



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB4758

by Rep. Raymond Poe

SYNOPSIS AS INTRODUCED:

See Index

Creates the Illinois State Fairgrounds Racetrack Authority Act. Creates the Illinois State Fairgrounds Racetrack Authority to promote, operate, and maintain horse racing operations through a racing contractor in the Illinois State Fairgrounds. Provides the duties and powers of the Authority, including the duty to transition the conduct of horse racing at the Illinois State Fairgrounds from an annual race meeting that is contained within the duration of the Illinois State Fair to an annual standardbred race meeting that lasts from 3 to 9 months, depending on funding and market conditions. Provides that the Authority shall have concurrent jurisdiction with the Department of Agriculture over all of the real estate of the Illinois State Fairgrounds that is used for horse racing; however, when it is necessary to have controlling jurisdiction over this real property to obey a mandate of the Illinois Racing Board, the Authority shall have controlling jurisdiction. Makes corresponding changes in the State Fair Act. Amends the Illinois Horse Racing Act of 1975 to authorize the Illinois Racing Board to issue a license to the Illinois State Fairgrounds Racetrack Authority authorizing the pari-mutuel system of wagering on live harness and Quarter Horse races, inter-track wagering, simulcast wagering, and advanced deposit wagering (if otherwise authorized by law) through a racing contractor for up 9 months of each year at the Illinois State Fairgrounds in Sangamon County. Revenues received by the Board from this license shall be deposited into the General Revenue Fund. Amends the Riverboat Gambling Act to distribute certain proceeds from electronic gaming, if electronic gaming is authorized under the Act. Effective immediately.

LRB095 16893 AMC 42936 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 1. Short title. This Act may be cited as the
5 Illinois State Fairgrounds Racetrack Authority Act.

6 Section 5. Definitions. As used in this Act:

7 "Authority" means the Illinois State Fairgrounds Racetrack
8 Authority created by this Act.

9 "Racing contractor" means any person or entity selected by
10 the Authority and approved by the Illinois Racing Board to
11 manage and operate the race meets and racing facility within
12 the Illinois State Fairgrounds pursuant to a contract.

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

15 Section 10. Creation of the Authority. There is hereby
16 created a political subdivision, unit of local government with
17 only the powers authorized by law, body politic, and municipal
18 corporation, by the name and style of the Illinois State
19 Fairgrounds Racetrack Authority.

20 Section 15. Duties of the Authority. It shall be the duty
21 of the Authority to promote, operate, and maintain horse racing

1 operations through a racing contractor in the Illinois State
2 Fairgrounds as provided in this Act. The Authority shall equip
3 and maintain the fairgrounds and its buildings and facilities
4 for that purpose. The Authority has the right to contract with
5 a racing contractor and other third parties in order to fulfill
6 its purpose. The Authority is granted all rights and powers
7 necessary to perform such duties.

8 Section 20. Board.

9 (a) The governing and administrative powers of the
10 Authority is vested in a body consisting of 7 members, 3 of
11 which shall be appointed by the Chairman of the Sangamon County
12 Board with the advice and consent of the Sangamon County Board,
13 one of whom is appointed for an initial term of one year, one
14 of whom is appointed for an initial term of 3 years, and one of
15 whom is appointed for an initial term of 5 years; 3 of which
16 shall be appointed by the Mayor of the City of Springfield with
17 the advice and consent of the city council, one of whom is
18 appointed for an initial term of one year, one of whom is
19 appointed for an initial term of 3 years, and one of whom is
20 appointed for an initial term of 5 years; and one of which
21 shall be appointed by the Chairman of the Sangamon County
22 Emergency Telephone Systems Board for an initial term of 5
23 years. All appointees shall be subject to approval by the
24 Illinois Racing Board. The Chairman of the Authority shall be
25 elected annually by the Board.

