year 2004,
6 the rate is \$2 per person admitted, and for all other gaming
7 licensees the rate is \$3 per person admitted. This admission
8 tax is imposed upon the licensed owner conducting gambling.

9 (1) The admission tax shall be paid for each admission,
10 except that a person who exits a ~~riverboat~~ gambling
11 facility and reenters that ~~riverboat~~ gambling facility
12 within the same gaming day shall be subject only to the
13 initial admission tax.

14 (2) (Blank).

15 (3) The gaming ~~riverboat~~ licensee may issue tax-free
16 passes to actual and necessary officials and employees of
17 the licensee or other persons actually working at the
18 licensed facility ~~on the riverboat~~.

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

23 (a-5) A fee is hereby imposed upon admissions operated by
24 licensed managers on behalf of the State pursuant to Section
25 7.3 at the rates provided in this subsection (a-5). Until the
26 effective date of this amendatory Act of the 95th General

1 Assembly, for ~~For~~ a licensee that admitted 1,000,000 persons or
2 fewer in the previous calendar year, the rate is \$3 per person
3 admitted; for a licensee that admitted more than 1,000,000 but
4 no more than 2,300,000 persons in the previous calendar year,
5 the rate is \$4 per person admitted; and for a licensee that
6 admitted more than 2,300,000 persons in the previous calendar
7 year, the rate is \$5 per person admitted. Beginning on the
8 effective date of this amendatory Act of the 95th General
9 Assembly, the rate is \$3 per person admitted to a facility
10 operated by a licensed manager on behalf of the State or by a
11 casino operator on behalf of the Authority.

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

13 (2) (Blank).

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

17 (4) The number and issuance of fee-free passes is
18 subject to the rules of the Board, and a list of all
19 persons to whom the fee-free passes are issued shall be
20 filed with the Board.

21 (b) From the tax imposed under subsection (a) ~~and the fee~~
22 ~~imposed under subsection (a-5),~~ a municipality shall receive
23 from the State \$1 for each person entering a licensed facility
24 ~~embarking on a riverboat docked~~ within the municipality, and a
25 county shall receive \$1 for each person entering a licensed
26 facility ~~embarking on a riverboat docked~~ within the county but

1 outside the boundaries of any municipality. The municipality's
2 or county's share shall be collected by the Board on behalf of
3 the State and remitted quarterly by the State, subject to
4 appropriation, to the treasurer of the unit of local government
5 for deposit in the general fund.

6 (c) The gaming licensee ~~licensed owner~~ shall pay the entire
7 admission tax to the Board and the managers licensee or casino
8 operator licensee ~~licensed manager~~ shall pay the entire
9 admission fee to the Board. Such payments shall be made daily.
10 Accompanying each payment shall be a return on forms provided
11 by the Board which shall include other information regarding
12 admissions as the Board may require. Failure to submit either
13 the payment or the return within the specified time may result
14 in suspension or revocation of the gaming ~~owners or managers~~
15 license.

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

22 (Source: P.A. 94-673, eff. 8-23-05; 95-663, eff. 10-11-07.)

23 (230 ILCS 10/13) (from Ch. 120, par. 2413)

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

25 (a) Until January 1, 1998, a tax is imposed on the adjusted

1 gross receipts received from gambling games authorized under
2 this Act at the rate of 20%.

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

8 15% of annual adjusted gross receipts up to and
9 including \$25,000,000;

10 20% of annual adjusted gross receipts in excess of
11 \$25,000,000 but not exceeding \$50,000,000;

12 25% of annual adjusted gross receipts in excess of
13 \$50,000,000 but not exceeding \$75,000,000;

14 30% of annual adjusted gross receipts in excess of
15 \$75,000,000 but not exceeding \$100,000,000;

16 35% of annual adjusted gross receipts in excess of
17 \$100,000,000.

18 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax
19 is imposed on persons engaged in the business of conducting
20 riverboat gambling operations, other than licensed managers
21 conducting riverboat gambling operations on behalf of the
22 State, based on the adjusted gross receipts received by a
23 licensed owner from gambling games authorized under this Act at
24 the following rates:

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

1 22.5% of annual adjusted gross receipts in excess of
2 \$25,000,000 but not exceeding \$50,000,000;

3 27.5% of annual adjusted gross receipts in excess of
4 \$50,000,000 but not exceeding \$75,000,000;

5 32.5% of annual adjusted gross receipts in excess of
6 \$75,000,000 but not exceeding \$100,000,000;

7 37.5% of annual adjusted gross receipts in excess of
8 \$100,000,000 but not exceeding \$150,000,000;

9 45% of annual adjusted gross receipts in excess of
10 \$150,000,000 but not exceeding \$200,000,000;

11 50% of annual adjusted gross receipts in excess of
12 \$200,000,000.

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

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

22 27.5% of annual adjusted gross receipts in excess of
23 \$25,000,000 but not exceeding \$37,500,000;

24 32.5% of annual adjusted gross receipts in excess of
25 \$37,500,000 but not exceeding \$50,000,000;

26 37.5% of annual adjusted gross receipts in excess of

1 \$50,000,000 but not exceeding \$75,000,000;
2 45% of annual adjusted gross receipts in excess of
3 \$75,000,000 but not exceeding \$100,000,000;
4 50% of annual adjusted gross receipts in excess of
5 \$100,000,000 but not exceeding \$250,000,000;
6 70% of annual adjusted gross receipts in excess of
7 \$250,000,000.

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

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

24 (a-4) Beginning on the first day on which the tax imposed
25 under subsection (a-3) is no longer imposed, a privilege tax is
26 imposed on persons engaged in the business of conducting

1 riverboat gambling operations, other than licensed managers
2 conducting riverboat gambling operations on behalf of the
3 State, based on the adjusted gross receipts received by a
4 licensed owner from gambling games and electronic poker
5 authorized under this Act at the following rates:

6 15% of annual adjusted gross receipts up to and
7 including \$25,000,000;

8 22.5% of annual adjusted gross receipts in excess of
9 \$25,000,000 but not exceeding \$50,000,000;

10 27.5% of annual adjusted gross receipts in excess of
11 \$50,000,000 but not exceeding \$75,000,000;

12 32.5% of annual adjusted gross receipts in excess of
13 \$75,000,000 but not exceeding \$100,000,000;

14 37.5% of annual adjusted gross receipts in excess of
15 \$100,000,000 but not exceeding \$150,000,000;

16 45% of annual adjusted gross receipts in excess of
17 \$150,000,000 but not exceeding \$200,000,000;

18 50% of annual adjusted gross receipts in excess of
19 \$200,000,000.

20 Beginning on the effective date of this amendatory Act of
21 the 95th General Assembly, a privilege tax is imposed on casino
22 gambling operations at the same rates specified in this
23 subsection (a-4) for the privilege tax on riverboat gambling
24 operations.

25 (a-5) Beginning on the effective date of this amendatory
26 Act of the 95th General Assembly, a privilege tax is imposed on

1 persons conducting electronic gaming based on the net adjusted
2 gross receipts received by an electronic gaming licensee from
3 electronic gaming and electronic poker at the following rates:

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

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

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

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

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

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

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

18 As used in this Section, "net adjusted gross receipts"
19 means total adjusted gross receipts minus purse account
20 distributions made pursuant to subsection (a-5) of Section 56
21 of the Illinois Horse Racing Act of 1975.

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

25 (a-10) The taxes imposed by this Section shall be paid by
26 the gaming licensee ~~licensed owner~~ to the Board not later than

1 3:00 o'clock p.m. of the day after the day when the wagers were
2 made.

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

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

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

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

20 "Base amount" means the following:

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

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

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

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

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

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

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

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

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

5 "Net privilege tax" means all privilege taxes paid by a
6 licensed owner to the Board under this Section, less all
7 payments made from the State Gaming Fund pursuant to subsection
8 (b) of this Section.

9 The changes made to this subsection (a-15) by Public Act
10 94-839 are intended to restate and clarify the intent of Public
11 Act 94-673 with respect to the amount of the payments required
12 to be made under this subsection by an owners licensee to the
13 Board.

14 (b) Until January 1, 1998, 25% of the tax revenue deposited
15 in the State Gaming Fund under this Section shall be paid,
16 subject to appropriation by the General Assembly, to the unit
17 of local government which is designated as the home dock of the
18 riverboat. Except as otherwise provided in this subsection (b),
19 beginning ~~Beginning~~ January 1, 1998, from the tax revenue
20 deposited in the State Gaming Fund under this Section, an
21 amount equal to 5% of adjusted gross receipts generated by a
22 riverboat shall be paid monthly, subject to appropriation by
23 the General Assembly, to the unit of local government that is
24 designated as the home dock of the riverboat.

25 For calendar year 2008 and each year thereafter, (i) the
26 unit of local government that is designated as the home dock of

1 a riverboat conducting gambling operations on the effective
2 date of this amendatory Act of the 95th General Assembly shall
3 not receive more money pursuant to this subsection (b) than it
4 received in the calendar year 2007. Beginning on the effective
5 date of this amendatory Act of the 95th General Assembly, from
6 the tax revenue deposited in the State Gaming Fund under this
7 Section, an amount equal to 2% of the new adjusted gross
8 receipts generated by a riverboat not located in St. Clair
9 County that is conducting gambling operations on the effective
10 date of this amendatory Act of the 95th General Assembly shall
11 be paid monthly, subject to appropriation by the General
12 Assembly, to the county in which the home dock of the riverboat
13 is located for the purposes of its criminal justice system or
14 health care.

15 Beginning on the effective date of this amendatory Act of
16 the 95th General Assembly, from the tax revenue deposited into
17 the State Gaming Fund under this Section, (i) an amount equal
18 to 0.75% of new adjusted gross receipts generated by a
19 riverboat located in St. Clair County conducting gambling
20 operations on the effective date of this amendatory Act of the
21 95th General Assembly shall be paid monthly, subject to
22 appropriation by the General Assembly, to St. Clair County for
23 the purposes of its criminal justice system or health care and
24 (ii) an amount equal to 1.25% of new adjusted gross receipts
25 generated by a riverboat located in St. Clair County conducting
26 gambling operations on the effective date of this amendatory

1 Act of the 95th General Assembly shall be divided equally and
2 paid monthly, subject to appropriation by the General Assembly,
3 to the Village of Alorton, the Village of Brooklyn, the Village
4 of Cahokia, the City of Centreville, and the Village of
5 Washington Park for the purposes of economic development.

6 As used in this subsection (b), "new adjusted gross
7 receipts" means the difference between the adjusted gross
8 receipts generated by a riverboat conducting gambling
9 operations on the effective date of this amendatory Act of the
10 95th General Assembly in the payment month and the adjusted
11 gross receipts generated by that riverboat in the corresponding
12 month in 2007.

13 Beginning on the effective date of this amendatory Act of
14 the 95th General Assembly, from the tax revenue deposited in
15 the State Gaming Fund under this Section, an amount equal to
16 (i) 2% of adjusted gross receipts (net adjusted gross receipts
17 for electronic gaming facilities) generated by a riverboat not
18 in operation on the effective date of this amendatory Act of
19 the 95th General Assembly or electronic gaming facility located
20 outside Madison County shall be paid monthly, subject to
21 appropriation by the General Assembly, to the unit of local
22 government that is designated as the home dock of the riverboat
23 or the municipality in which a casino or electronic gaming
24 facility is located and (ii) 3% of adjusted gross receipts (net
25 adjusted gross receipts for tracks) generated by a riverboat
26 not in operation on the effective date of this amendatory Act

1 of the 95th General Assembly, a casino, or electronic gaming
2 facility located outside Madison County shall be paid monthly,
3 subject to appropriation by the General Assembly, to the county
4 in which the home dock of the riverboat, casino, or electronic
5 gaming facility is located for the purposes of its criminal
6 justice system or health care system. In the case of an
7 electronic gaming facility that is not located in a
8 municipality on the effective date of this amendatory Act of
9 the 95th General Assembly, the amounts distributed under this
10 subsection (b) shall be distributed wholly to the county.

