

SB1606



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB1606

Introduced 2/19/2009, by Sen. Linda Holmes

SYNOPSIS AS INTRODUCED:

230 ILCS 10/7

from Ch. 120, par. 2407

Amends the Riverboat Gambling Act. Removes language concerning the obligation of certain owners licensees to make payments into the Horse Racing Equity Trust Fund (the impact fee). Provides that any payments made pursuant to Public Act 94-804 or Section 10 of Public Act 95-1008 (both of which imposed an impact fee) that are currently held pursuant to specified provisions of the State Officers and Employees Money Disposition Act or that have not yet been distributed in accordance with the Illinois Horse Racing Act of 1975 shall be returned to their payors on the effective date of the amendatory Act. Effective immediately.

LRB096 10967 AMC 21236 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 Section 7 as follows:

6 (230 ILCS 10/7) (from Ch. 120, par. 2407)

7 Sec. 7. Owners Licenses.

8 (a) The Board shall issue owners licenses to persons, firms
9 or corporations which apply for such licenses upon payment to
10 the Board of the non-refundable license fee set by the Board,
11 upon payment of a \$25,000 license fee for the first year of
12 operation and a \$5,000 license fee for each succeeding year and
13 upon a determination by the Board that the applicant is
14 eligible for an owners license pursuant to this Act and the
15 rules of the Board. Any payments made under this subsection (a)
16 pursuant to Public Act 94-804 or Section 10 of Public Act
17 95-1008 that are currently held pursuant to Section 2a and 2a.1
18 of the State Officers and Employees Money Disposition Act or
19 that have not yet been distributed in accordance with the
20 provisions of Section 54.5 or 54.75 of the Illinois Horse
21 Racing Act of 1975 shall be returned to their payors on the
22 effective date of this amendatory Act of the 96th General
23 Assembly. ~~From the effective date of this amendatory Act of the~~

1 ~~95th General Assembly until (i) 3 years after the effective~~
2 ~~date of this amendatory Act of the 95th General Assembly, (ii)~~
3 ~~the date any organization licensee begins to operate a slot~~
4 ~~machine or video game of chance under the Illinois Horse Racing~~
5 ~~Act of 1975 or this Act, (iii) the date that payments begin~~
6 ~~under subsection (c 5) of Section 13 of the Act, or (iv) the~~
7 ~~wagering tax imposed under Section 13 of this Act is increased~~
8 ~~by law to reflect a tax rate that is at least as stringent or~~
9 ~~more stringent than the tax rate contained in subsection (a 3)~~
10 ~~of Section 13, whichever occurs first, as a condition of~~
11 ~~licensure and as an alternative source of payment for those~~
12 ~~funds payable under subsection (c 5) of Section 13 of the~~
13 ~~Riverboat Gambling Act, any owners licensee that holds or~~
14 ~~receives its owners license on or after the effective date of~~
15 ~~this amendatory Act of the 94th General Assembly, other than an~~
16 ~~owners licensee operating a riverboat with adjusted gross~~
17 ~~receipts in calendar year 2004 of less than \$200,000,000, must~~
18 ~~pay into the Horse Racing Equity Trust Fund, in addition to any~~
19 ~~other payments required under this Act, an amount equal to 3%~~
20 ~~of the adjusted gross receipts received by the owners licensee.~~
21 ~~The payments required under this Section shall be made by the~~
22 ~~owners licensee to the State Treasurer no later than 3:00~~
23 ~~o'clock p.m. of the day after the day when the adjusted gross~~
24 ~~receipts were received by the owners licensee. A person, firm~~
25 ~~or corporation is ineligible to receive an owners license if:~~

26 (1) the person has been convicted of a felony under the

1 laws of this State, any other state, or the United States;

2 (2) the person has been convicted of any violation of
3 Article 28 of the Criminal Code of 1961, or substantially
4 similar laws of any other jurisdiction;

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

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

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

11 (6) the firm or corporation employs a person defined in
12 (1), (2), (3) or (4) who participates in the management or
13 operation of gambling operations authorized under this
14 Act;

15 (7) (blank); or

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

19 ~~The Board is expressly prohibited from making changes to~~
20 ~~the requirement that licensees make payment into the Horse~~
21 ~~Racing Equity Trust Fund without the express authority of the~~
22 ~~Illinois General Assembly and making any other rule to~~
23 ~~implement or interpret this amendatory Act of the 95th General~~
24 ~~Assembly. For the purposes of this paragraph, "rules" is given~~
25 ~~the meaning given to that term in Section 1-70 of the Illinois~~
26 ~~Administrative Procedure Act.~~

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

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

6 (A) controls, directly or indirectly, such
7 applicant, or

8 (B) is controlled, directly or indirectly, by such
9 applicant or by a person which controls, directly or
10 indirectly, such applicant;

11 (2) the facilities or proposed facilities for the
12 conduct of riverboat gambling;

