



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB2210

Introduced 2/14/2008, by Sen. Ira I. Silverstein

SYNOPSIS AS INTRODUCED:

See Index

Amends the Riverboat Gambling Act. Provides that applications for owners licenses shall be considered in accordance with the rules of the Illinois Gaming Board (deleting statutory deadlines for filing the applications). Makes changes in provisions concerning the determining factors in the Board's decision in granting owners licenses. Makes changes concerning the criteria for an occupational license. Provides that excursion cruises shall not exceed 4 hours for a round trip, but that the Board may grant express approval for an extended cruise on a case-by-case basis. Provides exceptions to the requirement that gambling equipment and supplies must be purchased or leased only from suppliers licensed under the Act. Provides that any winnings that are a result of a wager by a person under age 21 shall be treated as winnings for privilege tax purposes, confiscated, and forfeited to the State and deposited into the Education Assistance Fund. Provides that the privilege tax shall be paid to the Board not later than 5:00 (was 3:00) o'clock p.m. of the day after the day when the wagers were made. Requires that, within 90 days after the end of each quarter of each fiscal year, the licensed owner or manager shall transmit to the Board a compliance report on engagement procedures determined by the Board. Provides that a person under the age of 21 who enters upon a riverboat commits a petty offense and is subject to a fine. Makes other changes. Effective immediately.

LRB095 17556 AMC 43630 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 Riverboat Gambling Act is amended by
5 changing Sections 4, 6, 7, 9, 11, 13, 15, and 18 as follows:

6 (230 ILCS 10/4) (from Ch. 120, par. 2404)

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

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

9 (b) "Occupational license" means a license issued by the
10 Board to a person or entity to perform an occupation which the
11 Board has identified as requiring a license to engage in
12 riverboat gambling in Illinois.

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

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

1 (e) "Managers license" means a license issued by the Board
2 to a person or entity to manage gambling operations conducted
3 by the State pursuant to Section 7.3.

4 (f) "Dock" means the location where a riverboat moors for
5 the purpose of embarking passengers for and disembarking
6 passengers from the riverboat.

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

10 (h) "Adjusted gross receipts" means the gross receipts less
11 winnings paid to wagerers.

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

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

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

18 (l) "License bid" means the lump sum amount of money that
19 an applicant bids and agrees to pay the State in return for an
20 owners license that is re-issued on or after July 1, 2003.

21 (m) The terms "minority person", ~~and "female"~~, and "person
22 with a disability" shall have the same meaning as defined in
23 Section 2 of the Business Enterprise for Minorities, Females,
24 and Persons with Disabilities Act.

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

1 (230 ILCS 10/6) (from Ch. 120, par. 2406)

2 Sec. 6. Application for Owners License.

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

22 (b) Applicants shall submit with their application all
23 documents, resolutions, and letters of support from the
24 governing body that represents the municipality or county
25 wherein the licensee will dock.

26 (c) Each applicant shall disclose the identity of every

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

9 (d) An application shall be filed and considered in
10 accordance with the rules of the Board ~~with the Board by~~
11 ~~January 1 of the year preceding any calendar year for which an~~
12 ~~applicant seeks an owners license; however, applications for an~~
13 ~~owners license permitting operations on January 1, 1991 shall~~
14 ~~be filed by July 1, 1990.~~ An application fee of \$50,000 shall
15 be paid at the time of filing to defray the costs associated
16 with the background investigation conducted by the Board. If
17 the costs of the investigation exceed \$50,000, the applicant
18 shall pay the additional amount to the Board. If the costs of
19 the investigation are less than \$50,000, the applicant shall
20 receive a refund of the remaining amount. All information,
21 records, interviews, reports, statements, memoranda or other
22 data supplied to or used by the Board in the course of its
23 review or investigation of an application for a license under
24 this Act shall be privileged, strictly confidential and shall
25 be used only for the purpose of evaluating an applicant. Such
26 information, records, interviews, reports, statements,

1 memoranda or other data shall not be admissible as evidence,
2 nor discoverable in any action of any kind in any court or
3 before any tribunal, board, agency or person, except for any
4 action deemed necessary by the Board.

