



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB0082

Introduced 1/14/2009, by Rep. Lou Lang

SYNOPSIS AS INTRODUCED:

15 ILCS 15/3.1	from Ch. 127, par. 1803.1
20 ILCS 2505/2505-305	was 20 ILCS 2505/39b15.1
230 ILCS 10/4	from Ch. 120, par. 2404
230 ILCS 10/5	from Ch. 120, par. 2405
230 ILCS 10/5.2 new	
230 ILCS 10/13	from Ch. 120, par. 2413

Amends the Department of Revenue Law of the Civil Administrative Code of Illinois and the Riverboat Gambling Act. Separates the Illinois Gaming Board from the Department of Revenue for the purposes of enforcing and administering the Riverboat Gambling Act. Makes conforming changes. In provisions concerning the powers and duties of the Board, removes language allowing the Director of Revenue to delegate responsibility for the administration and enforcement of certain Acts concerning gaming to the Board and adds language concerning appointing investigators and contracts. Makes changes concerning appropriations from the State Gaming Fund. Makes other changes. Amends the Executive Reorganization Implementation Act. Excludes the Illinois Gaming Board from the definition of "agency directly responsible to the Governor". Effective July 1, 2009.

LRB096 03094 AMC 13110 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 Executive Reorganization Implementation Act
5 is amended by changing Section 3.1 as follows:

6 (15 ILCS 15/3.1) (from Ch. 127, par. 1803.1)

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

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

- 1 (6) the Fair Employment Practices Commission;
2 (7) the Pollution Control Board;
3 (8) the Department of State Police Merit Board;
4 (9) The Illinois Gaming Board.

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

6 Section 10. The Department of Revenue Law of the Civil
7 Administrative Code of Illinois is amended by changing Section
8 2505-305 as follows:

9 (20 ILCS 2505/2505-305) (was 20 ILCS 2505/39b15.1)

10 Sec. 2505-305. Investigators.

11 (a) The Department has the power to appoint investigators
12 to conduct all investigations, searches, seizures, arrests,
13 and other duties imposed under the provisions of any law
14 administered by the Department ~~or the Illinois Gaming Board.~~
15 These ~~Except as provided in subsection (c), these~~ investigators
16 have and may exercise all the powers of peace officers solely
17 for the purpose of enforcing taxing measures administered by
18 the Department ~~or the Illinois Gaming Board.~~

19 (b) The Director must authorize to each investigator
20 employed under this Section and to any other employee of the
21 Department exercising the powers of a peace officer a distinct
22 badge that, on its face, (i) clearly states that the badge is
23 authorized by the Department and (ii) contains a unique
24 identifying number. No other badge shall be authorized by the

1 Department.

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

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

11 Section 15. The Riverboat Gambling Act is amended by
12 changing Sections 4, 5, and 13 and by adding Section 5.2 as
13 follows:

14 (230 ILCS 10/4) (from Ch. 120, par. 2404)

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

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

17 (b) "Occupational license" means a license issued by the
18 Board to a person or entity to perform an occupation which the
19 Board has identified as requiring a license to engage in
20 riverboat gambling in Illinois.

21 (c) "Gambling game" includes, but is not limited to,
22 baccarat, twenty-one, poker, craps, slot machine, video game of
23 chance, roulette wheel, klondike table, punchboard, faro
24 layout, keno layout, numbers ticket, push card, jar ticket, or

1 pull tab which is authorized by the Board as a wagering device
2 under this Act.

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

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

11 (f) "Dock" means the location where a riverboat moors for
12 the purpose of embarking passengers for and disembarking
13 passengers from the riverboat.

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

17 (h) "Adjusted gross receipts" means the gross receipts less
18 winnings paid to wagerers.

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

22 (j) (Blank) ~~"Department" means the Department of Revenue.~~

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

25 (l) "License bid" means the lump sum amount of money that
26 an applicant bids and agrees to pay the State in return for an

1 owners license that is re-issued on or after July 1, 2003.