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

15 (4) the extent to which the ownership of the applicant
16 reflects the diversity of the State by including minority
17 persons and females and the good faith affirmative action
18 plan of each applicant to recruit, train and upgrade
19 minority persons and females in all employment
20 classifications;

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

23 (6) whether the applicant has adequate capitalization
24 to provide and maintain, for the duration of a license, a
25 riverboat;

26 (7) the extent to which the applicant exceeds or meets

1 other standards for the issuance of an owners license which
2 the Board may adopt by rule; and

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

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

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

8 (e) The Board may issue up to 10 licenses authorizing the
9 holders of such licenses to own riverboats. In the application
10 for an owners license, the applicant shall state the dock at
11 which the riverboat is based and the water on which the
12 riverboat will be located. The Board shall issue 5 licenses to
13 become effective not earlier than January 1, 1991. Three of
14 such licenses shall authorize riverboat gambling on the
15 Mississippi River, or, with approval by the municipality in
16 which the riverboat was docked on August 7, 2003 and with Board
17 approval, be authorized to relocate to a new location, in a
18 municipality that (1) borders on the Mississippi River or is
19 within 5 miles of the city limits of a municipality that
20 borders on the Mississippi River and (2), on August 7, 2003,
21 had a riverboat conducting riverboat gambling operations
22 pursuant to a license issued under this Act; one of which shall
23 authorize riverboat gambling from a home dock in the city of
24 East St. Louis. One other license shall authorize riverboat
25 gambling on the Illinois River south of Marshall County. The
26 Board shall issue one additional license to become effective

1 not earlier than March 1, 1992, which shall authorize riverboat
2 gambling on the Des Plaines River in Will County. The Board may
3 issue 4 additional licenses to become effective not earlier
4 than March 1, 1992. In determining the water upon which
5 riverboats will operate, the Board shall consider the economic
6 benefit which riverboat gambling confers on the State, and
7 shall seek to assure that all regions of the State share in the
8 economic benefits of riverboat gambling.

9 In granting all licenses, the Board may give favorable
10 consideration to economically depressed areas of the State, to
11 applicants presenting plans which provide for significant
12 economic development over a large geographic area, and to
13 applicants who currently operate non-gambling riverboats in
14 Illinois. The Board shall review all applications for owners
15 licenses, and shall inform each applicant of the Board's
16 decision. The Board may grant an owners license to an applicant
17 that has not submitted the highest license bid, but if it does
18 not select the highest bidder, the Board shall issue a written
19 decision explaining why another applicant was selected and
20 identifying the factors set forth in this Section that favored
21 the winning bidder.

22 In addition to any other revocation powers granted to the
23 Board under this Act, the Board may revoke the owners license
24 of a licensee which fails to begin conducting gambling within
25 15 months of receipt of the Board's approval of the application
26 if the Board determines that license revocation is in the best

1 interests of the State.

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

8 (g) Upon the termination, expiration, or revocation of each
9 of the first 10 licenses, which shall be issued for a 3 year
10 period, all licenses are renewable annually upon payment of the
11 fee and a determination by the Board that the licensee
12 continues to meet all of the requirements of this Act and the
13 Board's rules. However, for licenses renewed on or after May 1,
14 1998, renewal shall be for a period of 4 years, unless the
15 Board sets a shorter period.

16 (h) An owners license shall entitle the licensee to own up
17 to 2 riverboats. A licensee shall limit the number of gambling
18 participants to 1,200 for any such owners license. A licensee
19 may operate both of its riverboats concurrently, provided that
20 the total number of gambling participants on both riverboats
21 does not exceed 1,200. Riverboats licensed to operate on the
22 Mississippi River and the Illinois River south of Marshall
23 County shall have an authorized capacity of at least 500
24 persons. Any other riverboat licensed under this Act shall have
25 an authorized capacity of at least 400 persons.

26 (i) A licensed owner is authorized to apply to the Board

1 for and, if approved therefor, to receive all licenses from the
2 Board necessary for the operation of a riverboat, including a
3 liquor license, a license to prepare and serve food for human
4 consumption, and other necessary licenses. All use, occupation
5 and excise taxes which apply to the sale of food and beverages
6 in this State and all taxes imposed on the sale or use of
7 tangible personal property apply to such sales aboard the
8 riverboat.

9 (j) The Board may issue or re-issue a license authorizing a
10 riverboat to dock in a municipality or approve a relocation
11 under Section 11.2 only if, prior to the issuance or
12 re-issuance of the license or approval, the governing body of
13 the municipality in which the riverboat will dock has by a
14 majority vote approved the docking of riverboats in the
15 municipality. The Board may issue or re-issue a license
16 authorizing a riverboat to dock in areas of a county outside
17 any municipality or approve a relocation under Section 11.2
18 only if, prior to the issuance or re-issuance of the license or
19 approval, the governing body of the county has by a majority
20 vote approved of the docking of riverboats within such areas.

21 (Source: P.A. 94-667, eff. 8-23-05; 94-804, eff. 5-26-06;
22 95-1008, eff. 12-15-08.)

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