5 (e) The Board shall charge each applicant a fee set by the
6 Department of State Police to defray the costs associated with
7 the search and classification of fingerprints obtained by the
8 Board with respect to the applicant's application. These fees
9 shall be paid into the State Police Services Fund.

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

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

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

21 (230 ILCS 10/7) (from Ch. 120, par. 2407)

22 Sec. 7. Owners Licenses.

23 (a) The Board shall issue owners licenses to persons, firms
24 or corporations which apply for such licenses upon payment to
25 the Board of the non-refundable license fee set by the Board,

1 upon payment of a \$25,000 license fee for the first year of
2 operation and a \$5,000 license fee for each succeeding year and
3 upon a determination by the Board that the applicant is
4 eligible for an owners license pursuant to this Act and the
5 rules of the Board. For a period of 2 years beginning on the
6 effective date of this amendatory Act of the 94th General
7 Assembly, as a condition of licensure and as an alternative
8 source of payment for those funds payable under subsection
9 (c-5) of Section 13 of the Riverboat Gambling Act, any owners
10 licensee that holds or receives its owners license on or after
11 the effective date of this amendatory Act of the 94th General
12 Assembly, other than an owners licensee operating a riverboat
13 with adjusted gross receipts in calendar year 2004 of less than
14 \$200,000,000, must pay into the Horse Racing Equity Trust Fund,
15 in addition to any other payments required under this Act, an
16 amount equal to 3% of the adjusted gross receipts received by
17 the owners licensee. The payments required under this Section
18 shall be made by the owners licensee to the State Treasurer no
19 later than 3:00 o'clock p.m. of the day after the day when the
20 adjusted gross receipts were received by the owners licensee. A
21 person, firm or corporation is ineligible to receive an owners
22 license if:

- 23 (1) the person has been convicted of a felony under the
24 laws of this State, any other state, or the United States;
- 25 (2) the person has been convicted of any violation of
26 Article 28 of the Criminal Code of 1961, or substantially

1 similar laws of any other jurisdiction;

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

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

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

8 (6) the firm or corporation employs a person defined in
9 (1), (2), (3) or (4) who participates in the management or
10 operation of gambling operations authorized under this
11 Act;

12 (7) (blank); or

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

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

18 (1) the character, reputation, experience and
19 financial integrity of the applicants and of any other or
20 separate person that either:

21 (A) controls, directly or indirectly, such
22 applicant, or

23 (B) is controlled, directly or indirectly, by such
24 applicant or by a person which controls, directly or
25 indirectly, such applicant;

26 (2) the facilities or proposed facilities for the

1 conduct of riverboat gambling;

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

4 (4) the extent to which the ownership of the applicant
5 reflects the diversity of the State by including minority
6 persons, ~~and~~ females, and persons with a disability and the
7 good faith affirmative action plan of each applicant to
8 recruit, train and upgrade minority persons, ~~and~~ females, ~~and~~
9 and persons with a disability in all employment
10 classifications;

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

13 (6) whether the applicant has adequate capitalization
14 to provide and maintain, for the duration of a license, a
15 riverboat;

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

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

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

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

24 (e) The Board may issue up to 10 licenses authorizing the
25 holders of such licenses to own riverboats. In the application
26 for an owners license, the applicant shall state the dock at

1 which the riverboat is based and the water on which the
2 riverboat will be located. The Board shall issue 5 licenses to
3 become effective not earlier than January 1, 1991. Three of
4 such licenses shall authorize riverboat gambling on the
5 Mississippi River, or, with approval by the municipality in
6 which the riverboat was docked on August 7, 2003 and with Board
7 approval, be authorized to relocate to a new location, in a
8 municipality that (1) borders on the Mississippi River or is
9 within 5 miles of the city limits of a municipality that
10 borders on the Mississippi River and (2), on August 7, 2003,
11 had a riverboat conducting riverboat gambling operations
12 pursuant to a license issued under this Act; one of which shall
13 authorize riverboat gambling from a home dock in the city of
14 East St. Louis. One other license shall authorize riverboat
15 gambling on the Illinois River south of Marshall County. The
16 Board shall issue one additional license to become effective
17 not earlier than March 1, 1992, which shall authorize riverboat
18 gambling on the Des Plaines River in Will County. The Board may
19 issue 4 additional licenses to become effective not earlier
20 than March 1, 1992. In determining the water upon which
21 riverboats will operate, the Board shall consider the economic
22 benefit which riverboat gambling confers on the State, and
23 shall seek to assure that all regions of the State share in the
24 economic benefits of riverboat gambling.