11 Beginning on the effective date of this amendatory Act of
12 the 95th General Assembly, from the tax revenue deposited in
13 the State Gaming Fund under this section, an amount equal to
14 (i) 2% of net adjusted gross receipts generated by an
15 electronic gaming facility located in Madison County shall be
16 paid monthly, subject to appropriation by the General Assembly,
17 to the unit of local government in which the electronic gaming
18 facility is located, (ii) 1.5% of net adjusted gross receipts
19 generated by an electronic gaming facility located in Madison
20 County shall be paid monthly, subject to appropriation by the
21 General Assembly, to Madison County for the purposes of its
22 criminal justice or health care systems, and (iii) 1.5% of net
23 adjusted gross receipts generated by an electronic gaming
24 facility located in Madison County shall be paid monthly,
25 subject to appropriation by the General Assembly, to St. Clair
26 County for the purposes of its criminal justice or health care

1 systems.

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

10 (c) (Blank). ~~Appropriations, as approved by the General~~
11 ~~Assembly, may be made from the State Gaming Fund to the~~
12 ~~Department of Revenue and the Department of State Police for~~
13 ~~the administration and enforcement of this Act, or to the~~
14 ~~Department of Human Services for the administration of programs~~
15 ~~to treat problem gambling.~~

16 (c-5) (Blank). ~~Before May 26, 2006 (the effective date of~~
17 ~~Public Act 94-804) and beginning 2 years after May 26, 2006~~
18 ~~(the effective date of Public Act 94-804), after the payments~~
19 ~~required under subsections (b) and (c) have been made, an~~
20 ~~amount equal to 15% of the adjusted gross receipts of (1) an~~
21 ~~owners licensee that relocates pursuant to Section 11.2, (2) an~~
22 ~~owners licensee conducting riverboat gambling operations~~
23 ~~pursuant to an owners license that is initially issued after~~
24 ~~June 25, 1999, or (3) the first riverboat gambling operations~~
25 ~~conducted by a licensed manager on behalf of the State under~~
26 ~~Section 7.3, whichever comes first, shall be paid from the~~

1 ~~State Gaming Fund into the Horse Racing Equity Fund.~~

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

7 (c-15) (Blank). ~~After the payments required under~~
8 ~~subsections (b), (c), and (c 5) have been made, an amount equal~~
9 ~~to 2% of the adjusted gross receipts of (1) an owners licensee~~
10 ~~that 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) (Blank). ~~Each year the General Assembly shall~~
20 ~~appropriate from the General Revenue Fund to the Education~~
21 ~~Assistance Fund an amount equal to the amount paid to each home~~
22 ~~rule county with a population of over 3,000,000 inhabitants~~
23 ~~pursuant to subsection (c 15) in the prior calendar year.~~

24 (c-25) (Blank). ~~After the payments required under~~
25 ~~subsections (b), (c), (c-5) and (c-15) have been made, an~~
26 ~~amount equal to 2% of the adjusted gross receipts of (1) an~~

~~owners licensee that relocates pursuant to Section 11.2, (2) an owners licensee conducting riverboat gambling operations pursuant to an owners license that is initially issued after June 25, 1999, or (3) the first riverboat gambling operations conducted by a licensed manager on behalf of the State under Section 7.3, whichever comes first, shall be paid from the State Gaming Fund to Chicago State University.~~

(d) From time to time, the Board shall transfer the remainder of the funds generated by this Act into the Education Assistance Fund, created by Public Act 86-0018, of the State of Illinois until the amounts transferred under this subsection (d) each month is equal to the amount transferred in the corresponding month in fiscal year 2007. Any additional shall be distributed monthly as follows: 70% shall be transferred to the GROW Fund and 30% shall be transferred to the Focusing on Children, Uplifting Schools (FOCUS) Fund.

(e) Nothing in this Act shall prohibit the unit of local government designated as the home dock of the riverboat or the municipality in which a casino is located from entering into agreements with other units of local government in this State or in other states to share its portion of the tax revenue.

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

1 Penalty and Interest Act.

2 (Source: P.A. 94-673, eff. 8-23-05; 94-804, eff. 5-26-06;
3 94-839, eff. 6-6-06; 95-331, eff. 8-21-07.)

4 (230 ILCS 10/13.2 new)

5 Sec. 13.2. Responsible Play Information Centers.

6 (a) Each gaming licensee must provide on-site Responsible
7 Play Information Centers (RPICs) in each licensed facility for
8 the purposes of (1) increasing patron knowledge and
9 understanding of how games of chance work; (2) providing
10 on-site information and referral services to customers or other
11 persons seeking information on responsible gambling
12 strategies, problem gambling programs, and voluntary
13 self-exclusion; (3) informing patrons of the risks of problem
14 gambling and their limitations and teaching them how to play
15 within their means; (4) improving the effectiveness and
16 efficiency of assistance to individuals experiencing problems
17 with gambling; and (5) improving gambling delivery by
18 increasing the promotion and delivery of responsible gambling
19 practices.

20 (b) RPICs must be staffed at a minimum for 15 hours per
21 day, as determined by the Board on a facility-by-facility
22 basis, and must contain a self-service, computer-based
23 gambling tutorial, continuously looped informational videos,
24 and brochures for use when staff is unavailable. RPICs must be
25 designed as a dedicated space that is easily accessible from

1 the gaming floor, brilliantly lighted, comfortably furnished,
2 and patron friendly.

3 (c) Staff at RPICs must be trained in prevention education
4 and counseling and must be fully integrated within the gaming
5 environment, working closely with gaming staff and managers to
6 educate players and assist with staff training. The RPIC staff
7 responsibilities shall include all of the following:

8 (1) To provide customer service-based player
9 information about the principles of gambling, including
10 randomness, house advantage, odds, and payouts.

11 (2) To provide information, support, and referrals, as
12 appropriate, to patrons who may be experiencing problems.

13 (3) To provide assistance with the voluntary
14 self-exclusion program.

15 (4) To consult with gaming staff, as appropriate, to
16 resolve situations where patrons may be in distress.

17 (5) To demonstrate a gaming-neutral approach to
18 issues.

19 (6) To keep log sheets on-site to record customer
20 interactions and information provided.

21 (d) All materials viewed in or distributed by a RPIC must
22 be approved by the Board.

23 (230 ILCS 10/14) (from Ch. 120, par. 2414)

24 Sec. 14. Licensees - Records - Reports - Supervision.

25 (a) Gaming licensees ~~A Licensed owner~~ shall keep their his

1 books and records so as to clearly show the following:

2 (1) The amount received daily from admission fees.

3 (2) The total amount of gross receipts.

4 (3) The total amount of the adjusted gross receipts.

5 (b) The gaming licensee ~~licensed owner~~ shall furnish to the
6 Board reports and information as the Board may require with
7 respect to its activities on forms designed and supplied for
8 such purpose by the Board.

9 (c) The books and records kept by a gaming licensee
10 ~~licensed owner~~ as provided by this Section are public records
11 and the examination, publication, and dissemination of the
12 books and records are governed by the provisions of the ~~The~~
13 Freedom of Information Act.

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

15 (230 ILCS 10/14.5 new)

16 Sec. 14.5. Collection of delinquent amounts. At any time
17 within 5 years after any amount of fees, interest, penalties,
18 or tax required to be collected pursuant to the provisions of
19 this Act shall become due and payable, the Office of Gaming
20 Enforcement may bring a civil action in the courts of this
21 State or any other state or of the United States, in the name
22 of the State of Illinois, to collect the amount delinquent,
23 together with penalties and interest. An action may be brought
24 whether or not the person owing the amount is at such time an
25 applicant or licensee under this Act. In all actions in this

1 State, the records of the Board and the Office shall be prima
2 facie evidence of the determination of the fee or tax or the
3 amount of the delinquency.

4 (230 ILCS 10/17) (from Ch. 120, par. 2417)

5 Sec. 17. Administrative Procedures. The Illinois
6 Administrative Procedure Act shall apply to all administrative
7 rules and procedures of the Board and the Office of Gaming
8 Enforcement under this Act, except that: (1) subsection (b) of
9 Section 5-10 of the Illinois Administrative Procedure Act does
10 not apply to final orders, decisions and opinions of the Board;
11 (2) subsection (a) of Section 5-10 of the Illinois
12 Administrative Procedure Act does not apply to forms
13 established by the Board for use under this Act; (3) the
14 provisions of Section 10-45 of the Illinois Administrative
15 Procedure Act regarding proposals for decision are excluded
16 under this Act; and (4) the provisions of subsection (d) of
17 Section 10-65 of the Illinois Administrative Procedure Act do
18 not apply so as to prevent summary suspension of any license
19 pending revocation or other action, which suspension shall
20 remain in effect unless modified by the Board or unless the
21 Board's decision is reversed on the merits upon judicial
22 review.

23 (Source: P.A. 88-45; 89-626, eff. 8-9-96.)

24 (230 ILCS 10/17.2 new)

1 Sec. 17.2. Administrative proceedings; burden of proof. In
2 proceedings before the Board, the burden of proof is at all
3 times on the petitioner. The petitioner shall have the
4 affirmative responsibility of establishing by clear and
5 convincing evidence that the petitioner is suitable for
6 licensing or a transfer of ownership.

7 (230 ILCS 10/18) (from Ch. 120, par. 2418)

8 Sec. 18. Prohibited Activities - Penalty.

9 (a) A person is guilty of a Class A misdemeanor for doing
10 any of the following:

11 (1) Conducting gambling where wagering is used or to be
12 used without a license issued by the Board.

13 (2) Conducting gambling where wagering is permitted
14 other than in the manner specified by Section 11.

15 (b) A person is guilty of a Class B misdemeanor for doing
16 any of the following:

17 (1) permitting a person under 21 years to make a wager;

18 or

19 (2) violating paragraph (12) of subsection (a) of
20 Section 11 of this Act.

21 (c) A person wagering or accepting a wager at any location
22 outside the licensed facility in violation of paragraph
23 ~~riverboat is subject to the penalties in paragraphs~~ (1) or (2)
24 of subsection (a) of Section 28-1 of the Criminal Code of 1961
25 is subject to the penalties provided in that Section.

1 (d) A person commits a Class 4 felony and, in addition,
2 shall be barred for life from gambling operations ~~riverboats~~
3 under the jurisdiction of the Board, if the person does any of
4 the following:

5 (1) Offers, promises, or gives anything of value or
6 benefit to a person who is connected with a gaming licensee
7 ~~riverboat owner~~ including, but not limited to, an officer
8 or employee of a gaming licensee ~~licensed owner~~ or holder
9 of an occupational license pursuant to an agreement or
10 arrangement or with the intent that the promise or thing of
11 value or benefit will influence the actions of the person
12 to whom the offer, promise, or gift was made in order to
13 affect or attempt to affect the outcome of a gambling game,
14 or to influence official action of a member of the Board.