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

12 (c) The appointing officer or the Illinois Racing Board may
13 remove any member of the Board upon a finding of incompetence,
14 neglect of duty, or misfeasance or malfeasance in office or for
15 a violation of this Act. The Illinois Racing Board may remove
16 any member of the Board for any violation of the Illinois Horse
17 Racing Act of 1975 or the rules and regulations of the Illinois
18 Racing Board.

19 (d) Board members shall receive \$300 for each day it meets
20 and shall be entitled to reimbursement of reasonable expenses
21 incurred in the performance of their official duties. A Board
22 member who serves in the office of secretary-treasurer may also
23 receive compensation for services provided as that officer.

24 (e) The Board shall prescribe the time and place for
25 meetings, the manner in which special meetings may be called,
26 and the notice that must be given to members. All actions and

1 meetings of the Board shall be subject to the provisions of the
2 Open Meetings Act. Four members of the Board shall constitute a
3 quorum. All substantive action of the Board shall be by
4 resolution with an affirmative vote of a majority of the
5 members.

6 Section 25. Executive director; officers.

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

25 (1) Direct and supervise the administrative affairs

1 and activities of the Authority in accordance with its
2 rules, regulations, and policies.

3 (2) Attend meetings of the Board.

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

5 (4) Approve all accounts for salaries, per diem
6 payments, and allowable expenses of the Board and its
7 employees and consultants.

8 (5) Report and make recommendations to the Board
9 concerning the terms and conditions of any contract with a
10 horse racing contractor.

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

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

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

18 Section 30. General rights and powers of the Authority. In
19 addition to the duties and powers set forth in this Act, the
20 Authority shall have the following rights and powers:

21 (1) Transition the conduct of horse racing at the
22 Illinois State Fairgrounds from an annual race meeting that
23 is contained within the duration of the Illinois State Fair
24 to an annual standardbred race meeting that lasts from 3 to
25 9 months, depending on funding and market conditions.

- 1 (2) Adopt and alter an official seal.
- 2 (3) Establish and change its fiscal year.
- 3 (4) Sue and be sued, plead and be impleaded, all in its
4 own name, and agree to binding arbitration of any dispute
5 to which it is a party.
- 6 (5) Adopt, amend, and repeal by-laws, rules, and
7 regulations consistent with the furtherance of the powers
8 and duties provided for.
- 9 (6) Maintain its principal office and such other
10 offices as the Board may designate.
- 11 (7) Conduct background investigations of potential
12 racing contractors, including its principals or
13 shareholders, and Authority staff.
- 14 (8) Employ, either as regular employees or independent
15 contractors, consultants, engineers, architects,
16 accountants, attorneys, financial experts, construction
17 experts and personnel, superintendents, managers and other
18 professional personnel, and such other personnel as may be
19 necessary in the judgment of the Board, and fix their
20 compensation.
- 21 (9) Operate and maintain grounds, buildings, and
22 facilities to carry out its corporate purposes and duties.
- 23 (10) Enter into, revoke, and modify contracts.
- 24 (11) Enter into a contract with a racing contractor.
- 25 (12) Develop, or cause to be developed by a third
26 party, a master plan for development of horse racing at the

1 Illinois State Fairgrounds.

2 (13) Negotiate and enter into intergovernmental
3 agreements with the State and its agencies and units of
4 local government in furtherance of the powers and duties of
5 the Board, including with the Department of Agriculture for
6 the use of facilities in compliance with the State Fair
7 Act.

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

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

21 (16) Receive and accept from any source, private or
22 public, contributions, gifts, or grants of money or
23 property to the Authority.

24 (17) Provide for the insurance of any property,
25 operations, officers, members, agents, or employees of the
26 Authority against any risk or hazard, to self-insure or

1 participate in joint self-insurance pools or entities to
2 insure against such risk or hazard, and to provide for the
3 indemnification of its officers, members, employees,
4 contractors, or agents against any and all risks.

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

9 (19) Do all things necessary or convenient to carry out
10 the powers granted by this Act.