25 In granting all licenses, the Board may give favorable
26 consideration to economically depressed areas of the State, to

1 applicants presenting plans which provide for significant
2 economic development over a large geographic area, and to
3 applicants who currently operate non-gambling riverboats in
4 Illinois. The Board shall review all applications for owners
5 licenses, and shall inform each applicant of the Board's
6 decision. The Board may grant an owners license to an applicant
7 that has not submitted the highest license bid, but if it does
8 not select the highest bidder, the Board shall issue a written
9 decision explaining why another applicant was selected and
10 identifying the factors set forth in this Section that favored
11 the winning bidder.

12 In addition to any other revocation powers granted to the
13 Board under this Act, the Board may revoke the owners license
14 of a licensee which fails to begin conducting gambling within
15 15 months of receipt of the Board's approval of the application
16 if the Board determines that license revocation is in the best
17 interests of the State.

18 (f) The first 10 owners licenses issued under this Act
19 shall permit the holder to own up to 2 riverboats and equipment
20 thereon for a period of 3 years after the effective date of the
21 license. Holders of the first 10 owners licenses must pay the
22 annual license fee for each of the 3 years during which they
23 are authorized to own riverboats.

24 (g) Upon the termination, expiration, or revocation of each
25 of the first 10 licenses, which shall be issued for a 3 year
26 period, all licenses are renewable annually upon payment of the

1 fee and a determination by the Board that the licensee
2 continues to meet all of the requirements of this Act and the
3 Board's rules. However, for licenses renewed on or after May 1,
4 1998, renewal shall be for a period of 4 years, unless the
5 Board sets a shorter period.

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

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

25 (j) The Board may issue or re-issue a license authorizing a
26 riverboat to dock in a municipality or approve a relocation

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

11 (Source: P.A. 93-28, eff. 6-20-03; 93-453, eff. 8-7-03; 94-667,
12 eff. 8-23-05; 94-804, eff. 5-26-06.)

13 (230 ILCS 10/9) (from Ch. 120, par. 2409)

14 Sec. 9. Occupational licenses.

15 (a) The Board may issue an occupational license to an
16 applicant upon the payment of a non-refundable fee set by the
17 Board, upon a determination by the Board that the applicant is
18 eligible for an occupational license and upon payment of an
19 annual license fee in an amount to be established. To be
20 eligible for an occupational license, an applicant must:

21 (1) be at least 21 years of age if the applicant will
22 perform any function involved in gaming by patrons. Any
23 applicant seeking an occupational license for a non-gaming
24 function shall be at least 18 years of age;

25 (2) not have been convicted of a felony offense, a

1 violation of Article 28 of the Criminal Code of 1961, or a
2 similar statute of any other jurisdiction, ~~or a crime~~
3 ~~involving dishonesty or moral turpitude;~~

4 (2.5) not have been convicted of a crime, other than a
5 crime described in item (2) of this subsection (a),
6 involving dishonesty or moral turpitude, except that the
7 Board may, in its discretion, issue an occupational license
8 to a person who has been convicted of a crime described in
9 this item (2.5) more than 10 years prior to his or her
10 application and has not subsequently been convicted of any
11 other crime;

12 (3) have demonstrated a level of skill or knowledge
13 which the Board determines to be necessary in order to
14 operate gambling aboard a riverboat; and

15 (4) have met standards for the holding of an
16 occupational license as adopted by rules of the Board. Such
17 rules shall provide that any person or entity seeking an
18 occupational license to manage gambling operations
19 hereunder shall be subject to background inquiries and
20 further requirements similar to those required of
21 applicants for an owners license. Furthermore, such rules
22 shall provide that each such entity shall be permitted to
23 manage gambling operations for only one licensed owner.