15 (2) Solicits or knowingly accepts or receives a promise
16 of anything of value or benefit while the person is
17 connected with a gaming licensee ~~riverboat~~ including, but
18 not limited to, an officer or employee of a gaming licensee
19 ~~licensed owner~~, or the holder of an occupational license,
20 pursuant to an understanding or arrangement or with the
21 intent that the promise or thing of value or benefit will
22 influence the actions of the person to affect or attempt to
23 affect the outcome of a gambling game or electronic poker,
24 or to influence official action of a member of the Board.

25 (3) Uses or possesses with the intent to use a device
26 to assist:

- 1 (i) In projecting the outcome of the game.
- 2 (ii) In keeping track of the cards played.
- 3 (iii) In analyzing the probability of the
4 occurrence of an event relating to the gambling game or
5 electronic poker.
- 6 (iv) In analyzing the strategy for playing or
7 betting to be used in the game except as permitted by
8 the Board.
- 9 (4) Cheats at a gambling game or electronic poker.
- 10 (5) Manufactures, sells, or distributes any cards,
11 chips, dice, game or device which is intended to be used to
12 violate any provision of this Act.
- 13 (6) Alters or misrepresents the outcome of a gambling
14 game or electronic poker on which wagers have been made
15 after the outcome is made sure but before it is revealed to
16 the players.
- 17 (7) Places a bet after acquiring knowledge, not
18 available to all players, of the outcome of the gambling
19 game or electronic poker which is subject of the bet or to
20 aid a person in acquiring the knowledge for the purpose of
21 placing a bet contingent on that outcome.
- 22 (8) Claims, collects, or takes, or attempts to claim,
23 collect, or take, money or anything of value in or from the
24 gambling games or electronic poker, with intent to defraud,
25 without having made a wager contingent on winning a
26 gambling game or electronic poker, or claims, collects, or

1 takes an amount of money or thing of value of greater value
2 than the amount won.

3 (9) Uses counterfeit chips or tokens in a gambling game
4 or electronic poker.

5 (10) Possesses any key or device designed for the
6 purpose of opening, entering, or affecting the operation of
7 a gambling game or electronic poker, drop box, or an
8 electronic or mechanical device connected with the
9 gambling game or for removing coins, tokens, chips or other
10 contents of a gambling game or electronic poker. This
11 paragraph (10) does not apply to a gambling licensee or
12 employee of a gambling licensee acting in furtherance of
13 the employee's employment.

14 (e) The possession of more than one of the devices
15 described in subsection (d), paragraphs (3), (5) or (10)
16 permits a rebuttable presumption that the possessor intended to
17 use the devices for cheating.

18 An action to prosecute any crime occurring on a riverboat
19 shall be tried in the county of the dock at which the riverboat
20 is based. An action to prosecute any crime occurring in a
21 casino or electronic gaming facility shall be tried in the
22 county in which the casino or electronic gaming facility is
23 located.

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

25 (230 ILCS 10/19) (from Ch. 120, par. 2419)

1 Sec. 19. Forfeiture of property.

2 (a) Except as provided in subsection (b), any licensed
3 facility ~~riverboat~~ used for the conduct of gambling ~~games~~ in
4 violation of this Act shall be considered a gambling place in
5 violation of Section 28-3 of the Criminal Code of 1961, as now
6 or hereafter amended. Every gambling device found at a licensed
7 facility ~~on a riverboat~~ operating gambling ~~games~~ in violation
8 of this Act shall be subject to seizure, confiscation and
9 destruction as provided in Section 28-5 of the Criminal Code of
10 1961, as now or hereafter amended.

11 (b) It is not a violation of this Act for a riverboat or
12 other watercraft which is licensed for gaming by a contiguous
13 state to dock on the shores of this State if the municipality
14 having jurisdiction of the shores, or the county in the case of
15 unincorporated areas, has granted permission for docking and no
16 gaming is conducted on the riverboat or other watercraft while
17 it is docked on the shores of this State. No gambling device
18 shall be subject to seizure, confiscation or destruction if the
19 gambling device is located on a riverboat or other watercraft
20 which is licensed for gaming by a contiguous state and which is
21 docked on the shores of this State if the municipality having
22 jurisdiction of the shores, or the county in the case of
23 unincorporated areas, has granted permission for docking and no
24 gaming is conducted on the riverboat or other watercraft while
25 it is docked on the shores of this State.

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

1 (230 ILCS 10/20) (from Ch. 120, par. 2420)

2 Sec. 20. Prohibited activities - civil penalties. Any
3 person who conducts a gambling operation without first
4 obtaining a license to do so, or who continues to conduct such
5 games after revocation of his license, or any licensee who
6 conducts or allows to be conducted any unauthorized gambling at
7 a licensed facility ~~games on a riverboat~~ where it is authorized
8 to conduct its ~~riverboat~~ gambling operation, in addition to
9 other penalties provided, shall be subject to a civil penalty
10 equal to the amount of gross receipts derived from wagering on
11 the gambling activity ~~games~~, whether unauthorized or
12 authorized, conducted on that day as well as confiscation and
13 forfeiture of all gambling ~~game~~ equipment used in the conduct
14 of unauthorized gambling ~~games~~.

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

16 (230 ILCS 10/22.5 new)

17 Sec. 22.5. GROW Fund.

18 (a) There is created the GROW Fund, a special fund in the
19 State treasury. The Board shall deposit the following into the
20 GROW Fund:

21 (1) The initial fee and reconciliation payment from the
22 positions under subsections (h-2) and (h-5) of Section 7.

23 (2) The initial fee and reconciliation payment from
24 electronic gaming positions.

1 (3) Transfers provided in subsection (d) of Section 13.

2 (4) Amounts received pursuant to competitive bidding
3 under Section 7.5.

4 (5) The casino license fee.

5 (6) Amounts received pursuant to subsection (e) of
6 Section 1-45 of the Chicago Casino Development Authority
7 Act.

8 (b) From the first reissued license after the effective
9 date of this amendatory Act of the 95th General Assembly, the
10 sum of \$1,750,000 shall be paid from the GROW Fund to the
11 County of JoDaviess in recompense for expenses incurred by that
12 unit of government with respect to former riverboat operations
13 within the corporate limits of that county and the sum of
14 \$1,750,000 shall be paid from the GROW Fund to the City of East
15 Dubuque in recompense for expenses incurred by that unit of
16 government with respect to former riverboat operations within
17 the corporate limits of that municipality.

18 (230 ILCS 10/7.1 rep.)

19 Section 90-45. The Riverboat Gambling Act is amended by
20 repealing Section 7.1.

21 Section 90-50. The Liquor Control Act of 1934 is amended by
22 changing Sections 5-1 and 6-30 as follows:

23 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

1 (Text of Section before amendment by P.A. 95-634)

2 Sec. 5-1. Licenses issued by the Illinois Liquor Control
3 Commission shall be of the following classes:

4 (a) Manufacturer's license - Class 1. Distiller, Class 2.
5 Rectifier, Class 3. Brewer, Class 4. First Class Wine
6 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.
7 First Class Winemaker, Class 7. Second Class Winemaker, Class
8 8. Limited Wine Manufacturer,

9 (b) Distributor's license,

10 (c) Importing Distributor's license,

11 (d) Retailer's license,

12 (e) Special Event Retailer's license (not-for-profit),

13 (f) Railroad license,

14 (g) Boat license,

15 (h) Non-Beverage User's license,

16 (i) Wine-maker's premises license,

17 (j) Airplane license,

18 (k) Foreign importer's license,

19 (l) Broker's license,

20 (m) Non-resident dealer's license,

21 (n) Brew Pub license,

22 (o) Auction liquor license,

23 (p) Caterer retailer license,

24 (q) Special use permit license.

25 No person, firm, partnership, corporation, or other legal
26 business entity that is engaged in the manufacturing of wine

1 may concurrently obtain and hold a wine-maker's license and a
2 wine manufacturer's license.

3 (a) A manufacturer's license shall allow the manufacture,
4 importation in bulk, storage, distribution and sale of
5 alcoholic liquor to persons without the State, as may be
6 permitted by law and to licensees in this State as follows:

7 Class 1. A Distiller may make sales and deliveries of
8 alcoholic liquor to distillers, rectifiers, importing
9 distributors, distributors and non-beverage users and to no
10 other licensees.

11 Class 2. A Rectifier, who is not a distiller, as defined
12 herein, may make sales and deliveries of alcoholic liquor to
13 rectifiers, importing distributors, distributors, retailers
14 and non-beverage users and to no other licensees.

15 Class 3. A Brewer may make sales and deliveries of beer to
16 importing distributors, distributors, and to non-licensees,
17 and to retailers provided the brewer obtains an importing
18 distributor's license or distributor's license in accordance
19 with the provisions of this Act.

20 Class 4. A first class wine-manufacturer may make sales and
21 deliveries of up to 50,000 gallons of wine to manufacturers,
22 importing distributors and distributors, and to no other
23 licensees.

24 Class 5. A second class Wine manufacturer may make sales
25 and deliveries of more than 50,000 gallons of wine to
26 manufacturers, importing distributors and distributors and to

1 no other licensees.

2 Class 6. A first-class wine-maker's license shall allow the
3 manufacture of up to 50,000 gallons of wine per year, and the
4 storage and sale of such wine to distributors in the State and
5 to persons without the State, as may be permitted by law. A
6 first-class wine-maker's license shall allow the sale of no
7 more than 5,000 gallons of the licensee's wine to retailers.
8 The State Commission shall issue only one first-class
9 wine-maker's license to any person, firm, partnership,
10 corporation, or other legal business entity that is engaged in
11 the making of less than 50,000 gallons of wine annually that
12 applies for a first-class wine-maker's license. No subsidiary
13 or affiliate thereof, nor any officer, associate, member,
14 partner, representative, employee, agent, or shareholder may
15 be issued an additional wine-maker's license by the State
16 Commission.

17 Class 7. A second-class wine-maker's license shall allow
18 the manufacture of between 50,000 and 100,000 gallons of wine
19 per year, and the storage and sale of such wine to distributors
20 in this State and to persons without the State, as may be
21 permitted by law. A second-class wine-maker's license shall
22 allow the sale of no more than 10,000 gallons of the licensee's
23 wine directly to retailers. The State Commission shall issue
24 only one second-class wine-maker's license to any person, firm,
25 partnership, corporation, or other legal business entity that
26 is engaged in the making of less than 100,000 gallons of wine

1 annually that applies for a second-class wine-maker's license.
2 No subsidiary or affiliate thereof, or any officer, associate,
3 member, partner, representative, employee, agent, or
4 shareholder may be issued an additional wine-maker's license by
5 the State Commission.

6 Class 8. A limited wine-manufacturer may make sales and
7 deliveries not to exceed 40,000 gallons of wine per year to
8 distributors, and to non-licensees in accordance with the
9 provisions of this Act.

10 (a-1) A manufacturer which is licensed in this State to
11 make sales or deliveries of alcoholic liquor and which enlists
12 agents, representatives, or individuals acting on its behalf
13 who contact licensed retailers on a regular and continual basis
14 in this State must register those agents, representatives, or
15 persons acting on its behalf with the State Commission.