2 (m) The terms "minority person" and "female" shall have the
3 same meaning as defined in Section 2 of the Business Enterprise
4 for Minorities, Females, and Persons with Disabilities Act.

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

6 (230 ILCS 10/5) (from Ch. 120, par. 2405)

7 Sec. 5. Gaming Board.

8 (a) (1) There is hereby established the ~~within the~~
9 ~~Department of Revenue an~~ Illinois Gaming Board, which shall
10 have the powers and duties specified in this Act, and all other
11 powers necessary and proper to fully and effectively execute
12 this Act for the purpose of administering, regulating, and
13 enforcing the system of riverboat gambling established by this
14 Act. Its jurisdiction shall extend under this Act to every
15 person, association, corporation, partnership and trust
16 involved in riverboat gambling operations in the State of
17 Illinois.

18 (2) The Board shall consist of 5 members to be appointed by
19 the Governor with the advice and consent of the Senate, one of
20 whom shall be designated by the Governor to be chairman. Each
21 member shall have a reasonable knowledge of the practice,
22 procedure and principles of gambling operations. Each member
23 shall either be a resident of Illinois or shall certify that he
24 will become a resident of Illinois before taking office. At
25 least one member shall be experienced in law enforcement and

1 criminal investigation, at least one member shall be a
2 certified public accountant experienced in accounting and
3 auditing, and at least one member shall be a lawyer licensed to
4 practice law in Illinois.

5 (3) The terms of office of the Board members shall be 3
6 years, except that the terms of office of the initial Board
7 members appointed pursuant to this Act will commence from the
8 effective date of this Act and run as follows: one for a term
9 ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for
10 a term ending July 1, 1993. Upon the expiration of the
11 foregoing terms, the successors of such members shall serve a
12 term for 3 years and until their successors are appointed and
13 qualified for like terms. Vacancies in the Board shall be
14 filled for the unexpired term in like manner as original
15 appointments. Each member of the Board shall be eligible for
16 reappointment at the discretion of the Governor with the advice
17 and consent of the Senate.

18 (4) Each member of the Board shall receive \$300 for each
19 day the Board meets and for each day the member conducts any
20 hearing pursuant to this Act. Each member of the Board shall
21 also be reimbursed for all actual and necessary expenses and
22 disbursements incurred in the execution of official duties.

23 (5) No person shall be appointed a member of the Board or
24 continue to be a member of the Board who is, or whose spouse,
25 child or parent is, a member of the board of directors of, or a
26 person financially interested in, any gambling operation

1 subject to the jurisdiction of this Board, or any race track,
2 race meeting, racing association or the operations thereof
3 subject to the jurisdiction of the Illinois Racing Board. No
4 Board member shall hold any other public office for which he
5 shall receive compensation other than necessary travel or other
6 incidental expenses. No person shall be a member of the Board
7 who is not of good moral character or who has been convicted
8 of, or is under indictment for, a felony under the laws of
9 Illinois or any other state, or the United States.

10 (6) Any member of the Board may be removed by the Governor
11 for neglect of duty, misfeasance, malfeasance, or nonfeasance
12 in office.

13 (7) Before entering upon the discharge of the duties of his
14 office, each member of the Board shall take an oath that he
15 will faithfully execute the duties of his office according to
16 the laws of the State and the rules and regulations adopted
17 therewith and shall give bond to the State of Illinois,
18 approved by the Governor, in the sum of \$25,000. Every such
19 bond, when duly executed and approved, shall be recorded in the
20 office of the Secretary of State. Whenever the Governor
21 determines that the bond of any member of the Board has become
22 or is likely to become invalid or insufficient, he shall
23 require such member forthwith to renew his bond, which is to be
24 approved by the Governor. Any member of the Board who fails to
25 take oath and give bond within 30 days from the date of his
26 appointment, or who fails to renew his bond within 30 days

1 after it is demanded by the Governor, shall be guilty of
2 neglect of duty and may be removed by the Governor. The cost of
3 any bond given by any member of the Board under this Section
4 shall be taken to be a part of the necessary expenses of the
5 Board.

