



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB4663

by Rep. Rosemary Mulligan

SYNOPSIS AS INTRODUCED:

20 ILCS 301/5-20
230 ILCS 10/13
230 ILCS 10/13.1

from Ch. 120, par. 2413

Amends the Alcoholism and Other Drug Abuse and Dependency Act. Includes a study to identify the recidivism rates among adults and juveniles in the compulsive gambling program established by the Department of Human Services and requires the Department to file a report with the General Assembly detailing the results of the study on or before January 1, 2009 and every 2 years thereafter. Amends the Riverboat Gambling Act. Provides that an amount equal to 0.5% of the adjusted gross receipts of all owners licensees under the Act or one-twelfth of \$10,000,000, whichever is less, shall be paid monthly, subject to appropriation by the General Assembly, from the State Gaming Fund to the Department of Human Services for the purposes of funding the compulsive gambling program established under the Alcoholism and Other Drug Abuse and Dependency Act. In provisions requiring that each licensed owner post signs with a statement regarding obtaining assistance with gambling problems, provides that the signs be posted near each automated teller machine. Effective immediately.

LRB095 17127 AMC 43181 b

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

6 (20 ILCS 301/5-20)

7 Sec. 5-20. Compulsive gambling program.

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

14 (1) Establishment and maintenance of a toll-free "800"
15 telephone number to provide crisis counseling and referral
16 services to families experiencing difficulty as a result of
17 problem or compulsive gambling.

18 (2) Promotion of public awareness regarding the
19 recognition and prevention of problem and compulsive
20 gambling.

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

1 (4) ~~Studies Conducting studies~~ to identify adults and
2 juveniles in this State who are, or who are at risk of
3 becoming, problem or compulsive gamblers.

4 (5) A study to identify the recidivism rates among
5 adults and juveniles in the program and the Department
6 shall file a report with the General Assembly detailing the
7 results of the study on or before January 1, 2009 and every
8 2 years thereafter.

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

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

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

24 Section 10. The Riverboat Gambling Act is amended by
25 changing Sections 13 and 13.1 as follows:

1 (230 ILCS 10/13) (from Ch. 120, par. 2413)

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

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

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

11 15% of annual adjusted gross receipts up to and
12 including \$25,000,000;

13 20% of annual adjusted gross receipts in excess of
14 \$25,000,000 but not exceeding \$50,000,000;

15 25% of annual adjusted gross receipts in excess of
16 \$50,000,000 but not exceeding \$75,000,000;

17 30% of annual adjusted gross receipts in excess of
18 \$75,000,000 but not exceeding \$100,000,000;

19 35% of annual adjusted gross receipts in excess of
20 \$100,000,000.

21 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax
22 is imposed on persons engaged in the business of conducting
23 riverboat gambling operations, other than licensed managers
24 conducting riverboat gambling operations on behalf of the
25 State, based on the adjusted gross receipts received by a

1 licensed owner from gambling games authorized under this Act at
2 the following rates:

3 15% of annual adjusted gross receipts up to and
4 including \$25,000,000;

5 22.5% of annual adjusted gross receipts in excess of
6 \$25,000,000 but not exceeding \$50,000,000;

7 27.5% of annual adjusted gross receipts in excess of
8 \$50,000,000 but not exceeding \$75,000,000;

9 32.5% of annual adjusted gross receipts in excess of
10 \$75,000,000 but not exceeding \$100,000,000;

11 37.5% of annual adjusted gross receipts in excess of
12 \$100,000,000 but not exceeding \$150,000,000;

13 45% of annual adjusted gross receipts in excess of
14 \$150,000,000 but not exceeding \$200,000,000;

15 50% of annual adjusted gross receipts in excess of
16 \$200,000,000.