16 Registration of agents, representatives, or persons acting
17 on behalf of a manufacturer is fulfilled by submitting a form
18 to the Commission. The form shall be developed by the
19 Commission and shall include the name and address of the
20 applicant, the name and address of the manufacturer he or she
21 represents, the territory or areas assigned to sell to or
22 discuss pricing terms of alcoholic liquor, and any other
23 questions deemed appropriate and necessary. All statements in
24 the forms required to be made by law or by rule shall be deemed
25 material, and any person who knowingly misstates any material
26 fact under oath in an application is guilty of a Class B

1 misdemeanor. Fraud, misrepresentation, false statements,
2 misleading statements, evasions, or suppression of material
3 facts in the securing of a registration are grounds for
4 suspension or revocation of the registration.

5 (b) A distributor's license shall allow the wholesale
6 purchase and storage of alcoholic liquors and sale of alcoholic
7 liquors to licensees in this State and to persons without the
8 State, as may be permitted by law.

9 (c) An importing distributor's license may be issued to and
10 held by those only who are duly licensed distributors, upon the
11 filing of an application by a duly licensed distributor, with
12 the Commission and the Commission shall, without the payment of
13 any fee, immediately issue such importing distributor's
14 license to the applicant, which shall allow the importation of
15 alcoholic liquor by the licensee into this State from any point
16 in the United States outside this State, and the purchase of
17 alcoholic liquor in barrels, casks or other bulk containers and
18 the bottling of such alcoholic liquors before resale thereof,
19 but all bottles or containers so filled shall be sealed,
20 labeled, stamped and otherwise made to comply with all
21 provisions, rules and regulations governing manufacturers in
22 the preparation and bottling of alcoholic liquors. The
23 importing distributor's license shall permit such licensee to
24 purchase alcoholic liquor from Illinois licensed non-resident
25 dealers and foreign importers only.

26 (d) A retailer's license shall allow the licensee to sell

1 and offer for sale at retail, only in the premises specified in
2 the license, alcoholic liquor for use or consumption, but not
3 for resale in any form: Provided that any retail license issued
4 to a manufacturer shall only permit the manufacturer to sell
5 beer at retail on the premises actually occupied by the
6 manufacturer. For the purpose of further describing the type of
7 business conducted at a retail licensed premises, a retailer's
8 licensee may be designated by the State Commission as (i) an on
9 premise consumption retailer, (ii) an off premise sale
10 retailer, or (iii) a combined on premise consumption and off
11 premise sale retailer.

12 Notwithstanding any other provision of this subsection
13 (d), a retail licensee may sell alcoholic liquors to a special
14 event retailer licensee for resale to the extent permitted
15 under subsection (e).

16 (e) A special event retailer's license (not-for-profit)
17 shall permit the licensee to purchase alcoholic liquors from an
18 Illinois licensed distributor (unless the licensee purchases
19 less than \$500 of alcoholic liquors for the special event, in
20 which case the licensee may purchase the alcoholic liquors from
21 a licensed retailer) and shall allow the licensee to sell and
22 offer for sale, at retail, alcoholic liquors for use or
23 consumption, but not for resale in any form and only at the
24 location and on the specific dates designated for the special
25 event in the license. An applicant for a special event retailer
26 license must (i) furnish with the application: (A) a resale

1 number issued under Section 2c of the Retailers' Occupation Tax
2 Act or evidence that the applicant is registered under Section
3 2a of the Retailers' Occupation Tax Act, (B) a current, valid
4 exemption identification number issued under Section 1g of the
5 Retailers' Occupation Tax Act, and a certification to the
6 Commission that the purchase of alcoholic liquors will be a
7 tax-exempt purchase, or (C) a statement that the applicant is
8 not registered under Section 2a of the Retailers' Occupation
9 Tax Act, does not hold a resale number under Section 2c of the
10 Retailers' Occupation Tax Act, and does not hold an exemption
11 number under Section 1g of the Retailers' Occupation Tax Act,
12 in which event the Commission shall set forth on the special
13 event retailer's license a statement to that effect; (ii)
14 submit with the application proof satisfactory to the State
15 Commission that the applicant will provide dram shop liability
16 insurance in the maximum limits; and (iii) show proof
17 satisfactory to the State Commission that the applicant has
18 obtained local authority approval.

19 (f) A railroad license shall permit the licensee to import
20 alcoholic liquors into this State from any point in the United
21 States outside this State and to store such alcoholic liquors
22 in this State; to make wholesale purchases of alcoholic liquors
23 directly from manufacturers, foreign importers, distributors
24 and importing distributors from within or outside this State;
25 and to store such alcoholic liquors in this State; provided
26 that the above powers may be exercised only in connection with

1 the importation, purchase or storage of alcoholic liquors to be
2 sold or dispensed on a club, buffet, lounge or dining car
3 operated on an electric, gas or steam railway in this State;
4 and provided further, that railroad licensees exercising the
5 above powers shall be subject to all provisions of Article VIII
6 of this Act as applied to importing distributors. A railroad
7 license shall also permit the licensee to sell or dispense
8 alcoholic liquors on any club, buffet, lounge or dining car
9 operated on an electric, gas or steam railway regularly
10 operated by a common carrier in this State, but shall not
11 permit the sale for resale of any alcoholic liquors to any
12 licensee within this State. A license shall be obtained for
13 each car in which such sales are made.

14 (g) A boat license shall allow the sale of alcoholic liquor
15 in individual drinks, on any passenger boat regularly operated
16 as a common carrier on navigable waters in this State or on any
17 riverboat operated under the Illinois ~~Riverboat~~ Gambling Act,
18 which boat or riverboat maintains a public dining room or
19 restaurant thereon.

20 (h) A non-beverage user's license shall allow the licensee
21 to purchase alcoholic liquor from a licensed manufacturer or
22 importing distributor, without the imposition of any tax upon
23 the business of such licensed manufacturer or importing
24 distributor as to such alcoholic liquor to be used by such
25 licensee solely for the non-beverage purposes set forth in
26 subsection (a) of Section 8-1 of this Act, and such licenses

1 shall be divided and classified and shall permit the purchase,
2 possession and use of limited and stated quantities of
3 alcoholic liquor as follows:

- 4 Class 1, not to exceed 500 gallons
- 5 Class 2, not to exceed 1,000 gallons
- 6 Class 3, not to exceed 5,000 gallons
- 7 Class 4, not to exceed 10,000 gallons
- 8 Class 5, not to exceed 50,000 gallons

9 (i) A wine-maker's premises license shall allow a licensee
10 that concurrently holds a first-class wine-maker's license to
11 sell and offer for sale at retail in the premises specified in
12 such license not more than 50,000 gallons of the first-class
13 wine-maker's wine that is made at the first-class wine-maker's
14 licensed premises per year for use or consumption, but not for
15 resale in any form. A wine-maker's premises license shall allow
16 a licensee who concurrently holds a second-class wine-maker's
17 license to sell and offer for sale at retail in the premises
18 specified in such license up to 100,000 gallons of the
19 second-class wine-maker's wine that is made at the second-class
20 wine-maker's licensed premises per year for use or consumption
21 but not for resale in any form. A wine-maker's premises license
22 shall allow a licensee that concurrently holds a first-class
23 wine-maker's license or a second-class wine-maker's license to
24 sell and offer for sale at retail at the premises specified in
25 the wine-maker's premises license, for use or consumption but
26 not for resale in any form, any beer, wine, and spirits

1 purchased from a licensed distributor. Upon approval from the
2 State Commission, a wine-maker's premises license shall allow
3 the licensee to sell and offer for sale at (i) the wine-maker's
4 licensed premises and (ii) at up to 2 additional locations for
5 use and consumption and not for resale. Each location shall
6 require additional licensing per location as specified in
7 Section 5-3 of this Act.

8 (j) An airplane license shall permit the licensee to import
9 alcoholic liquors into this State from any point in the United
10 States outside this State and to store such alcoholic liquors
11 in this State; to make wholesale purchases of alcoholic liquors
12 directly from manufacturers, foreign importers, distributors
13 and importing distributors from within or outside this State;
14 and to store such alcoholic liquors in this State; provided
15 that the above powers may be exercised only in connection with
16 the importation, purchase or storage of alcoholic liquors to be
17 sold or dispensed on an airplane; and provided further, that
18 airplane licensees exercising the above powers shall be subject
19 to all provisions of Article VIII of this Act as applied to
20 importing distributors. An airplane licensee shall also permit
21 the sale or dispensing of alcoholic liquors on any passenger
22 airplane regularly operated by a common carrier in this State,
23 but shall not permit the sale for resale of any alcoholic
24 liquors to any licensee within this State. A single airplane
25 license shall be required of an airline company if liquor
26 service is provided on board aircraft in this State. The annual

1 fee for such license shall be as determined in Section 5-3.

2 (k) A foreign importer's license shall permit such licensee
3 to purchase alcoholic liquor from Illinois licensed
4 non-resident dealers only, and to import alcoholic liquor other
5 than in bulk from any point outside the United States and to
6 sell such alcoholic liquor to Illinois licensed importing
7 distributors and to no one else in Illinois; provided that the
8 foreign importer registers with the State Commission every
9 brand of alcoholic liquor that it proposes to sell to Illinois
10 licensees during the license period and provided further that
11 the foreign importer complies with all of the provisions of
12 Section 6-9 of this Act with respect to registration of such
13 Illinois licensees as may be granted the right to sell such
14 brands at wholesale.

15 (l) (i) A broker's license shall be required of all persons
16 who solicit orders for, offer to sell or offer to supply
17 alcoholic liquor to retailers in the State of Illinois, or who
18 offer to retailers to ship or cause to be shipped or to make
19 contact with distillers, rectifiers, brewers or manufacturers
20 or any other party within or without the State of Illinois in
21 order that alcoholic liquors be shipped to a distributor,
22 importing distributor or foreign importer, whether such
23 solicitation or offer is consummated within or without the
24 State of Illinois.

25 No holder of a retailer's license issued by the Illinois
26 Liquor Control Commission shall purchase or receive any

1 alcoholic liquor, the order for which was solicited or offered
2 for sale to such retailer by a broker unless the broker is the
3 holder of a valid broker's license.

4 The broker shall, upon the acceptance by a retailer of the
5 broker's solicitation of an order or offer to sell or supply or
6 deliver or have delivered alcoholic liquors, promptly forward
7 to the Illinois Liquor Control Commission a notification of
8 said transaction in such form as the Commission may by
9 regulations prescribe.

10 (ii) A broker's license shall be required of a person
11 within this State, other than a retail licensee, who, for a fee
12 or commission, promotes, solicits, or accepts orders for
13 alcoholic liquor, for use or consumption and not for resale, to
14 be shipped from this State and delivered to residents outside
15 of this State by an express company, common carrier, or
16 contract carrier. This Section does not apply to any person who
17 promotes, solicits, or accepts orders for wine as specifically
18 authorized in Section 6-29 of this Act.

19 A broker's license under this subsection (1) shall not
20 entitle the holder to buy or sell any alcoholic liquors for his
21 own account or to take or deliver title to such alcoholic
22 liquors.

23 This subsection (1) shall not apply to distributors,
24 employees of distributors, or employees of a manufacturer who
25 has registered the trademark, brand or name of the alcoholic
26 liquor pursuant to Section 6-9 of this Act, and who regularly

1 sells such alcoholic liquor in the State of Illinois only to
2 its registrants thereunder.

3 Any agent, representative, or person subject to
4 registration pursuant to subsection (a-1) of this Section shall
5 not be eligible to receive a broker's license.