6 (8) ~~The~~ Upon the request of the Board, the Department shall
7 employ such personnel as may be necessary to carry out its the
8 functions and shall determine the salaries of all personnel,
9 except those personnel whose salaries are determined under the
10 terms of a collective bargaining agreement ~~of the Board~~. No
11 person shall be employed to serve the Board who is, or whose
12 spouse, parent or child is, an official of, or has a financial
13 interest in or financial relation with, any operator engaged in
14 gambling operations within this State or any organization
15 engaged in conducting horse racing within this State. Any
16 employee violating these prohibitions shall be subject to
17 termination of employment.

18 (9) An Administrator shall perform any and all duties that
19 the Board shall assign him. The salary of the Administrator
20 shall be determined by the Board ~~and approved by the Director~~
21 ~~of the Department~~ and, in addition, he shall be reimbursed for
22 all actual and necessary expenses incurred by him in discharge
23 of his official duties. The Administrator shall keep records of
24 all proceedings of the Board and shall preserve all records,
25 books, documents and other papers belonging to the Board or
26 entrusted to its care. The Administrator shall devote his full

1 time to the duties of the office and shall not hold any other
2 office or employment.

3 (b) The Board shall have general responsibility for the
4 implementation of this Act. Its duties include, without
5 limitation, the following:

6 (1) To decide promptly and in reasonable order all
7 license applications. Any party aggrieved by an action of
8 the Board denying, suspending, revoking, restricting or
9 refusing to renew a license may request a hearing before
10 the Board. A request for a hearing must be made to the
11 Board in writing within 5 days after service of notice of
12 the action of the Board. Notice of the action of the Board
13 shall be served either by personal delivery or by certified
14 mail, postage prepaid, to the aggrieved party. Notice
15 served by certified mail shall be deemed complete on the
16 business day following the date of such mailing. The Board
17 shall conduct all requested hearings promptly and in
18 reasonable order;

19 (2) To conduct all hearings pertaining to civil
20 violations of this Act or rules and regulations promulgated
21 hereunder;

22 (3) To promulgate such rules and regulations as in its
23 judgment may be necessary to protect or enhance the
24 credibility and integrity of gambling operations
25 authorized by this Act and the regulatory process
26 hereunder;

1 (4) To provide for the establishment and collection of
2 all license and registration fees and taxes imposed by this
3 Act and the rules and regulations issued pursuant hereto.
4 All such fees and taxes shall be deposited into the State
5 Gaming Fund;

6 (5) To provide for the levy and collection of penalties
7 and fines for the violation of provisions of this Act and
8 the rules and regulations promulgated hereunder. All such
9 fines and penalties shall be deposited into the Education
10 Assistance Fund, created by Public Act 86-0018, of the
11 State of Illinois;

12 (6) To be present through its inspectors and agents any
13 time gambling operations are conducted on any riverboat for
14 the purpose of certifying the revenue thereof, receiving
15 complaints from the public, and conducting such other
16 investigations into the conduct of the gambling games and
17 the maintenance of the equipment as from time to time the
18 Board may deem necessary and proper;

19 (7) To review and rule upon any complaint by a licensee
20 regarding any investigative procedures of the State which
21 are unnecessarily disruptive of gambling operations. The
22 need to inspect and investigate shall be presumed at all
23 times. The disruption of a licensee's operations shall be
24 proved by clear and convincing evidence, and establish
25 that: (A) the procedures had no reasonable law enforcement
26 purposes, and (B) the procedures were so disruptive as to

1 unreasonably inhibit gambling operations;