11 Section 35. Contracts with racing contractors.

12 (a) The Board shall develop and administer a competitive
13 sealed bidding process for the selection of a potential racing
14 contractor to develop or operate horse racing at the Illinois
15 State Fairgrounds. The Board shall issue one or more requests
16 for proposals. The Board may establish minimum financial and
17 investment requirements to determine the eligibility of
18 persons to respond to the Board's requests for proposal, and
19 may establish and consider such other criteria as it deems
20 appropriate. The Board may impose a fee upon persons who
21 respond to requests for proposal, in order to reimburse the
22 Board for its costs in preparing and issuing the requests and
23 reviewing the proposals.

24 (b) The Board may enter into contracts for the development
25 of horse racing at the Illinois State Fairgrounds.

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

8 (d) After reviewing proposals and subject to approval by
9 the Illinois Racing Board, the Board shall enter into a
10 contract. If the Illinois Racing Board approves the contract,
11 the Board shall transmit a copy of the executed contract to the
12 Illinois Racing Board.

13 Section 37. Relationship with Illinois Racing Board. The
14 Authority and its racing contractor are subject to all of the
15 rules of the Illinois Racing Board adopted under the Illinois
16 Horse Racing Act of 1975.

17 Section 40. Transfer of funds. The revenues received by
18 the Authority (other than amounts required to be paid pursuant
19 to the Illinois Horse Racing Act of 1975 and amounts required
20 to pay the operating expenses of the Authority, to pay amounts
21 due the racing contractor pursuant to a contract, to repay any
22 borrowing of the Authority made pursuant to Section 30) shall
23 be transferred to the General Revenue Fund.

1 Section 45. Jurisdiction over property. The Authority
2 shall have concurrent jurisdiction with the Department of
3 Agriculture over all of the real estate of the Illinois State
4 Fairgrounds that is used for horse racing, including those
5 facilities commonly known as "one-mile track" and adjacent
6 backstretch infrastructure; however, when it is necessary to
7 have controlling jurisdiction over this real property to obey a
8 mandate of the Illinois Racing Board, the Authority shall have
9 controlling jurisdiction.

10 Section 50. Budgets and reporting.

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

20 (b) The Board shall annually cause the finances of the
21 Authority to be audited by a firm of certified public
22 accountants and post the firm's audits of the Authority on the
23 Authority's Internet website. The Auditor General has the
24 authority and is required to conduct a financial and management
25 audit of the Authority every 2 years. The Auditor General's

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

5 (c) The Board shall, for each fiscal year, prepare an
6 annual report setting forth information concerning its
7 activities in the fiscal year. The annual report shall include
8 the audited financial statements of the Authority for the
9 fiscal year, the budget for the succeeding fiscal year, and the
10 current capital plan as of the date of the report. Copies of
11 the annual report shall be made available to persons who
12 request them and shall be submitted not later than 120 days
13 after the end of the Authority's fiscal year to the Governor,
14 the Mayor, the General Assembly, and the Commission on
15 Government Forecasting and Accountability.

16 Section 55. Deposit and withdrawal of funds.

17 (a) All funds deposited by the Authority in any bank or
18 savings and loan association shall be placed in the name of the
19 Authority and shall be withdrawn or paid out only by check or
20 draft upon the bank or savings and loan association, signed by
21 2 officers or employees designated by the Board.
22 Notwithstanding any other provision of this Section, the Board
23 may designate any of its members or any officer or employee of
24 the Authority to authorize the wire transfer of funds deposited
25 by the secretary-treasurer of funds in a bank or savings and

1 loan association for the payment of payroll and employee
2 benefits-related expenses.

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

7 (b) If any officer or employee whose signature appears upon
8 any check or draft issued pursuant to this Act ceases (after
9 attaching his signature) to hold his or her office before the
10 delivery of such a check or draft to the payee, his or her
11 signature shall nevertheless be valid and sufficient for all
12 purposes with the same effect as if he or she had remained in
13 office until delivery thereof.