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

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

26 27.5% of annual adjusted gross receipts in excess of

1 \$25,000,000 but not exceeding \$37,500,000;
2 32.5% of annual adjusted gross receipts in excess of
3 \$37,500,000 but not exceeding \$50,000,000;
4 37.5% of annual adjusted gross receipts in excess of
5 \$50,000,000 but not exceeding \$75,000,000;
6 45% of annual adjusted gross receipts in excess of
7 \$75,000,000 but not exceeding \$100,000,000;
8 50% of annual adjusted gross receipts in excess of
9 \$100,000,000 but not exceeding \$250,000,000;
10 70% of annual adjusted gross receipts in excess of
11 \$250,000,000.

12 An amount equal to the amount of wagering taxes collected
13 under this subsection (a-3) that are in addition to the amount
14 of wagering taxes that would have been collected if the
15 wagering tax rates under subsection (a-2) were in effect shall
16 be paid into the Common School Fund.

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

1 operations are being conducted on June 20, 2003.

2 (a-4) Beginning on the first day on which the tax imposed
3 under subsection (a-3) is no longer imposed, a privilege tax is
4 imposed on persons engaged in the business of conducting
5 riverboat gambling operations, other than licensed managers
6 conducting riverboat gambling operations on behalf of the
7 State, based on the adjusted gross receipts received by a
8 licensed owner from gambling games authorized under this Act at
9 the following rates:

10 15% of annual adjusted gross receipts up to and
11 including \$25,000,000;

12 22.5% of annual adjusted gross receipts in excess of
13 \$25,000,000 but not exceeding \$50,000,000;

14 27.5% of annual adjusted gross receipts in excess of
15 \$50,000,000 but not exceeding \$75,000,000;

16 32.5% of annual adjusted gross receipts in excess of
17 \$75,000,000 but not exceeding \$100,000,000;

18 37.5% of annual adjusted gross receipts in excess of
19 \$100,000,000 but not exceeding \$150,000,000;

20 45% of annual adjusted gross receipts in excess of
21 \$150,000,000 but not exceeding \$200,000,000;

22 50% of annual adjusted gross receipts in excess of
23 \$200,000,000.

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

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

4 (a-15) If the privilege tax imposed under subsection (a-3)
5 is no longer imposed pursuant to item (i) of the last paragraph
6 of subsection (a-3), then by June 15 of each year, each owners
7 licensee, other than an owners licensee that admitted 1,000,000
8 persons or fewer in calendar year 2004, must, in addition to
9 the payment of all amounts otherwise due under this Section,
10 pay to the Board a reconciliation payment in the amount, if
11 any, by which the licensed owner's base amount exceeds the
12 amount of net privilege tax paid by the licensed owner to the
13 Board in the then current State fiscal year. A licensed owner's
14 net privilege tax obligation due for the balance of the State
15 fiscal year shall be reduced up to the total of the amount paid
16 by the licensed owner in its June 15 reconciliation payment.
17 The obligation imposed by this subsection (a-15) is binding on
18 any person, firm, corporation, or other entity that acquires an
19 ownership interest in any such owners license. The obligation
20 imposed under this subsection (a-15) terminates on the earliest
21 of: (i) July 1, 2007, (ii) the first day after the effective
22 date of this amendatory Act of the 94th General Assembly that
23 riverboat gambling operations are conducted pursuant to a
24 dormant license, (iii) the first day that riverboat gambling
25 operations are conducted under the authority of an owners
26 license that is in addition to the 10 owners licenses initially

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

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

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

21 "Base amount" means the following:

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

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

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

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

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

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

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

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

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

6 "Net privilege tax" means all privilege taxes paid by a
7 licensed owner to the Board under this Section, less all
8 payments made from the State Gaming Fund pursuant to subsection
9 (b) of this Section.

10 The changes made to this subsection (a-15) by Public Act
11 94-839 are intended to restate and clarify the intent of Public
12 Act 94-673 with respect to the amount of the payments required
13 to be made under this subsection by an owners licensee to the
14 Board.