24 (b) Each application for an occupational license shall be
25 on forms prescribed by the Board and shall contain all
26 information required by the Board. The applicant shall set

1 forth in the application: whether he has been issued prior
2 gambling related licenses; whether he has been licensed in any
3 other state under any other name, and, if so, such name and his
4 age; and whether or not a permit or license issued to him in
5 any other state has been suspended, restricted or revoked, and,
6 if so, for what period of time.

7 (c) Each applicant shall submit with his application, on
8 forms provided by the Board, 2 sets of his fingerprints. The
9 Board shall charge each applicant a fee set by the Department
10 of State Police to defray the costs associated with the search
11 and classification of fingerprints obtained by the Board with
12 respect to the applicant's application. These fees shall be
13 paid into the State Police Services Fund.

14 (d) The Board may in its discretion refuse an occupational
15 license to any person: (1) who is unqualified to perform the
16 duties required of such applicant; (2) who fails to disclose or
17 states falsely any information called for in the application;
18 (3) who has been found guilty of a violation of this Act or
19 whose prior gambling related license or application therefor
20 has been suspended, restricted, revoked or denied for just
21 cause in any other state; or (4) for any other just cause.

22 (e) The Board may suspend, revoke or restrict any
23 occupational licensee: (1) for violation of any provision of
24 this Act; (2) for violation of any of the rules and regulations
25 of the Board; (3) for any cause which, if known to the Board,
26 would have disqualified the applicant from receiving such

1 license; or (4) for default in the payment of any obligation or
2 debt due to the State of Illinois; or (5) for any other just
3 cause.

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

6 (g) Any license issued pursuant to this Section shall be
7 valid for a period of one year from the date of issuance.

8 (h) Nothing in this Act shall be interpreted to prohibit a
9 licensed owner from entering into an agreement with a public
10 community college or a school approved under the Private
11 Business and Vocational Schools Act for the training of any
12 occupational licensee. Any training offered by such a school
13 shall be in accordance with a written agreement between the
14 licensed owner and the school.

15 (i) Any training provided for occupational licensees may be
16 conducted either on the riverboat or at a school with which a
17 licensed owner has entered into an agreement pursuant to
18 subsection (h).

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

20 (230 ILCS 10/11) (from Ch. 120, par. 2411)

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

24 (1) A licensee may conduct riverboat gambling
25 authorized under this Act regardless of whether it conducts

1 excursion cruises. A licensee may permit the continuous
2 ingress and egress of passengers on a riverboat not used
3 for excursion cruises for the purpose of gambling.
4 Excursion cruises shall not exceed 4 hours for a round
5 trip. However, the Board may grant express approval for an
6 extended cruise on a case-by-case basis.

7 (2) (Blank).

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

10 (4) Agents of the Board and the Department of State
11 Police may board and inspect any riverboat at any time for
12 the purpose of determining whether this Act is being
13 complied with. Every riverboat, if under way and being
14 hailed by a law enforcement officer or agent of the Board,
15 must stop immediately and lay to.

16 (5) Employees of the Board shall have the right to be
17 present on the riverboat or on adjacent facilities under
18 the control of the licensee.

19 (6) Gambling equipment and supplies customarily used
20 in conducting riverboat gambling must be purchased or
21 leased only from suppliers licensed for such purpose under
22 this Act. However, the Board may approve the sale or lease
23 of gambling equipment and supplies by a licensed owner and
24 a licensed owner may bring gambling equipment and supplies
25 that it has legally acquired into this State for use in
26 Illinois with the approval of the Board.

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

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

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

10 (10) A person under age 21 shall not be permitted on an
11 area of a riverboat where gambling is being conducted,
12 except for a person at least 18 years of age who is an
13 employee of the riverboat gambling operation. No employee
14 under age 21 shall perform any function involved in
15 gambling by the patrons. No person under age 21 shall be
16 permitted to make a wager under this Act, and any winnings
17 that are a result of a wager by a person under age 21,
18 whether or not paid by a licensee, shall be treated as
19 winnings for the privilege tax purposes, confiscated, and
20 forfeited to the State and deposited into the Education
21 Assistance Fund.

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

1 authorized under this Act when gambling excursion cruises
2 are not permitted.