14 Section 60. Contracts with the Authority; disclosure
15 requirements.

16 (a) A bidder, offeror, or contractor must disclose the
17 names of all officers and directors. A bidder, offeror, or
18 contractor for contracts with the Authority shall disclose the
19 identity of every owner, beneficiary, or person with beneficial
20 interest of more than 1%, or shareholder entitled to receive
21 more than 1% of the total distributable income of any
22 corporation, having any interest in the contract in the bidder,
23 offeror, or contractor. The disclosure shall be in writing and
24 attested to by an owner, trustee, corporate official, or agent.
25 If stock in a corporation is publicly traded and there is no

1 readily known individual having greater than a 1% interest,
2 then a statement to that affect attested to by an officer or
3 agent of the corporation or shall fulfill the disclosure
4 statement requirement of this Section. A bidder, offeror, or
5 contractor shall notify the Authority of any changes in
6 officers, directors, ownership, or individuals having a
7 beneficial interest of more than 1%.

8 (b) A bidder, offeror, or contractor for contracts with an
9 annual value of \$10,000 or for a period to exceed one year
10 shall disclose all political contributions of the bidder,
11 offeror, or contractor and any affiliated person or entity.
12 Disclosure shall include at least the names and addresses of
13 the contributors and the dollar amounts of any contributions to
14 any political committee made within the previous 2 years.

15 (c) As used in this Section:

16 "Contribution" means contribution as defined in Section
17 9-1.4 the Election Code.

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

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

1 entity.

2 (d) The Illinois Racing Board may direct the Authority to
3 void a contract if a violation of this Section occurs.

4 Section 65. Purchasing.

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

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

13 (2) Professional services;

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

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

21 (5) Contracts with a racing contractor, which shall be
22 awarded as set forth in Section 35 of this Act.

23 (b) All contracts involving less than \$25,000 shall be let
24 by competitive bidding whenever possible, and in any event in a
25 manner calculated to ensure the best interests of the public.

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

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

25 (e) Advertisements for bids and re-bids shall be published
26 at least once in a daily newspaper of general circulation

1 published in the City of Springfield at least 10 calendar days
2 before the time for receiving bids, and such advertisements
3 shall also be posted on readily accessible bulletin boards in
4 the principal office of the Authority. Such advertisements
5 shall state the time and place for receiving and opening of
6 bids and, by reference to plans and specifications on file at
7 the time of the first publication or in the advertisement
8 itself, shall describe the character of the proposed contract
9 in sufficient detail to fully advise prospective bidders of
10 their obligations and to ensure free and open competitive
11 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 Section 900. The State Fair Act is amended by changing

1 Sections 10 and 12 as follows:

2 (20 ILCS 210/10) (from Ch. 127, par. 1710)

3 Sec. 10. The Department may enter into contracts with other
4 government agencies to assist them in the operation of each
5 State Fair and the State Fairgrounds as well as the
6 requirements set forth in Section 9 of this Act.

7 The Department may cooperate with any other local, State or
8 federal agency in the furtherance of the intent of this Act.

9 The Department may receive and use any donation either from
10 the private or public sectors which is for betterment of each
11 State Fair and the State Fairgrounds.

12 All revenues from the operation and use of any facilities
13 of the Illinois State Fair at Springfield and the Springfield
14 State Fairgrounds, other than revenues from horse racing
15 conducted at the Springfield State Fairgrounds by the Illinois
16 State Fairgrounds Racetrack Authority, shall be deposited in
17 the Illinois State Fair Fund. All revenues from the operation
18 and use of any facilities of the DuQuoin State Fair and the
19 DuQuoin State Fairgrounds shall be deposited into the
20 Agricultural Premium Fund. All funds in the Illinois State Fair
21 Fund shall be used by the Department of Agriculture in
22 accordance with appropriation by the General Assembly for
23 operation of the Illinois State Fair.

24 (Source: P.A. 88-5.)