2 (8) To hold at least one meeting each quarter of the
3 fiscal year. In addition, special meetings may be called by
4 the Chairman or any 2 Board members upon 72 hours written
5 notice to each member. All Board meetings shall be subject
6 to the Open Meetings Act. Three members of the Board shall
7 constitute a quorum, and 3 votes shall be required for any
8 final determination by the Board. The Board shall keep a
9 complete and accurate record of all its meetings. A
10 majority of the members of the Board shall constitute a
11 quorum for the transaction of any business, for the
12 performance of any duty, or for the exercise of any power
13 which this Act requires the Board members to transact,
14 perform or exercise en banc, except that, upon order of the
15 Board, one of the Board members or an administrative law
16 judge designated by the Board may conduct any hearing
17 provided for under this Act or by Board rule and may
18 recommend findings and decisions to the Board. The Board
19 member or administrative law judge conducting such hearing
20 shall have all powers and rights granted to the Board in
21 this Act. The record made at the time of the hearing shall
22 be reviewed by the Board, or a majority thereof, and the
23 findings and decision of the majority of the Board shall
24 constitute the order of the Board in such case;

25 (9) To maintain records which are separate and distinct
26 from the records of any other State board or commission.

1 Such records shall be available for public inspection and
2 shall accurately reflect all Board proceedings;

3 (10) To file a written annual report with the Governor
4 on or before March 1 each year and such additional reports
5 as the Governor may request. The annual report shall
6 include a statement of receipts and disbursements by the
7 Board, actions taken by the Board, and any additional
8 information and recommendations which the Board may deem
9 valuable or which the Governor may request;

10 (11) (Blank); ~~and~~

11 (12) (Blank); and ~~To assume responsibility for the~~
12 ~~administration and enforcement of the Bingo License and Tax~~
13 ~~Act, the Charitable Games Act, and the Pull Tabs and Jar~~
14 ~~Games Act if such responsibility is delegated to it by the~~
15 ~~Director of Revenue.~~

16 (13) To adopt, by rule, a code of conduct governing
17 Board members and employees that ensure, to the maximum
18 extent possible, that persons subject to this Code avoid
19 situations, relationships, or associations that may
20 represent or lead to a conflict of interest.

21 (c) The Board shall have jurisdiction over and shall
22 supervise all gambling operations governed by this Act. The
23 Board shall have all powers necessary and proper to fully and
24 effectively execute the provisions of this Act, including, but
25 not limited to, the following:

26 (1) To investigate applicants and determine the

1 eligibility of applicants for licenses and to select among
2 competing applicants the applicants which best serve the
3 interests of the citizens of Illinois.

4 (2) To have jurisdiction and supervision over all
5 riverboat gambling operations in this State and all persons
6 on riverboats where gambling operations are conducted.

7 (3) To promulgate rules and regulations for the purpose
8 of administering the provisions of this Act and to
9 prescribe rules, regulations and conditions under which
10 all riverboat gambling in the State shall be conducted.
11 Such rules and regulations are to provide for the
12 prevention of practices detrimental to the public interest
13 and for the best interests of riverboat gambling, including
14 rules and regulations regarding the inspection of such
15 riverboats and the review of any permits or licenses
16 necessary to operate a riverboat under any laws or
17 regulations applicable to riverboats, and to impose
18 penalties for violations thereof.

19 (4) To enter the office, riverboats, facilities, or
20 other places of business of a licensee, where evidence of
21 the compliance or noncompliance with the provisions of this
22 Act is likely to be found.

23 (5) To investigate alleged violations of this Act or
24 the rules of the Board and to take appropriate disciplinary
25 action against a licensee or a holder of an occupational
26 license for a violation, or institute appropriate legal

1 action for enforcement, or both.

2 (6) To adopt standards for the licensing of all persons
3 under this Act, as well as for electronic or mechanical
4 gambling games, and to establish fees for such licenses.

5 (7) To adopt appropriate standards for all riverboats
6 and facilities.

7 (8) To require that the records, including financial or
8 other statements of any licensee under this Act, shall be
9 kept in such manner as prescribed by the Board and that any
10 such licensee involved in the ownership or management of
11 gambling operations submit to the Board an annual balance
12 sheet and profit and loss statement, list of the
13 stockholders or other persons having a 1% or greater
14 beneficial interest in the gambling activities of each
15 licensee, and any other information the Board deems
16 necessary in order to effectively administer this Act and
17 all rules, regulations, orders and final decisions
18 promulgated under this Act.