6 (m) A non-resident dealer's license shall permit such
7 licensee to ship into and warehouse alcoholic liquor into this
8 State from any point outside of this State, and to sell such
9 alcoholic liquor to Illinois licensed foreign importers and
10 importing distributors and to no one else in this State;
11 provided that said non-resident dealer shall register with the
12 Illinois Liquor Control Commission each and every brand of
13 alcoholic liquor which it proposes to sell to Illinois
14 licensees during the license period; and further provided that
15 it shall comply with all of the provisions of Section 6-9
16 hereof with respect to registration of such Illinois licensees
17 as may be granted the right to sell such brands at wholesale.

18 (n) A brew pub license shall allow the licensee to
19 manufacture beer only on the premises specified in the license,
20 to make sales of the beer manufactured on the premises to
21 importing distributors, distributors, and to non-licensees for
22 use and consumption, to store the beer upon the premises, and
23 to sell and offer for sale at retail from the licensed
24 premises, provided that a brew pub licensee shall not sell for
25 off-premises consumption more than 50,000 gallons per year.

26 (o) A caterer retailer license shall allow the holder to

1 serve alcoholic liquors as an incidental part of a food service
2 that serves prepared meals which excludes the serving of snacks
3 as the primary meal, either on or off-site whether licensed or
4 unlicensed.

5 (p) An auction liquor license shall allow the licensee to
6 sell and offer for sale at auction wine and spirits for use or
7 consumption, or for resale by an Illinois liquor licensee in
8 accordance with provisions of this Act. An auction liquor
9 license will be issued to a person and it will permit the
10 auction liquor licensee to hold the auction anywhere in the
11 State. An auction liquor license must be obtained for each
12 auction at least 14 days in advance of the auction date.

13 (q) A special use permit license shall allow an Illinois
14 licensed retailer to transfer a portion of its alcoholic liquor
15 inventory from its retail licensed premises to the premises
16 specified in the license hereby created, and to sell or offer
17 for sale at retail, only in the premises specified in the
18 license hereby created, the transferred alcoholic liquor for
19 use or consumption, but not for resale in any form. A special
20 use permit license may be granted for the following time
21 periods: one day or less; 2 or more days to a maximum of 15 days
22 per location in any 12 month period. An applicant for the
23 special use permit license must also submit with the
24 application proof satisfactory to the State Commission that the
25 applicant will provide dram shop liability insurance to the
26 maximum limits and have local authority approval.

1 (Source: P.A. 95-331, eff. 8-21-07.)

2 (Text of Section after amendment by P.A. 95-634)

3 Sec. 5-1. Licenses issued by the Illinois Liquor Control
4 Commission shall be of the following classes:

5 (a) Manufacturer's license - Class 1. Distiller, Class 2.
6 Rectifier, Class 3. Brewer, Class 4. First Class Wine
7 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.
8 First Class Winemaker, Class 7. Second Class Winemaker, Class
9 8. Limited Wine Manufacturer,

10 (b) Distributor's license,

11 (c) Importing Distributor's license,

12 (d) Retailer's license,

13 (e) Special Event Retailer's license (not-for-profit),

14 (f) Railroad license,

15 (g) Boat license,

16 (h) Non-Beverage User's license,

17 (i) Wine-maker's premises license,

18 (j) Airplane license,

19 (k) Foreign importer's license,

20 (l) Broker's license,

21 (m) Non-resident dealer's license,

22 (n) Brew Pub license,

23 (o) Auction liquor license,

24 (p) Caterer retailer license,

25 (q) Special use permit license,

1 (r) Winery shipper's license.

2 No person, firm, partnership, corporation, or other legal
3 business entity that is engaged in the manufacturing of wine
4 may concurrently obtain and hold a wine-maker's license and a
5 wine manufacturer's license.

6 (a) A manufacturer's license shall allow the manufacture,
7 importation in bulk, storage, distribution and sale of
8 alcoholic liquor to persons without the State, as may be
9 permitted by law and to licensees in this State as follows:

10 Class 1. A Distiller may make sales and deliveries of
11 alcoholic liquor to distillers, rectifiers, importing
12 distributors, distributors and non-beverage users and to no
13 other licensees.

14 Class 2. A Rectifier, who is not a distiller, as defined
15 herein, may make sales and deliveries of alcoholic liquor to
16 rectifiers, importing distributors, distributors, retailers
17 and non-beverage users and to no other licensees.

18 Class 3. A Brewer may make sales and deliveries of beer to
19 importing distributors, distributors, and to non-licensees,
20 and to retailers provided the brewer obtains an importing
21 distributor's license or distributor's license in accordance
22 with the provisions of this Act.

23 Class 4. A first class wine-manufacturer may make sales and
24 deliveries of up to 50,000 gallons of wine to manufacturers,
25 importing distributors and distributors, and to no other
26 licensees.

1 Class 5. A second class Wine manufacturer may make sales
2 and deliveries of more than 50,000 gallons of wine to
3 manufacturers, importing distributors and distributors and to
4 no other licensees.

5 Class 6. A first-class wine-maker's license shall allow the
6 manufacture of up to 50,000 gallons of wine per year, and the
7 storage and sale of such wine to distributors in the State and
8 to persons without the State, as may be permitted by law. A
9 person who, prior to the effective date of this amendatory Act
10 of the 95th General Assembly, is a holder of a first-class
11 wine-maker's license and annually produces more than 25,000
12 gallons of its own wine and who distributes its wine to
13 licensed retailers shall cease this practice on or before July
14 1, 2008 in compliance with this amendatory Act of the 95th
15 General Assembly.

16 Class 7. A second-class wine-maker's license shall allow
17 the manufacture of between 50,000 and 150,000 gallons of wine
18 per year, and the storage and sale of such wine to distributors
19 in this State and to persons without the State, as may be
20 permitted by law. A person who, prior to the effective date of
21 this amendatory Act of the 95th General Assembly, is a holder
22 of a second-class wine-maker's license and annually produces
23 more than 25,000 gallons of its own wine and who distributes
24 its wine to licensed retailers shall cease this practice on or
25 before July 1, 2008 in compliance with this amendatory Act of
26 the 95th General Assembly.

1 Class 8. A limited wine-manufacturer may make sales and
2 deliveries not to exceed 40,000 gallons of wine per year to
3 distributors, and to non-licensees in accordance with the
4 provisions of this Act.

5 (a-1) A manufacturer which is licensed in this State to
6 make sales or deliveries of alcoholic liquor and which enlists
7 agents, representatives, or individuals acting on its behalf
8 who contact licensed retailers on a regular and continual basis
9 in this State must register those agents, representatives, or
10 persons acting on its behalf with the State Commission.

11 Registration of agents, representatives, or persons acting
12 on behalf of a manufacturer is fulfilled by submitting a form
13 to the Commission. The form shall be developed by the
14 Commission and shall include the name and address of the
15 applicant, the name and address of the manufacturer he or she
16 represents, the territory or areas assigned to sell to or
17 discuss pricing terms of alcoholic liquor, and any other
18 questions deemed appropriate and necessary. All statements in
19 the forms required to be made by law or by rule shall be deemed
20 material, and any person who knowingly misstates any material
21 fact under oath in an application is guilty of a Class B
22 misdemeanor. Fraud, misrepresentation, false statements,
23 misleading statements, evasions, or suppression of material
24 facts in the securing of a registration are grounds for
25 suspension or revocation of the registration.

26 (b) A distributor's license shall allow the wholesale

1 purchase and storage of alcoholic liquors and sale of alcoholic
2 liquors to licensees in this State and to persons without the
3 State, as may be permitted by law.

4 (c) An importing distributor's license may be issued to and
5 held by those only who are duly licensed distributors, upon the
6 filing of an application by a duly licensed distributor, with
7 the Commission and the Commission shall, without the payment of
8 any fee, immediately issue such importing distributor's
9 license to the applicant, which shall allow the importation of
10 alcoholic liquor by the licensee into this State from any point
11 in the United States outside this State, and the purchase of
12 alcoholic liquor in barrels, casks or other bulk containers and
13 the bottling of such alcoholic liquors before resale thereof,
14 but all bottles or containers so filled shall be sealed,
15 labeled, stamped and otherwise made to comply with all
16 provisions, rules and regulations governing manufacturers in
17 the preparation and bottling of alcoholic liquors. The
18 importing distributor's license shall permit such licensee to
19 purchase alcoholic liquor from Illinois licensed non-resident
20 dealers and foreign importers only.

21 (d) A retailer's license shall allow the licensee to sell
22 and offer for sale at retail, only in the premises specified in
23 the license, alcoholic liquor for use or consumption, but not
24 for resale in any form. Nothing in this amendatory Act of the
25 95th General Assembly shall deny, limit, remove, or restrict
26 the ability of a holder of a retailer's license to transfer,

1 deliver, or ship alcoholic liquor to the purchaser for use or
2 consumption subject to any applicable local law or ordinance.
3 Any retail license issued to a manufacturer shall only permit
4 the manufacturer to sell beer at retail on the premises
5 actually occupied by the manufacturer. For the purpose of
6 further describing the type of business conducted at a retail
7 licensed premises, a retailer's licensee may be designated by
8 the State Commission as (i) an on premise consumption retailer,
9 (ii) an off premise sale retailer, or (iii) a combined on
10 premise consumption and off premise sale retailer.

11 Notwithstanding any other provision of this subsection
12 (d), a retail licensee may sell alcoholic liquors to a special
13 event retailer licensee for resale to the extent permitted
14 under subsection (e).

15 (e) A special event retailer's license (not-for-profit)
16 shall permit the licensee to purchase alcoholic liquors from an
17 Illinois licensed distributor (unless the licensee purchases
18 less than \$500 of alcoholic liquors for the special event, in
19 which case the licensee may purchase the alcoholic liquors from
20 a licensed retailer) and shall allow the licensee to sell and
21 offer for sale, at retail, alcoholic liquors for use or
22 consumption, but not for resale in any form and only at the
23 location and on the specific dates designated for the special
24 event in the license. An applicant for a special event retailer
25 license must (i) furnish with the application: (A) a resale
26 number issued under Section 2c of the Retailers' Occupation Tax

1 Act or evidence that the applicant is registered under Section
2 2a of the Retailers' Occupation Tax Act, (B) a current, valid
3 exemption identification number issued under Section 1g of the
4 Retailers' Occupation Tax Act, and a certification to the
5 Commission that the purchase of alcoholic liquors will be a
6 tax-exempt purchase, or (C) a statement that the applicant is
7 not registered under Section 2a of the Retailers' Occupation
8 Tax Act, does not hold a resale number under Section 2c of the
9 Retailers' Occupation Tax Act, and does not hold an exemption
10 number under Section 1g of the Retailers' Occupation Tax Act,
11 in which event the Commission shall set forth on the special
12 event retailer's license a statement to that effect; (ii)
13 submit with the application proof satisfactory to the State
14 Commission that the applicant will provide dram shop liability
15 insurance in the maximum limits; and (iii) show proof
16 satisfactory to the State Commission that the applicant has
17 obtained local authority approval.