1 (20 ILCS 210/12) (from Ch. 127, par. 1712)

2 Sec. 12. The Department shall have the power to promulgate
3 rules and regulations, pursuant to the Illinois Administrative
4 Procedure Act, governing the holding of each State Fair, the
5 operation of the State Fairgrounds, ~~the conditions under which~~
6 ~~racing shall be permitted on the State Fairgrounds,~~ the policy
7 for policing the grounds, and such other reasonable rules and
8 regulations as are necessary to carry out the intent of the
9 Act. However, the Department shall not be required to
10 promulgate rules and regulations pursuant to the Illinois
11 Administrative Procedure Act concerning those operations
12 stated in subsections (b) and (c) of Section 6 of this Act.
13 Instead, the requirements set forth in subsections (b) and (c)
14 of Section 6 must be followed.

15 (Source: P.A. 93-1055, eff. 11-23-04.)

16 Section 905. The Illinois Horse Racing Act of 1975 is
17 amended by changing Section 9 as follows:

18 (230 ILCS 5/9) (from Ch. 8, par. 37-9)

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

22 (a) The Board is vested with jurisdiction and supervision
23 over all race meetings in this State, over all licensees doing
24 business in this State, over all occupation licensees, and over

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

14 Upon application, the Board shall issue a license to the
15 Illinois Department of Agriculture to conduct harness and
16 Quarter Horse races ~~at the Illinois State Fair and~~ at the
17 DuQuoin State Fairgrounds during the scheduled dates of each
18 fair. The Board shall not require and the Department of
19 Agriculture shall be exempt from the requirements of Sections
20 15.3, 18 and 19, paragraphs (a) (2), (b), (c), (d), (e), (e-5),
21 (e-10), (f), (g), and (h) of Section 20, and Sections 21, 24
22 and 25. The Board and the Department of Agriculture may extend
23 any or all of these exemptions to any contractor or agent
24 engaged by the Department of Agriculture to conduct its race
25 meetings when the Board determines that this would best serve
26 the public interest and the interest of horse racing.

1 Upon application, the Board shall issue a license to the
2 Illinois State Fairgrounds Racetrack Authority authorizing the
3 pari-mutuel system of wagering on live harness and Quarter
4 Horse races, inter-track wagering, simulcast wagering, and
5 advanced deposit wagering (if otherwise authorized by law)
6 through a racing contractor, as that term is defined in the
7 Illinois State Fairgrounds Racetrack Authority Act, for up 9
8 months of each year at the Illinois State Fairgrounds in
9 Sangamon County. Revenues received by the Board from this
10 license shall be deposited into the General Revenue Fund.

11 Notwithstanding any provision of law to the contrary, it
12 shall be lawful for any licensee to operate pari-mutuel
13 wagering or contract with the Department of Agriculture to
14 operate pari-mutuel wagering at the DuQuoin State Fairgrounds
15 or for the Department to enter into contracts with a licensee,
16 employ its owners, employees or agents and employ such other
17 occupation licensees as the Department deems necessary in
18 connection with race meetings and wagerings.

19 (b) The Board is vested with the full power to promulgate
20 reasonable rules and regulations for the purpose of
21 administering the provisions of this Act and to prescribe
22 reasonable rules, regulations and conditions under which all
23 horse race meetings or wagering in the State shall be
24 conducted. Such reasonable rules and regulations are to provide
25 for the prevention of practices detrimental to the public
26 interest and to promote the best interests of horse racing and

1 to impose penalties for violations thereof.

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

7 (d) The Board, and any person or persons to whom it
8 delegates this power, is vested with the authority to
9 investigate alleged violations of the provisions of this Act,
10 its reasonable rules and regulations, orders and final
11 decisions; the Board shall take appropriate disciplinary
12 action against any licensee or occupation licensee for
13 violation thereof or institute appropriate legal action for the
14 enforcement thereof.