19 (9) To conduct hearings, issue subpoenas for the
20 attendance of witnesses and subpoenas duces tecum for the
21 production of books, records and other pertinent documents
22 in accordance with the Illinois Administrative Procedure
23 Act, and to administer oaths and affirmations to the
24 witnesses, when, in the judgment of the Board, it is
25 necessary to administer or enforce this Act or the Board
26 rules.

1 (10) To prescribe a form to be used by any licensee
2 involved in the ownership or management of gambling
3 operations as an application for employment for their
4 employees.

5 (11) To revoke or suspend licenses, as the Board may
6 see fit and in compliance with applicable laws of the State
7 regarding administrative procedures, and to review
8 applications for the renewal of licenses. The Board may
9 suspend an owners license, without notice or hearing upon a
10 determination that the safety or health of patrons or
11 employees is jeopardized by continuing a riverboat's
12 operation. The suspension may remain in effect until the
13 Board determines that the cause for suspension has been
14 abated. The Board may revoke the owners license upon a
15 determination that the owner has not made satisfactory
16 progress toward abating the hazard.

17 (12) To eject or exclude or authorize the ejection or
18 exclusion of, any person from riverboat gambling
19 facilities where such person is in violation of this Act,
20 rules and regulations thereunder, or final orders of the
21 Board, or where such person's conduct or reputation is such
22 that his presence within the riverboat gambling facilities
23 may, in the opinion of the Board, call into question the
24 honesty and integrity of the gambling operations or
25 interfere with orderly conduct thereof; provided that the
26 propriety of such ejection or exclusion is subject to

1 subsequent hearing by the Board.

2 (13) To require all licensees of gambling operations to
3 utilize a cashless wagering system whereby all players'
4 money is converted to tokens, electronic cards, or chips
5 which shall be used only for wagering in the gambling
6 establishment.

7 (14) (Blank).

8 (15) To suspend, revoke or restrict licenses, to
9 require the removal of a licensee or an employee of a
10 licensee for a violation of this Act or a Board rule or for
11 engaging in a fraudulent practice, and to impose civil
12 penalties of up to \$5,000 against individuals and up to
13 \$10,000 or an amount equal to the daily gross receipts,
14 whichever is larger, against licensees for each violation
15 of any provision of the Act, any rules adopted by the
16 Board, any order of the Board or any other action which, in
17 the Board's discretion, is a detriment or impediment to
18 riverboat gambling operations.

19 (16) To hire employees to gather information, conduct
20 investigations and carry out any other tasks contemplated
21 under this Act.

22 (17) To establish minimum levels of insurance to be
23 maintained by licensees.

24 (18) To authorize a licensee to sell or serve alcoholic
25 liquors, wine or beer as defined in the Liquor Control Act
26 of 1934 on board a riverboat and to have exclusive

1 authority to establish the hours for sale and consumption
2 of alcoholic liquor on board a riverboat, notwithstanding
3 any provision of the Liquor Control Act of 1934 or any
4 local ordinance, and regardless of whether the riverboat
5 makes excursions. The establishment of the hours for sale
6 and consumption of alcoholic liquor on board a riverboat is
7 an exclusive power and function of the State. A home rule
8 unit may not establish the hours for sale and consumption
9 of alcoholic liquor on board a riverboat. This amendatory
10 Act of 1991 is a denial and limitation of home rule powers
11 and functions under subsection (h) of Section 6 of Article
12 VII of the Illinois Constitution.

13 (19) After consultation with the U.S. Army Corps of
14 Engineers, to establish binding emergency orders upon the
15 concurrence of a majority of the members of the Board
16 regarding the navigability of water, relative to
17 excursions, in the event of extreme weather conditions,
18 acts of God or other extreme circumstances.