18 (f) A railroad license shall permit the licensee to import
19 alcoholic liquors into this State from any point in the United
20 States outside this State and to store such alcoholic liquors
21 in this State; to make wholesale purchases of alcoholic liquors
22 directly from manufacturers, foreign importers, distributors
23 and importing distributors from within or outside this State;
24 and to store such alcoholic liquors in this State; provided
25 that the above powers may be exercised only in connection with
26 the importation, purchase or storage of alcoholic liquors to be

1 sold or dispensed on a club, buffet, lounge or dining car
2 operated on an electric, gas or steam railway in this State;
3 and provided further, that railroad licensees exercising the
4 above powers shall be subject to all provisions of Article VIII
5 of this Act as applied to importing distributors. A railroad
6 license shall also permit the licensee to sell or dispense
7 alcoholic liquors on any club, buffet, lounge or dining car
8 operated on an electric, gas or steam railway regularly
9 operated by a common carrier in this State, but shall not
10 permit the sale for resale of any alcoholic liquors to any
11 licensee within this State. A license shall be obtained for
12 each car in which such sales are made.

13 (g) A boat license shall allow the sale of alcoholic liquor
14 in individual drinks, on any passenger boat regularly operated
15 as a common carrier on navigable waters in this State or on any
16 riverboat operated under the Illinois ~~Riverboat~~ Gambling Act,
17 which boat or riverboat maintains a public dining room or
18 restaurant thereon.

19 (h) A non-beverage user's license shall allow the licensee
20 to purchase alcoholic liquor from a licensed manufacturer or
21 importing distributor, without the imposition of any tax upon
22 the business of such licensed manufacturer or importing
23 distributor as to such alcoholic liquor to be used by such
24 licensee solely for the non-beverage purposes set forth in
25 subsection (a) of Section 8-1 of this Act, and such licenses
26 shall be divided and classified and shall permit the purchase,

1 possession and use of limited and stated quantities of
2 alcoholic liquor as follows:

- 3 Class 1, not to exceed 500 gallons
- 4 Class 2, not to exceed 1,000 gallons
- 5 Class 3, not to exceed 5,000 gallons
- 6 Class 4, not to exceed 10,000 gallons
- 7 Class 5, not to exceed 50,000 gallons

8 (i) A wine-maker's premises license shall allow a licensee
 9 that concurrently holds a first-class wine-maker's license to
 10 sell and offer for sale at retail in the premises specified in
 11 such license not more than 50,000 gallons of the first-class
 12 wine-maker's wine that is made at the first-class wine-maker's
 13 licensed premises per year for use or consumption, but not for
 14 resale in any form. A wine-maker's premises license shall allow
 15 a licensee who concurrently holds a second-class wine-maker's
 16 license to sell and offer for sale at retail in the premises
 17 specified in such license up to 100,000 gallons of the
 18 second-class wine-maker's wine that is made at the second-class
 19 wine-maker's licensed premises per year for use or consumption
 20 but not for resale in any form. A wine-maker's premises license
 21 shall allow a licensee that concurrently holds a first-class
 22 wine-maker's license or a second-class wine-maker's license to
 23 sell and offer for sale at retail at the premises specified in
 24 the wine-maker's premises license, for use or consumption but
 25 not for resale in any form, any beer, wine, and spirits
 26 purchased from a licensed distributor. Upon approval from the

1 State Commission, a wine-maker's premises license shall allow
2 the licensee to sell and offer for sale at (i) the wine-maker's
3 licensed premises and (ii) at up to 2 additional locations for
4 use and consumption and not for resale. Each location shall
5 require additional licensing per location as specified in
6 Section 5-3 of this Act. A wine-maker's premises licensee shall
7 secure liquor liability insurance coverage in an amount at
8 least equal to the maximum liability amounts set forth in
9 subsection (a) of Section 6-21 of this Act.

10 (j) An airplane license shall permit the licensee to import
11 alcoholic liquors into this State from any point in the United
12 States outside this State and to store such alcoholic liquors
13 in this State; to make wholesale purchases of alcoholic liquors
14 directly from manufacturers, foreign importers, distributors
15 and importing distributors from within or outside this State;
16 and to store such alcoholic liquors in this State; provided
17 that the above powers may be exercised only in connection with
18 the importation, purchase or storage of alcoholic liquors to be
19 sold or dispensed on an airplane; and provided further, that
20 airplane licensees exercising the above powers shall be subject
21 to all provisions of Article VIII of this Act as applied to
22 importing distributors. An airplane licensee shall also permit
23 the sale or dispensing of alcoholic liquors on any passenger
24 airplane regularly operated by a common carrier in this State,
25 but shall not permit the sale for resale of any alcoholic
26 liquors to any licensee within this State. A single airplane

1 license shall be required of an airline company if liquor
2 service is provided on board aircraft in this State. The annual
3 fee for such license shall be as determined in Section 5-3.

4 (k) A foreign importer's license shall permit such licensee
5 to purchase alcoholic liquor from Illinois licensed
6 non-resident dealers only, and to import alcoholic liquor other
7 than in bulk from any point outside the United States and to
8 sell such alcoholic liquor to Illinois licensed importing
9 distributors and to no one else in Illinois; provided that the
10 foreign importer registers with the State Commission every
11 brand of alcoholic liquor that it proposes to sell to Illinois
12 licensees during the license period and provided further that
13 the foreign importer complies with all of the provisions of
14 Section 6-9 of this Act with respect to registration of such
15 Illinois licensees as may be granted the right to sell such
16 brands at wholesale.

17 (l) (i) A broker's license shall be required of all persons
18 who solicit orders for, offer to sell or offer to supply
19 alcoholic liquor to retailers in the State of Illinois, or who
20 offer to retailers to ship or cause to be shipped or to make
21 contact with distillers, rectifiers, brewers or manufacturers
22 or any other party within or without the State of Illinois in
23 order that alcoholic liquors be shipped to a distributor,
24 importing distributor or foreign importer, whether such
25 solicitation or offer is consummated within or without the
26 State of Illinois.

1 No holder of a retailer's license issued by the Illinois
2 Liquor Control Commission shall purchase or receive any
3 alcoholic liquor, the order for which was solicited or offered
4 for sale to such retailer by a broker unless the broker is the
5 holder of a valid broker's license.

6 The broker shall, upon the acceptance by a retailer of the
7 broker's solicitation of an order or offer to sell or supply or
8 deliver or have delivered alcoholic liquors, promptly forward
9 to the Illinois Liquor Control Commission a notification of
10 said transaction in such form as the Commission may by
11 regulations prescribe.

12 (ii) A broker's license shall be required of a person
13 within this State, other than a retail licensee, who, for a fee
14 or commission, promotes, solicits, or accepts orders for
15 alcoholic liquor, for use or consumption and not for resale, to
16 be shipped from this State and delivered to residents outside
17 of this State by an express company, common carrier, or
18 contract carrier. This Section does not apply to any person who
19 promotes, solicits, or accepts orders for wine as specifically
20 authorized in Section 6-29 of this Act.

21 A broker's license under this subsection (1) shall not
22 entitle the holder to buy or sell any alcoholic liquors for his
23 own account or to take or deliver title to such alcoholic
24 liquors.

25 This subsection (1) shall not apply to distributors,
26 employees of distributors, or employees of a manufacturer who

1 has registered the trademark, brand or name of the alcoholic
2 liquor pursuant to Section 6-9 of this Act, and who regularly
3 sells such alcoholic liquor in the State of Illinois only to
4 its registrants thereunder.

5 Any agent, representative, or person subject to
6 registration pursuant to subsection (a-1) of this Section shall
7 not be eligible to receive a broker's license.

8 (m) A non-resident dealer's license shall permit such
9 licensee to ship into and warehouse alcoholic liquor into this
10 State from any point outside of this State, and to sell such
11 alcoholic liquor to Illinois licensed foreign importers and
12 importing distributors and to no one else in this State;
13 provided that said non-resident dealer shall register with the
14 Illinois Liquor Control Commission each and every brand of
15 alcoholic liquor which it proposes to sell to Illinois
16 licensees during the license period; and further provided that
17 it shall comply with all of the provisions of Section 6-9
18 hereof with respect to registration of such Illinois licensees
19 as may be granted the right to sell such brands at wholesale.

20 (n) A brew pub license shall allow the licensee to
21 manufacture beer only on the premises specified in the license,
22 to make sales of the beer manufactured on the premises to
23 importing distributors, distributors, and to non-licensees for
24 use and consumption, to store the beer upon the premises, and
25 to sell and offer for sale at retail from the licensed
26 premises, provided that a brew pub licensee shall not sell for

1 off-premises consumption more than 50,000 gallons per year.

2 (o) A caterer retailer license shall allow the holder to
3 serve alcoholic liquors as an incidental part of a food service
4 that serves prepared meals which excludes the serving of snacks
5 as the primary meal, either on or off-site whether licensed or
6 unlicensed.

7 (p) An auction liquor license shall allow the licensee to
8 sell and offer for sale at auction wine and spirits for use or
9 consumption, or for resale by an Illinois liquor licensee in
10 accordance with provisions of this Act. An auction liquor
11 license will be issued to a person and it will permit the
12 auction liquor licensee to hold the auction anywhere in the
13 State. An auction liquor license must be obtained for each
14 auction at least 14 days in advance of the auction date.

15 (q) A special use permit license shall allow an Illinois
16 licensed retailer to transfer a portion of its alcoholic liquor
17 inventory from its retail licensed premises to the premises
18 specified in the license hereby created, and to sell or offer
19 for sale at retail, only in the premises specified in the
20 license hereby created, the transferred alcoholic liquor for
21 use or consumption, but not for resale in any form. A special
22 use permit license may be granted for the following time
23 periods: one day or less; 2 or more days to a maximum of 15 days
24 per location in any 12 month period. An applicant for the
25 special use permit license must also submit with the
26 application proof satisfactory to the State Commission that the

1 applicant will provide dram shop liability insurance to the
2 maximum limits and have local authority approval.

3 (r) A winery shipper's license shall allow a person with a
4 first-class or second-class wine manufacturer's license, a
5 first-class or second-class wine-maker's license, or a limited
6 wine manufacturer's license or who is licensed to make wine
7 under the laws of another state to ship wine made by that
8 licensee directly to a resident of this State who is 21 years
9 of age or older for that resident's personal use and not for
10 resale. Prior to receiving a winery shipper's license, an
11 applicant for the license must provide the Commission with a
12 true copy of its current license in any state in which it is
13 licensed as a manufacturer of wine. An applicant for a winery
14 shipper's license must also complete an application form that
15 provides any other information the Commission deems necessary.
16 The application form shall include an acknowledgement
17 consenting to the jurisdiction of the Commission, the Illinois
18 Department of Revenue, and the courts of this State concerning
19 the enforcement of this Act and any related laws, rules, and
20 regulations, including authorizing the Department of Revenue
21 and the Commission to conduct audits for the purpose of
22 ensuring compliance with this amendatory Act.

23 A winery shipper licensee must pay to the Department of
24 Revenue the State liquor gallonage tax under Section 8-1 for
25 all wine that is sold by the licensee and shipped to a person
26 in this State. For the purposes of Section 8-1, a winery

1 shipper licensee shall be taxed in the same manner as a
2 manufacturer of wine. A licensee who is not otherwise required
3 to register under the Retailers' Occupation Tax Act must
4 register under the Use Tax Act to collect and remit use tax to
5 the Department of Revenue for all gallons of wine that are sold
6 by the licensee and shipped to persons in this State. If a
7 licensee fails to remit the tax imposed under this Act in
8 accordance with the provisions of Article VIII of this Act, the
9 winery shipper's license shall be revoked in accordance with
10 the provisions of Article VII of this Act. If a licensee fails
11 to properly register and remit tax under the Use Tax Act or the
12 Retailers' Occupation Tax Act for all wine that is sold by the
13 winery shipper and shipped to persons in this State, the winery
14 shipper's license shall be revoked in accordance with the
15 provisions of Article VII of this Act.