15 (e) The Board, and any person or persons to whom it
16 delegates this power, may eject or exclude from any race
17 meeting or the facilities of any licensee, or any part thereof,
18 any occupation licensee or any other individual whose conduct
19 or reputation is such that his presence on those facilities
20 may, in the opinion of the Board, call into question the
21 honesty and integrity of horse racing or wagering or interfere
22 with the orderly conduct of horse racing or wagering; provided,
23 however, that no person shall be excluded or ejected from the
24 facilities of any licensee solely on the grounds of race,
25 color, creed, national origin, ancestry, or sex. The power to
26 eject or exclude an occupation licensee or other individual may

1 be exercised for just cause by the licensee or the Board,
2 subject to subsequent hearing by the Board as to the propriety
3 of said exclusion.

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

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

1 licensee to the certified public accountant. A licensee shall
2 also submit any other financial or related information the
3 Board deems necessary to effectively administer this Act and
4 all rules, regulations, and final decisions promulgated under
5 this Act.

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

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

24 (j) The Board may discharge any Board employee who fails or
25 refuses for any reason to comply with the rules and regulations
26 of the Board, or who, in the opinion of the Board, is guilty of

1 fraud, dishonesty or who is proven to be incompetent. The Board
2 shall have no right or power to determine who shall be
3 officers, directors or employees of any licensee, or their
4 salaries except the Board may, by rule, require that all or any
5 officials or employees in charge of or whose duties relate to
6 the actual running of races be approved by the Board.

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

11 (l) The Board is vested with the power to impose civil
12 penalties of up to \$5,000 against an individual and up to
13 \$10,000 against a licensee for each violation of any provision
14 of this Act, any rules adopted by the Board, any order of the
15 Board or any other action which, in the Board's discretion, is
16 a detriment or impediment to horse racing or wagering.

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

20 (n) The Board shall have the power to issue a license to
21 any county fair, or its agent, authorizing the conduct of the
22 pari-mutuel system of wagering. The Board is vested with the
23 full power to promulgate reasonable rules, regulations and
24 conditions under which all horse race meetings licensed
25 pursuant to this subsection shall be held and conducted,
26 including rules, regulations and conditions for the conduct of

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

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

20 (p) To insure the convenience, comfort, and wagering
21 accessibility of race track patrons, to provide for the
22 maximization of State revenue, and to generate increases in
23 purse allotments to the horsemen, the Board shall require any
24 licensee to staff the pari-mutuel department with adequate
25 personnel.

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

1 Section 910. The Riverboat Gambling Act is amended by
2 changing Section 13 as follows:

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

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

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

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

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

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

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

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

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

23 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax
24 is 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 authorized under this Act at
5 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 (a-3) Beginning July 1, 2003, a privilege tax is imposed on
21 persons engaged in the business of conducting riverboat
22 gambling operations, other than licensed managers conducting
23 riverboat gambling operations on behalf of the State, based on
24 the adjusted gross receipts received by a licensed owner from
25 gambling games authorized under this Act at the following
26 rates:

1 15% of annual adjusted gross receipts up to and
2 including \$25,000,000;

3 27.5% of annual adjusted gross receipts in excess of
4 \$25,000,000 but not exceeding \$37,500,000;

5 32.5% of annual adjusted gross receipts in excess of
6 \$37,500,000 but not exceeding \$50,000,000;

7 37.5% of annual adjusted gross receipts in excess of
8 \$50,000,000 but not exceeding \$75,000,000;

9 45% of annual adjusted gross receipts in excess of
10 \$75,000,000 but not exceeding \$100,000,000;

11 50% of annual adjusted gross receipts in excess of
12 \$100,000,000 but not exceeding \$250,000,000;

13 70% of annual adjusted gross receipts in excess of
14 \$250,000,000.

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

20 The privilege tax imposed under this subsection (a-3) shall
21 no longer be imposed beginning on the earlier of (i) July 1,
22 2005; (ii) the first date after June 20, 2003 that riverboat
23 gambling operations are conducted pursuant to a dormant
24 license; or (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. For the purposes of this subsection
2 (a-3), the term "dormant license" means an owners license that
3 is authorized by this Act under which no riverboat gambling
4 operations are being conducted on June 20, 2003.