3 (12) All tokens, chips or electronic cards used to make
4 wagers must be purchased from a licensed owner or manager
5 either aboard a riverboat or at an onshore facility which
6 has been approved by the Board and which is located where
7 the riverboat docks. The tokens, chips or electronic cards
8 may be purchased by means of an agreement under which the
9 owner or manager extends credit to the patron. Such tokens,
10 chips or electronic cards may be used while aboard the
11 riverboat only for the purpose of making wagers on gambling
12 games.

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

1 Illinois.

2 (14) In addition to the above, gambling must be
3 conducted in accordance with all rules adopted by the
4 Board.

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

6 (230 ILCS 10/13) (from Ch. 120, par. 2413)

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

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

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

16 15% of annual adjusted gross receipts up to and
17 including \$25,000,000;

18 20% of annual adjusted gross receipts in excess of
19 \$25,000,000 but not exceeding \$50,000,000;

20 25% of annual adjusted gross receipts in excess of
21 \$50,000,000 but not exceeding \$75,000,000;

22 30% of annual adjusted gross receipts in excess of
23 \$75,000,000 but not exceeding \$100,000,000;

24 35% of annual adjusted gross receipts in excess of
25 \$100,000,000.

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

8 15% of annual adjusted gross receipts up to and
9 including \$25,000,000;

10 22.5% of annual adjusted gross receipts in excess of
11 \$25,000,000 but not exceeding \$50,000,000;

12 27.5% of annual adjusted gross receipts in excess of
13 \$50,000,000 but not exceeding \$75,000,000;

14 32.5% of annual adjusted gross receipts in excess of
15 \$75,000,000 but not exceeding \$100,000,000;

16 37.5% of annual adjusted gross receipts in excess of
17 \$100,000,000 but not exceeding \$150,000,000;

18 45% of annual adjusted gross receipts in excess of
19 \$150,000,000 but not exceeding \$200,000,000;

20 50% of annual adjusted gross receipts in excess of
21 \$200,000,000.

22 (a-3) Beginning July 1, 2003, a privilege tax is imposed on
23 persons engaged in the business of conducting riverboat
24 gambling operations, other than licensed managers conducting
25 riverboat gambling operations on behalf of the State, based on
26 the adjusted gross receipts received by a licensed owner from

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

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

5 27.5% of annual adjusted gross receipts in excess of
6 \$25,000,000 but not exceeding \$37,500,000;

7 32.5% of annual adjusted gross receipts in excess of
8 \$37,500,000 but not exceeding \$50,000,000;

9 37.5% of annual adjusted gross receipts in excess of
10 \$50,000,000 but not exceeding \$75,000,000;

11 45% of annual adjusted gross receipts in excess of
12 \$75,000,000 but not exceeding \$100,000,000;

13 50% of annual adjusted gross receipts in excess of
14 \$100,000,000 but not exceeding \$250,000,000;

15 70% of annual adjusted gross receipts in excess of
16 \$250,000,000.

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

22 The privilege tax imposed under this subsection (a-3) shall
23 no longer be imposed beginning on the earlier of (i) July 1,
24 2005; (ii) the first date after June 20, 2003 that riverboat
25 gambling operations are conducted pursuant to a dormant
26 license; or (iii) the first day that riverboat gambling

1 operations are conducted under the authority of an owners
2 license that is in addition to the 10 owners licenses initially
3 authorized under this Act. For the purposes of this subsection
4 (a-3), the term "dormant license" means an owners license that
5 is authorized by this Act under which no riverboat gambling
6 operations are being conducted on June 20, 2003.

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

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

17 22.5% of annual adjusted gross receipts in excess of
18 \$25,000,000 but not exceeding \$50,000,000;

19 27.5% of annual adjusted gross receipts in excess of
20 \$50,000,000 but not exceeding \$75,000,000;

21 32.5% of annual adjusted gross receipts in excess of
22 \$75,000,000 but not exceeding \$100,000,000;

23 37.5% of annual adjusted gross receipts in excess of
24 \$100,000,000 but not exceeding \$150,000,000;

25 45% of annual adjusted gross receipts in excess of
26 \$150,000,000 but not exceeding \$200,000,000;

1 50% of annual adjusted gross receipts in excess of
2 \$200,000,000.