15 (b) Until January 1, 1998, 25% of the tax revenue deposited
16 in the State Gaming Fund under this Section shall be paid,
17 subject to appropriation by the General Assembly, to the unit
18 of local government which is designated as the home dock of the
19 riverboat. 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. From the tax
25 revenue deposited in the State Gaming Fund pursuant to
26 riverboat gambling operations conducted by a licensed manager

1 on behalf of the State, an amount equal to 5% of adjusted gross
2 receipts generated pursuant to those riverboat gambling
3 operations shall be paid monthly, subject to appropriation by
4 the General Assembly, to the unit of local government that is
5 designated as the home dock of the riverboat upon which those
6 riverboat gambling operations are conducted.

7 (c) Appropriations, as approved by the General Assembly,
8 may be made from the State Gaming Fund to the Department of
9 Revenue and the Department of State Police for the
10 administration and enforcement of this Act, or to the
11 Department of Human Services for the administration of programs
12 to treat problem gambling.

13 (c-5) Before May 26, 2006 (the effective date of Public Act
14 94-804) and beginning 2 years after May 26, 2006 (the effective
15 date of Public Act 94-804), after the payments required under
16 subsections (b) and (c) have been made, an amount equal to 15%
17 of the adjusted gross receipts of (1) an owners licensee that
18 relocates pursuant to Section 11.2, (2) an owners licensee
19 conducting riverboat gambling operations pursuant to an owners
20 license that is initially issued after June 25, 1999, or (3)
21 the first riverboat gambling operations conducted by a licensed
22 manager on behalf of the State under Section 7.3, whichever
23 comes first, shall be paid from the State Gaming Fund into the
24 Horse Racing Equity Fund.

25 (c-10) Each year the General Assembly shall appropriate
26 from the General Revenue Fund to the Education Assistance Fund

1 an amount equal to the amount paid into the Horse Racing Equity
2 Fund pursuant to subsection (c-5) in the prior calendar year.

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

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

20 (c-25) After the payments required under subsections (b),
21 (c), (c-5) and (c-15) have been made, an amount equal to 2% of
22 the adjusted gross receipts of (1) an owners licensee that
23 relocates pursuant to Section 11.2, (2) an owners licensee
24 conducting riverboat gambling operations pursuant to an owners
25 license that is initially issued after June 25, 1999, or (3)
26 the first riverboat gambling operations conducted by a licensed

1 manager on behalf of the State under Section 7.3, whichever
2 comes first, shall be paid from the State Gaming Fund to
3 Chicago State University.

4 (c-30) After the payments required under subsections (b),
5 (c), (c-5), (c-15), and (c-25) have been made, an amount equal
6 to 0.5% of the adjusted gross receipts of all owners licensees
7 under this Act or one-twelfth of \$10,000,000, whichever is
8 less, shall be paid monthly, subject to appropriation by the
9 General Assembly, from the State Gaming Fund to the Department
10 of Human Services for the purposes of funding the compulsive
11 gambling program established under Section 5-20 of the
12 Alcoholism and Other Drug Abuse and Dependency Act.

13 (d) From time to time, the Board shall transfer the
14 remainder of the funds generated by this Act into the Education
15 Assistance Fund, created by Public Act 86-0018, of the State of
16 Illinois.

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

22 (f) To the extent practicable, the Board shall administer
23 and collect the wagering taxes imposed by this Section in a
24 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
25 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
26 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 10/13.1)

5 Sec. 13.1. Compulsive gambling.

6 (a) Each licensed owner shall post signs with a statement
7 regarding obtaining assistance with gambling problems, the
8 text of which shall be determined by rule by the Department of
9 Human Services, at the following locations in each facility at
10 which gambling is conducted by the licensed owner:

11 (i) Each entrance and exit.

12 (ii) Near each credit location, including each
13 automated teller machine.

14 The signs shall be provided by the Department of Human
15 Services.

16 (b) Each licensed owner shall print a statement regarding
17 obtaining assistance with gambling problems, the text of which
18 shall be determined by rule by the Department of Human
19 Services, on all paper stock that the licensed owner provides
20 to the general public.

21 (Source: P.A. 89-374, eff. 1-1-96; 89-507, eff. 7-1-97.)

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.