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

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

15 22.5% of annual adjusted gross receipts in excess of
16 \$25,000,000 but not exceeding \$50,000,000;

17 27.5% of annual adjusted gross receipts in excess of
18 \$50,000,000 but not exceeding \$75,000,000;

19 32.5% of annual adjusted gross receipts in excess of
20 \$75,000,000 but not exceeding \$100,000,000;

21 37.5% of annual adjusted gross receipts in excess of
22 \$100,000,000 but not exceeding \$150,000,000;

23 45% of annual adjusted gross receipts in excess of
24 \$150,000,000 but not exceeding \$200,000,000;

25 50% of annual adjusted gross receipts in excess of
26 \$200,000,000.

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

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

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

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

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

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

24 "Base amount" means the following:

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

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

- 1 For the Empress riverboat in Joliet, \$86,000,000.
2 For a riverboat in Metropolis, \$45,000,000.
3 For the Harrah's riverboat in Joliet, \$114,000,000.
4 For a riverboat in Aurora, \$86,000,000.
5 For a riverboat in East St. Louis, \$48,500,000.
6 For a riverboat in Elgin, \$198,000,000.

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

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

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

18 (b) Until January 1, 1998, 25% of the tax revenue deposited
19 in the State Gaming Fund under this Section shall be paid,
20 subject to appropriation by the General Assembly, to the unit
21 of local government which is designated as the home dock of the
22 riverboat. Beginning January 1, 1998, from the tax revenue
23 deposited in the State Gaming Fund under this Section, an
24 amount equal to 5% of adjusted gross receipts generated by a
25 riverboat shall be paid monthly, subject to appropriation by
26 the General Assembly, to the unit of local government that is

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

10 (b-5) If electronic gaming is authorized under the Illinois
11 Horse Racing Act of 1975 and this Act, then an amount equal to
12 5% of the adjusted gross receipts of an electronic gaming
13 facility shall be paid monthly, subject to appropriation by the
14 General Assembly, to the unit of local government in which the
15 electronic gaming facility is located, except that, for an
16 electronic gaming facility located at the Illinois State
17 Fairgrounds in Sangamon County, the 5% of adjusted gross
18 receipts shall be paid to the Sangamon County Central Dispatch
19 System to offset operating expenses, with any surplus divided
20 equally between Sangamon County and the City of Springfield.

21 (b-10) If electronic gaming is authorized under the
22 Illinois Horse Racing Act of 1975 and this Act at the Illinois
23 State Fairgrounds in Sangamon County, then an amount equal to
24 10% of the adjusted gross receipts of such electronic gaming
25 shall be paid monthly, subject to appropriation by the General
26 Assembly, to the Department of Agriculture for infrastructure

1 maintenance and improvements at the Illinois State
2 Fairgrounds.

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

9 (c-5) Before May 26, 2006 (the effective date of Public Act
10 94-804) and beginning 2 years after May 26, 2006 (the effective
11 date of Public Act 94-804), after the payments required under
12 subsections (b) and (c) have been made, an amount equal to 15%
13 of the adjusted gross receipts of (1) an owners licensee that
14 relocates pursuant to Section 11.2, (2) an owners licensee
15 conducting riverboat gambling operations pursuant to an owners
16 license that is initially issued after June 25, 1999, or (3)
17 the first riverboat gambling operations conducted by a licensed
18 manager on behalf of the State under Section 7.3, whichever
19 comes first, shall be paid from the State Gaming Fund into the
20 Horse Racing Equity Fund.

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

25 (c-15) After the payments required under subsections (b),
26 (c), and (c-5) have been made, an amount equal to 2% of the

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

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

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

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

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

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

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

15 (Source: P.A. 94-673, eff. 8-23-05; 94-804, eff. 5-26-06;
16 94-839, eff. 6-6-06; 95-331, eff. 8-21-07.)

17 Section 999. Effective date. This Act takes effect upon
18 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 New Act

4 20 ILCS 210/10 from Ch. 127, par. 1710

5 20 ILCS 210/12 from Ch. 127, par. 1712

6 230 ILCS 5/9 from Ch. 8, par. 37-9

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