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

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

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

1 of: (i) July 1, 2007, (ii) the first day after the effective
2 date of this amendatory Act of the 94th General Assembly that
3 riverboat gambling operations are conducted pursuant to a
4 dormant license, (iii) the first day that riverboat gambling
5 operations are conducted under the authority of an owners
6 license that is in addition to the 10 owners licenses initially
7 authorized under this Act, or (iv) the first day that a
8 licensee under the Illinois Horse Racing Act of 1975 conducts
9 gaming operations with slot machines or other electronic gaming
10 devices. The Board must reduce the obligation imposed under
11 this subsection (a-15) by an amount the Board deems reasonable
12 for any of the following reasons: (A) an act or acts of God,
13 (B) an act of bioterrorism or terrorism or a bioterrorism or
14 terrorism threat that was investigated by a law enforcement
15 agency, or (C) a condition beyond the control of the owners
16 licensee that does not result from any act or omission by the
17 owners licensee or any of its agents and that poses a hazardous
18 threat to the health and safety of patrons. If an owners
19 licensee pays an amount in excess of its liability under this
20 Section, the Board shall apply the overpayment to future
21 payments required under this Section.

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

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

1 "Base amount" means the following:

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

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

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

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

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

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

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

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

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

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

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

21 (b) Until January 1, 1998, 25% of the tax revenue deposited
22 in the State Gaming Fund under this Section shall be paid,
23 subject to appropriation by the General Assembly, to the unit
24 of local government which is designated as the home dock of the
25 riverboat. Beginning January 1, 1998, from the tax revenue
26 deposited in the State Gaming Fund under this Section, an

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

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

19 (c-5) Before May 26, 2006 (the effective date of Public Act
20 94-804) and beginning 2 years after May 26, 2006 (the effective
21 date of Public Act 94-804), after the payments required under
22 subsections (b) and (c) have been made, an amount equal to 15%
23 of the adjusted gross receipts of (1) an owners licensee that
24 relocates pursuant to Section 11.2, (2) an owners licensee
25 conducting riverboat gambling operations pursuant to an owners
26 license that is initially issued after June 25, 1999, or (3)

1 the first riverboat gambling operations conducted by a licensed
2 manager on behalf of the State under Section 7.3, whichever
3 comes first, shall be paid from the State Gaming Fund into the
4 Horse Racing Equity Fund.

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

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

21 (c-20) 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 to each home rule county
24 with a population of over 3,000,000 inhabitants pursuant to
25 subsection (c-15) in the prior calendar year.

26 (c-25) After the payments required under subsections (b),

1 (c), (c-5) and (c-15) have been made, an amount equal to 2% of
2 the adjusted gross receipts of (1) an owners licensee that
3 relocates pursuant to Section 11.2, (2) an owners licensee
4 conducting riverboat gambling operations pursuant to an owners
5 license that is initially issued after June 25, 1999, or (3)
6 the first riverboat gambling operations conducted by a licensed
7 manager on behalf of the State under Section 7.3, whichever
8 comes first, shall be paid from the State Gaming Fund to
9 Chicago State University.

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

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

19 (f) To the extent practicable, the Board shall administer
20 and collect the wagering taxes imposed by this Section in a
21 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
22 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
23 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
24 Penalty and Interest Act.

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

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

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

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

17 (230 ILCS 10/18) (from Ch. 120, par. 2418)

18 Sec. 18. Prohibited Activities - Penalty.

19 (a) A person is guilty of a Class A misdemeanor for doing
20 any of the following:

21 (1) Conducting gambling where wagering is used or to be
22 used without a license issued by the Board.

23 (2) Conducting gambling where wagering is permitted
24 other than in the manner specified by Section 11.

1 (b) A person is guilty of a Class B misdemeanor for doing
2 any of the following:

3 (1) permitting a person under 21 years to make a wager;
4 or

5 (2) violating paragraph (12) of subsection (a) of
6 Section 11 of this Act.