19 (20) To delegate the execution of any of its powers
20 under this Act for the purpose of administering and
21 enforcing this Act and its rules and regulations hereunder.

22 (20.5) To approve any contract entered into on its
23 behalf.

24 (20.6) To appoint investigators to conduct
25 investigations, searches, seizures, arrests, and other
26 duties imposed under this Act, as deemed necessary by the

1 Board. These investigators have and may exercise all of the
2 rights and powers of peace officers, provided that these
3 powers shall be limited to offenses or violations occurring
4 or committed on a riverboat or dock, as defined in
5 subsections (d) and (f) of Section 4, or as otherwise
6 provided by this Act or any other law.

7 (20.7) To contract with the Department of State Police
8 for the use of trained and qualified State police officers
9 and with the Department of Revenue for the use of trained
10 and qualified Department of Revenue investigators to
11 conduct investigations, searches, seizures, arrests, and
12 other duties imposed under this Act and to exercise all of
13 the rights and powers of peace officers, provided that the
14 powers of Department of Revenue investigators under this
15 subdivision (20.7) shall be limited to offenses or
16 violations occurring or committed on a riverboat or dock,
17 as defined in subsections (d) and (f) of Section 4, or as
18 otherwise provided by this Act or any other law. In the
19 event the Department of State Police or the Department of
20 Revenue is unable to fill contracted police or
21 investigative positions, the Board may appoint
22 investigators to fill those positions pursuant to
23 subdivision (20.6).

24 (21) To take any other action as may be reasonable or
25 appropriate to enforce this Act and rules and regulations
26 hereunder.

1 (d) The Board may seek and shall receive the cooperation of
2 the Department of State Police in conducting background
3 investigations of applicants and in fulfilling its
4 responsibilities under this Section. Costs incurred by the
5 Department of State Police as a result of such cooperation
6 shall be paid by the Board in conformance with the requirements
7 of Section 2605-400 of the Department of State Police Law (20
8 ILCS 2605/2605-400).

9 (e) The Board must authorize to each investigator and to
10 any other employee of the Board exercising the powers of a
11 peace officer a distinct badge that, on its face, (i) clearly
12 states that the badge is authorized by the Board and (ii)
13 contains a unique identifying number. No other badge shall be
14 authorized by the Board.

15 (Source: P.A. 91-40, eff. 1-1-00; 91-239, eff. 1-1-00; 91-883,
16 eff. 1-1-01.)

17 (230 ILCS 10/5.2 new)

18 Sec. 5.2. Separation from Department of Revenue. On the
19 effective date of this amendatory Act of the 96th General
20 Assembly, all of the powers, duties, assets, liabilities,
21 employees, contracts, property, records, pending business, and
22 unexpended appropriations of the Department of Revenue related
23 to the administration and enforcement of this Act are
24 transferred to the Illinois Gaming Board.

25 The status and rights of the transferred employees, and the

1 rights of the State of Illinois and its agencies, under the
2 Personnel Code and applicable collective bargaining agreements
3 or under any pension, retirement, or annuity plan are not
4 affected (except as provided in Sections 14-110 and 18-127 of
5 the Illinois Pension Code) by that transfer or by any other
6 provision of this amendatory Act of the 96th General Assembly.

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

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

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

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

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

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

21 25% of annual adjusted gross receipts in excess of
22 \$50,000,000 but not exceeding \$75,000,000;

23 30% of annual adjusted gross receipts in excess of
24 \$75,000,000 but not exceeding \$100,000,000;

25 35% of annual adjusted gross receipts in excess of

1 \$100,000,000.

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

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

11 22.5% of annual adjusted gross receipts in excess of
12 \$25,000,000 but not exceeding \$50,000,000;

13 27.5% of annual adjusted gross receipts in excess of
14 \$50,000,000 but not exceeding \$75,000,000;

15 32.5% of annual adjusted gross receipts in excess of
16 \$75,000,000 but not exceeding \$100,000,000;

17 37.5% of annual adjusted gross receipts in excess of
18 \$100,000,000 but not exceeding \$150,000,000;

19 45% of annual adjusted gross receipts in excess of
20 \$150,000,000 but not exceeding \$200,000,000;

21 50% of annual adjusted gross receipts in excess of
22 \$200,000,000.