16 A winery shipper licensee must collect, maintain, and
17 submit to the Commission on a semi-annual basis the total
18 number of cases per resident of wine shipped to residents of
19 this State. A winery shipper licensed under this subsection (r)
20 must comply with the requirements of Section 6-29 of this
21 amendatory Act.

22 (Source: P.A. 95-331, eff. 8-21-07; 95-634, eff. 6-1-08.)

23 (235 ILCS 5/6-30) (from Ch. 43, par. 144f)

24 Sec. 6-30. Notwithstanding any other provision of this Act,
25 the Illinois Gaming Board shall have exclusive authority to

1 establish the hours for sale and consumption of alcoholic
2 liquor on board a riverboat during riverboat gambling
3 excursions conducted in accordance with the Illinois Riverboat
4 Gambling Act.

5 (Source: P.A. 87-826.)

6 Section 90-55. The Criminal Code of 1961 is amended by
7 changing Sections 28-1, 28-1.1, 28-3, 28-5, and 28-7 as
8 follows:

9 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

10 Sec. 28-1. Gambling.

11 (a) A person commits gambling when he:

12 (1) Plays a game of chance or skill for money or other
13 thing of value, unless excepted in subsection (b) of this
14 Section; or

15 (2) Makes a wager upon the result of any game, contest,
16 or any political nomination, appointment or election; or

17 (3) Operates, keeps, owns, uses, purchases, exhibits,
18 rents, sells, bargains for the sale or lease of,
19 manufactures or distributes any gambling device; or

20 (4) Contracts to have or give himself or another the
21 option to buy or sell, or contracts to buy or sell, at a
22 future time, any grain or other commodity whatsoever, or
23 any stock or security of any company, where it is at the
24 time of making such contract intended by both parties

1 thereto that the contract to buy or sell, or the option,
2 whenever exercised, or the contract resulting therefrom,
3 shall be settled, not by the receipt or delivery of such
4 property, but by the payment only of differences in prices
5 thereof; however, the issuance, purchase, sale, exercise,
6 endorsement or guarantee, by or through a person registered
7 with the Secretary of State pursuant to Section 8 of the
8 Illinois Securities Law of 1953, or by or through a person
9 exempt from such registration under said Section 8, of a
10 put, call, or other option to buy or sell securities which
11 have been registered with the Secretary of State or which
12 are exempt from such registration under Section 3 of the
13 Illinois Securities Law of 1953 is not gambling within the
14 meaning of this paragraph (4); or

15 (5) Knowingly owns or possesses any book, instrument or
16 apparatus by means of which bets or wagers have been, or
17 are, recorded or registered, or knowingly possesses any
18 money which he has received in the course of a bet or
19 wager; or

20 (6) Sells pools upon the result of any game or contest
21 of skill or chance, political nomination, appointment or
22 election; or

23 (7) Sets up or promotes any lottery or sells, offers to
24 sell or transfers any ticket or share for any lottery; or

25 (8) Sets up or promotes any policy game or sells,
26 offers to sell or knowingly possesses or transfers any

1 policy ticket, slip, record, document or other similar
2 device; or

3 (9) Knowingly drafts, prints or publishes any lottery
4 ticket or share, or any policy ticket, slip, record,
5 document or similar device, except for such activity
6 related to lotteries, bingo games and raffles authorized by
7 and conducted in accordance with the laws of Illinois or
8 any other state or foreign government; or

9 (10) Knowingly advertises any lottery or policy game,
10 except for such activity related to lotteries, bingo games
11 and raffles authorized by and conducted in accordance with
12 the laws of Illinois or any other state; or

13 (11) Knowingly transmits information as to wagers,
14 betting odds, or changes in betting odds by telephone,
15 telegraph, radio, semaphore or similar means; or knowingly
16 installs or maintains equipment for the transmission or
17 receipt of such information; except that nothing in this
18 subdivision (11) prohibits transmission or receipt of such
19 information for use in news reporting of sporting events or
20 contests; or

21 (12) Knowingly establishes, maintains, or operates an
22 Internet site that permits a person to play a game of
23 chance or skill for money or other thing of value by means
24 of the Internet or to make a wager upon the result of any
25 game, contest, political nomination, appointment, or
26 election by means of the Internet.

1 (b) Participants in any of the following activities shall
2 not be convicted of gambling therefor:

3 (1) Agreements to compensate for loss caused by the
4 happening of chance including without limitation contracts
5 of indemnity or guaranty and life or health or accident
6 insurance;

7 (2) Offers of prizes, award or compensation to the
8 actual contestants in any bona fide contest for the
9 determination of skill, speed, strength or endurance or to
10 the owners of animals or vehicles entered in such contest;

11 (3) Pari-mutuel betting as authorized by the law of
12 this State;

13 (4) Manufacture of gambling devices, including the
14 acquisition of essential parts therefor and the assembly
15 thereof, for transportation in interstate or foreign
16 commerce to any place outside this State when such
17 transportation is not prohibited by any applicable Federal
18 law;

19 (5) The game commonly known as "bingo", when conducted
20 in accordance with the Bingo License and Tax Act;

21 (6) Lotteries when conducted by the State of Illinois
22 in accordance with the Illinois Lottery Law;

23 (7) Possession of an antique slot machine that is
24 neither used nor intended to be used in the operation or
25 promotion of any unlawful gambling activity or enterprise.
26 For the purpose of this subparagraph (b)(7), an antique

- 1 slot machine is one manufactured 25 years ago or earlier;
- 2 (8) Raffles when conducted in accordance with the
- 3 Raffles Act;
- 4 (9) Charitable games when conducted in accordance with
- 5 the Charitable Games Act;
- 6 (10) Pull tabs and jar games when conducted under the
- 7 Illinois Pull Tabs and Jar Games Act; or
- 8 (11) Gambling games ~~conducted on riverboats~~ when
- 9 authorized by the Illinois Riverboat Gambling Act.

10 (c) Sentence.

11 Gambling under subsection (a) (1) or (a) (2) of this Section

12 is a Class A misdemeanor. Gambling under any of subsections

13 (a) (3) through (a) (11) of this Section is a Class A

14 misdemeanor. A second or subsequent conviction under any of

15 subsections (a) (3) through (a) (11), is a Class 4 felony.

16 Gambling under subsection (a) (12) of this Section is a Class A

17 misdemeanor. A second or subsequent conviction under

18 subsection (a) (12) is a Class 4 felony.

19 (d) Circumstantial evidence.

20 In prosecutions under subsection (a) (1) through (a) (12) of

21 this Section circumstantial evidence shall have the same

22 validity and weight as in any criminal prosecution.

23 (Source: P.A. 91-257, eff. 1-1-00.)

24 (720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

25 Sec. 28-1.1. Syndicated gambling.

1 (a) Declaration of Purpose. Recognizing the close
2 relationship between professional gambling and other organized
3 crime, it is declared to be the policy of the legislature to
4 restrain persons from engaging in the business of gambling for
5 profit in this State. This Section shall be liberally construed
6 and administered with a view to carrying out this policy.

7 (b) A person commits syndicated gambling when he operates a
8 "policy game" or engages in the business of bookmaking.

9 (c) A person "operates a policy game" when he knowingly
10 uses any premises or property for the purpose of receiving or
11 knowingly does receive from what is commonly called "policy":

12 (1) money from a person other than the better or player
13 whose bets or plays are represented by such money; or

14 (2) written "policy game" records, made or used over
15 any period of time, from a person other than the better or
16 player whose bets or plays are represented by such written
17 record.

18 (d) A person engages in bookmaking when he receives or
19 accepts more than five bets or wagers upon the result of any
20 trials or contests of skill, speed or power of endurance or
21 upon any lot, chance, casualty, unknown or contingent event
22 whatsoever, which bets or wagers shall be of such size that the
23 total of the amounts of money paid or promised to be paid to
24 such bookmaker on account thereof shall exceed \$2,000.
25 Bookmaking is the receiving or accepting of such bets or wagers
26 regardless of the form or manner in which the bookmaker records

1 them.

2 (e) Participants in any of the following activities shall
3 not be convicted of syndicated gambling:

4 (1) Agreements to compensate for loss caused by the
5 happening of chance including without limitation contracts
6 of indemnity or guaranty and life or health or accident
7 insurance; and

8 (2) Offers of prizes, award or compensation to the
9 actual contestants in any bona fide contest for the
10 determination of skill, speed, strength or endurance or to
11 the owners of animals or vehicles entered in such contest;
12 and

13 (3) Pari-mutuel betting as authorized by law of this
14 State; and

15 (4) Manufacture of gambling devices, including the
16 acquisition of essential parts therefor and the assembly
17 thereof, for transportation in interstate or foreign
18 commerce to any place outside this State when such
19 transportation is not prohibited by any applicable Federal
20 law; and

21 (5) Raffles when conducted in accordance with the
22 Raffles Act; and

23 (6) Gambling games conducted on riverboats, in
24 casinos, or at electronic gaming facilities when
25 authorized by the Illinois Riverboat Gambling Act.

26 (f) Sentence. Syndicated gambling is a Class 3 felony.

1 (Source: P.A. 86-1029; 87-435.)

2 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

3 Sec. 28-3. Keeping a Gambling Place. A "gambling place" is
4 any real estate, vehicle, boat or any other property whatsoever
5 used for the purposes of gambling other than gambling conducted
6 in the manner authorized by the Illinois Riverboat ~~Riverboat~~ Gambling
7 Act. Any person who knowingly permits any premises or property
8 owned or occupied by him or under his control to be used as a
9 gambling place commits a Class A misdemeanor. Each subsequent
10 offense is a Class 4 felony. When any premises is determined by
11 the circuit court to be a gambling place:

12 (a) Such premises is a public nuisance and may be proceeded
13 against as such, and

14 (b) All licenses, permits or certificates issued by the
15 State of Illinois or any subdivision or public agency thereof
16 authorizing the serving of food or liquor on such premises
17 shall be void; and no license, permit or certificate so
18 cancelled shall be reissued for such premises for a period of
19 60 days thereafter; nor shall any person convicted of keeping a
20 gambling place be reissued such license for one year from his
21 conviction and, after a second conviction of keeping a gambling
22 place, any such person shall not be reissued such license, and

23 (c) Such premises of any person who knowingly permits
24 thereon a violation of any Section of this Article shall be
25 held liable for, and may be sold to pay any unsatisfied

1 judgment that may be recovered and any unsatisfied fine that
2 may be levied under any Section of this Article.

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

4 (720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

5 Sec. 28-5. Seizure of gambling devices and gambling funds.

6 (a) Every device designed for gambling which is incapable
7 of lawful use or every device used unlawfully for gambling
8 shall be considered a "gambling device", and shall be subject
9 to seizure, confiscation and destruction by the Department of
10 State Police or by any municipal, or other local authority,
11 within whose jurisdiction the same may be found. As used in
12 this Section, a "gambling device" includes any slot machine,
13 and includes any machine or device constructed for the
14 reception of money or other thing of value and so constructed
15 as to return, or to cause someone to return, on chance to the
16 player thereof money, property or a right to receive money or
17 property. With the exception of any device designed for
18 gambling which is incapable of lawful use, no gambling device
19 shall be forfeited or destroyed unless an individual with a
20 property interest in said device knows of the unlawful use of
21 the device.