7 (c) A person wagering or accepting a wager at any location
8 outside the riverboat is subject to the penalties in paragraphs
9 (1) or (2) of subsection (a) of Section 28-1 of the Criminal
10 Code of 1961.

11 (d) A person commits a Class 4 felony and, in addition,
12 shall be barred for life from riverboats under the jurisdiction
13 of the Board, if the person does any of the following:

14 (1) Offers, promises, or gives anything of value or
15 benefit to a person who is connected with a riverboat owner
16 including, but not limited to, an officer or employee of a
17 licensed owner or holder of an occupational license
18 pursuant to an agreement or arrangement or with the intent
19 that the promise or thing of value or benefit will
20 influence the actions of the person to whom the offer,
21 promise, or gift was made in order to affect or attempt to
22 affect the outcome of a gambling game, or to influence
23 official action of a member of the Board.

24 (2) Solicits or knowingly accepts or receives a promise
25 of anything of value or benefit while the person is
26 connected with a riverboat including, but not limited to,

1 an officer or employee of a licensed owner, or holder of an
2 occupational license, pursuant to an understanding or
3 arrangement or with the intent that the promise or thing of
4 value or benefit will influence the actions of the person
5 to affect or attempt to affect the outcome of a gambling
6 game, or to influence official action of a member of the
7 Board.

8 (3) Uses or possesses with the intent to use a device
9 to assist:

10 (i) In projecting the outcome of the game.

11 (ii) In keeping track of the cards played.

12 (iii) In analyzing the probability of the
13 occurrence of an event relating to the gambling game.

14 (iv) In analyzing the strategy for playing or
15 betting to be used in the game except as permitted by
16 the Board.

17 (4) Cheats at a gambling game.

18 (5) Manufactures, sells, or distributes any cards,
19 chips, dice, game or device which is intended to be used to
20 violate any provision of this Act.

21 (6) Alters or misrepresents the outcome of a gambling
22 game on which wagers have been made after the outcome is
23 made sure but before it is revealed to the players.

24 (7) Places a bet after acquiring knowledge, not
25 available to all players, of the outcome of the gambling
26 game which is subject of the bet or to aid a person in

1 acquiring the knowledge for the purpose of placing a bet
2 contingent on that outcome.

3 (8) Claims, collects, or takes, or attempts to claim,
4 collect, or take, money or anything of value in or from the
5 gambling games, with intent to defraud, without having made
6 a wager contingent on winning a gambling game, or claims,
7 collects, or takes an amount of money or thing of value of
8 greater value than the amount won.

9 (9) Uses counterfeit chips or tokens in a gambling
10 game.

11 (10) Possesses any key or device designed for the
12 purpose of opening, entering, or affecting the operation of
13 a gambling game, drop box, or an electronic or mechanical
14 device connected with the gambling game or for removing
15 coins, tokens, chips or other contents of a gambling game.
16 This paragraph (10) does not apply to a gambling licensee
17 or employee of a gambling licensee acting in furtherance of
18 the employee's employment.

19 (e) The possession of more than one of the devices
20 described in subsection (d), paragraphs (3), (5), or (10)
21 permits a rebuttable presumption that the possessor intended to
22 use the devices for cheating.

23 (f) A person under the age of 21 who, except as authorized
24 under paragraph (10) of Section 11, enters upon a riverboat
25 commits a petty offense and is subject to a fine of not less
26 than \$100 or more than \$250 for a first offense and of not less

1 than \$200 or more than \$500 for a second or subsequent offense.

2 An action to prosecute any crime occurring on a riverboat
3 shall be tried in the county of the dock at which the riverboat
4 is based.

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

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

1		INDEX
2		Statutes amended in order of appearance
3	230 ILCS 10/4	from Ch. 120, par. 2404
4	230 ILCS 10/6	from Ch. 120, par. 2406
5	230 ILCS 10/7	from Ch. 120, par. 2407
6	230 ILCS 10/9	from Ch. 120, par. 2409
7	230 ILCS 10/11	from Ch. 120, par. 2411
8	230 ILCS 10/13	from Ch. 120, par. 2413
9	230 ILCS 10/15	from Ch. 120, par. 2415
10	230 ILCS 10/18	from Ch. 120, par. 2418