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

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

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

6 27.5% of annual adjusted gross receipts in excess of
7 \$25,000,000 but not exceeding \$37,500,000;

8 32.5% of annual adjusted gross receipts in excess of
9 \$37,500,000 but not exceeding \$50,000,000;

10 37.5% of annual adjusted gross receipts in excess of
11 \$50,000,000 but not exceeding \$75,000,000;

12 45% of annual adjusted gross receipts in excess of
13 \$75,000,000 but not exceeding \$100,000,000;

14 50% of annual adjusted gross receipts in excess of
15 \$100,000,000 but not exceeding \$250,000,000;

16 70% of annual adjusted gross receipts in excess of
17 \$250,000,000.

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

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

1 license; or (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. For the purposes of this subsection
5 (a-3), the term "dormant license" means an owners license that
6 is authorized by this Act under which no riverboat gambling
7 operations are being conducted on June 20, 2003.

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

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

18 22.5% of annual adjusted gross receipts in excess of
19 \$25,000,000 but not exceeding \$50,000,000;

20 27.5% of annual adjusted gross receipts in excess of
21 \$50,000,000 but not exceeding \$75,000,000;

22 32.5% of annual adjusted gross receipts in excess of
23 \$75,000,000 but not exceeding \$100,000,000;

24 37.5% of annual adjusted gross receipts in excess of
25 \$100,000,000 but not exceeding \$150,000,000;

26 45% of annual adjusted gross receipts in excess of

1 \$150,000,000 but not exceeding \$200,000,000;
2 50% of annual adjusted gross receipts in excess of
3 \$200,000,000.

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

7 (a-10) The taxes imposed by this Section shall be paid by
8 the licensed owner to the Board not later than 3:00 o'clock
9 p.m. of the day after the day when the wagers were 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 Board (i)
15 ~~Department of Revenue and the Department of State Police~~ for
16 the administration and enforcement of this Act, (ii) for
17 distribution to the Department of State Police and to the
18 Department of Revenue for the enforcement of this Act, and
19 (iii) or to the Department of Human Services for the
20 administration of programs to treat problem gambling.

21 (c-5) Before May 26, 2006 (the effective date of Public Act
22 94-804) and beginning on December 15, 2008 (the effective date
23 of Public Act 95-1008) ~~this amendatory Act of the 95th General~~
24 ~~Assembly,~~ unless any organization licensee under the Illinois
25 Horse Racing Act of 1975 begins to operate a slot machine or
26 video game of chance under the Illinois Horse Racing Act of

1 1975 or this Act, after the payments required under subsections
2 (b) and (c) have been made, an amount equal to 15% of the
3 adjusted gross receipts of (1) an owners licensee that
4 relocates pursuant to Section 11.2, (2) an owners licensee
5 conducting riverboat gambling operations pursuant to an owners
6 license that is initially issued after June 25, 1999, or (3)
7 the first riverboat gambling operations conducted by a licensed
8 manager on behalf of the State under Section 7.3, whichever
9 comes first, shall be paid from the State Gaming Fund into the
10 Horse Racing Equity Fund.

11 (c-10) 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 into the Horse Racing Equity
14 Fund pursuant to subsection (c-5) in the prior calendar year.

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

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

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

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

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

25 (f) To the extent practicable, the Board shall administer
26 and collect the wagering taxes imposed by this Section in a

1 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
2 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
3 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
4 Penalty and Interest Act.

5 (Source: P.A. 94-673, eff. 8-23-05; 94-804, eff. 5-26-06;
6 94-839, eff. 6-6-06; 95-331, eff. 8-21-07; 95-1008, eff.
7 12-15-08.)

8 Section 99. Effective date. This Act takes effect on July
9 1, 2009.