22 (b) Every gambling device shall be seized and forfeited to
23 the county wherein such seizure occurs. Any money or other
24 thing of value integrally related to acts of gambling shall be
25 seized and forfeited to the county wherein such seizure occurs.

1 (c) If, within 60 days after any seizure pursuant to
2 subparagraph (b) of this Section, a person having any property
3 interest in the seized property is charged with an offense, the
4 court which renders judgment upon such charge shall, within 30
5 days after such judgment, conduct a forfeiture hearing to
6 determine whether such property was a gambling device at the
7 time of seizure. Such hearing shall be commenced by a written
8 petition by the State, including material allegations of fact,
9 the name and address of every person determined by the State to
10 have any property interest in the seized property, a
11 representation that written notice of the date, time and place
12 of such hearing has been mailed to every such person by
13 certified mail at least 10 days before such date, and a request
14 for forfeiture. Every such person may appear as a party and
15 present evidence at such hearing. The quantum of proof required
16 shall be a preponderance of the evidence, and the burden of
17 proof shall be on the State. If the court determines that the
18 seized property was a gambling device at the time of seizure,
19 an order of forfeiture and disposition of the seized property
20 shall be entered: a gambling device shall be received by the
21 State's Attorney, who shall effect its destruction, except that
22 valuable parts thereof may be liquidated and the resultant
23 money shall be deposited in the general fund of the county
24 wherein such seizure occurred; money and other things of value
25 shall be received by the State's Attorney and, upon
26 liquidation, shall be deposited in the general fund of the

1 county wherein such seizure occurred. However, in the event
2 that a defendant raises the defense that the seized slot
3 machine is an antique slot machine described in subparagraph
4 (b) (7) of Section 28-1 of this Code and therefore he is exempt
5 from the charge of a gambling activity participant, the seized
6 antique slot machine shall not be destroyed or otherwise
7 altered until a final determination is made by the Court as to
8 whether it is such an antique slot machine. Upon a final
9 determination by the Court of this question in favor of the
10 defendant, such slot machine shall be immediately returned to
11 the defendant. Such order of forfeiture and disposition shall,
12 for the purposes of appeal, be a final order and judgment in a
13 civil proceeding.

14 (d) If a seizure pursuant to subparagraph (b) of this
15 Section is not followed by a charge pursuant to subparagraph
16 (c) of this Section, or if the prosecution of such charge is
17 permanently terminated or indefinitely discontinued without
18 any judgment of conviction or acquittal (1) the State's
19 Attorney shall commence an in rem proceeding for the forfeiture
20 and destruction of a gambling device, or for the forfeiture and
21 deposit in the general fund of the county of any seized money
22 or other things of value, or both, in the circuit court and (2)
23 any person having any property interest in such seized gambling
24 device, money or other thing of value may commence separate
25 civil proceedings in the manner provided by law.

26 (e) Any gambling device displayed for sale to a riverboat

1 gambling operation, casino gambling operation, or electronic
2 gaming facility or used to train occupational licensees of a
3 riverboat gambling operation, casino gambling operation, or
4 electronic gaming facility as authorized under the Illinois
5 ~~Riverboat~~ Gambling Act is exempt from seizure under this
6 Section.

7 (f) Any gambling equipment, devices and supplies provided
8 by a licensed supplier in accordance with the Illinois
9 ~~Riverboat~~ Gambling Act which are removed from a the riverboat,
10 casino, or electronic gaming facility for repair are exempt
11 from seizure under this Section.

12 (Source: P.A. 87-826.)

13 (720 ILCS 5/28-7) (from Ch. 38, par. 28-7)

14 Sec. 28-7. Gambling contracts void.

15 (a) All promises, notes, bills, bonds, covenants,
16 contracts, agreements, judgments, mortgages, or other
17 securities or conveyances made, given, granted, drawn, or
18 entered into, or executed by any person whatsoever, where the
19 whole or any part of the consideration thereof is for any money
20 or thing of value, won or obtained in violation of any Section
21 of this Article are null and void.

22 (b) Any obligation void under this Section may be set aside
23 and vacated by any court of competent jurisdiction, upon a
24 complaint filed for that purpose, by the person so granting,
25 giving, entering into, or executing the same, or by his

1 executors or administrators, or by any creditor, heir, legatee,
2 purchaser or other person interested therein; or if a judgment,
3 the same may be set aside on motion of any person stated above,
4 on due notice thereof given.

5 (c) No assignment of any obligation void under this Section
6 may in any manner affect the defense of the person giving,
7 granting, drawing, entering into or executing such obligation,
8 or the remedies of any person interested therein.

9 (d) This Section shall not prevent a licensed owner of a
10 riverboat gambling operation, casino gambling operation, or an
11 electronic gaming licensee under the Illinois Gambling Act and
12 the Illinois Horse Racing Act of 1975 from instituting a cause
13 of action to collect any amount due and owing under an
14 extension of credit to a ~~riverboat~~ gambling patron as
15 authorized under Section 11.1 of the Illinois Riverboat
16 Gambling Act.

17 (Source: P.A. 87-826.)

18 Section 90-57. The Eminent Domain Act is amended by adding
19 Section 15-5-45 as follows:

20 (735 ILCS 30/15-5-45 new)

21 Sec. 15-5-45. Eminent domain powers in New Acts. The
22 following provisions of law may include express grants of the
23 power to acquire property by condemnation or eminent domain:

1 Chicago Casino Development Authority Act; Chicago Casino
2 Development Authority; for the purposes of the Act.

3 Chicago Casino Development Authority Act; City of Chicago; for
4 the purposes of the Act.

5 Section 90-60. The Payday Loan Reform Act is amended by
6 changing Section 3-5 as follows:

7 (815 ILCS 122/3-5)

8 Sec. 3-5. Licensure.

9 (a) A license to make a payday loan shall state the
10 address, including city and state, at which the business is to
11 be conducted and shall state fully the name of the licensee.
12 The license shall be conspicuously posted in the place of
13 business of the licensee and shall not be transferable or
14 assignable.

15 (b) An application for a license shall be in writing and in
16 a form prescribed by the Secretary. The Secretary may not issue
17 a payday loan license unless and until the following findings
18 are made:

19 (1) that the financial responsibility, experience,
20 character, and general fitness of the applicant are such as
21 to command the confidence of the public and to warrant the
22 belief that the business will be operated lawfully and
23 fairly and within the provisions and purposes of this Act;
24 and

1 (2) that the applicant has submitted such other
2 information as the Secretary may deem necessary.

3 (c) A license shall be issued for no longer than one year,
4 and no renewal of a license may be provided if a licensee has
5 substantially violated this Act and has not cured the violation
6 to the satisfaction of the Department.

7 (d) A licensee shall appoint, in writing, the Secretary as
8 attorney-in-fact upon whom all lawful process against the
9 licensee may be served with the same legal force and validity
10 as if served on the licensee. A copy of the written
11 appointment, duly certified, shall be filed in the office of
12 the Secretary, and a copy thereof certified by the Secretary
13 shall be sufficient evidence to subject a licensee to
14 jurisdiction in a court of law. This appointment shall remain
15 in effect while any liability remains outstanding in this State
16 against the licensee. When summons is served upon the Secretary
17 as attorney-in-fact for a licensee, the Secretary shall
18 immediately notify the licensee by registered mail, enclosing
19 the summons and specifying the hour and day of service.

20 (e) A licensee must pay an annual fee of \$1,000. In
21 addition to the license fee, the reasonable expense of any
22 examination or hearing by the Secretary under any provisions of
23 this Act shall be borne by the licensee. If a licensee fails to
24 renew its license by December 31, its license shall
25 automatically expire; however, the Secretary, in his or her
26 discretion, may reinstate an expired license upon:

1 (1) payment of the annual fee within 30 days of the
2 date of expiration; and

3 (2) proof of good cause for failure to renew.

4 (f) Not more than one place of business shall be maintained
5 under the same license, but the Secretary may issue more than
6 one license to the same licensee upon compliance with all the
7 provisions of this Act governing issuance of a single license.
8 The location, except those locations already in existence as of
9 June 1, 2005, may not be within one mile of a horse race track
10 subject to the Illinois Horse Racing Act of 1975, within one
11 mile of a facility at which gambling is conducted under the
12 Illinois ~~Riverboat~~ Gambling Act, within one mile of the
13 location at which a riverboat subject to the Illinois ~~Riverboat~~
14 Gambling Act docks, or within one mile of any State of Illinois
15 or United States military base or naval installation.

16 (g) No licensee shall conduct the business of making loans
17 under this Act within any office, suite, room, or place of
18 business in which any other business is solicited or engaged in
19 unless the other business is licensed by the Department or, in
20 the opinion of the Secretary, the other business would not be
21 contrary to the best interests of consumers and is authorized
22 by the Secretary in writing.

23 (h) The Secretary shall maintain a list of licensees that
24 shall be available to interested consumers and lenders and the
25 public. The Secretary shall maintain a toll-free number whereby
26 consumers may obtain information about licensees. The

1 Secretary shall also establish a complaint process under which
2 an aggrieved consumer may file a complaint against a licensee
3 or non-licensee who violates any provision of this Act.

4 (Source: P.A. 94-13, eff. 12-6-05.)

5 Section 90-65. The Travel Promotion Consumer Protection
6 Act is amended by changing Section 2 as follows:

7 (815 ILCS 420/2) (from Ch. 121 1/2, par. 1852)

8 Sec. 2. Definitions.

9 (a) "Travel promoter" means a person, including a tour
10 operator, who sells, provides, furnishes, contracts for,
11 arranges or advertises that he or she will arrange wholesale or
12 retail transportation by air, land, sea or navigable stream,
13 either separately or in conjunction with other services.
14 "Travel promoter" does not include (1) an air carrier; (2) a
15 sea carrier; (3) an officially appointed agent of an air
16 carrier who is a member in good standing of the Airline
17 Reporting Corporation; (4) a travel promoter who has in force
18 \$1,000,000 or more of liability insurance coverage for
19 professional errors and omissions and a surety bond or
20 equivalent surety in the amount of \$100,000 or more for the
21 benefit of consumers in the event of a bankruptcy on the part
22 of the travel promoter; or (5) a riverboat subject to
23 regulation under the Illinois Riverboat ~~Riverboat~~ Gambling Act.

24 (b) "Advertise" means to make any representation in the

1 solicitation of passengers and includes communication with
2 other members of the same partnership, corporation, joint
3 venture, association, organization, group or other entity.

4 (c) "Passenger" means a person on whose behalf money or
5 other consideration has been given or is to be given to
6 another, including another member of the same partnership,
7 corporation, joint venture, association, organization, group
8 or other entity, for travel.

9 (d) "Ticket or voucher" means a writing or combination of
10 writings which is itself good and sufficient to obtain
11 transportation and other services for which the passenger has
12 contracted.

13 (Source: P.A. 91-357, eff. 7-29-99.)

14 ARTICLE 99.

15 Section 99-95. No acceleration or delay. Where this Act
16 makes changes in a statute that is represented in this Act by
17 text that is not yet or no longer in effect (for example, a
18 Section represented by multiple versions), the use of that text
19 does not accelerate or delay the taking effect of (i) the
20 changes made by this Act or (ii) provisions derived from any
21 other Public Act.

22 Section 99-99. Effective date. This Act takes effect upon
23 becoming law.

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