



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB1740

Introduced 2/19/2009, by Sen. Jeffrey M. Schoenberg

SYNOPSIS AS INTRODUCED:

See Index

Amends the State Officials and Employees Ethics Act. Removes the Illinois Gaming Board from the list of agencies to which the ex parte communications provisions apply (adds ex parte communication provisions for the Illinois Gaming Board in the Riverboat Gambling Act). Provides for an Executive Inspector General for gaming activities appointed by the Governor who has jurisdiction over the Illinois Gaming Board and officers and employees of the Illinois Gaming Board. Amends the Riverboat Gambling Act. Separates the Illinois Gaming Board from the Department of Revenue and makes conforming changes in various Acts. Ends the terms of the current members of the Illinois Gaming Board and provides that the Governor shall nominate new members from nominations presented by the Nomination Panel, which is created by this amendatory Act. Makes various other changes in provisions concerning the Illinois Gaming Board and its duties. Adds ethics provisions applicable to the Board members, members of the Nomination Panel, and employees. Makes other changes. Effective immediately.

LRB096 11114 AMC 21468 b

CORRECTIONAL
BUDGET AND
IMPACT NOTE ACT
MAY APPLY

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

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 State Officials and Employees Ethics Act is
5 amended by changing Sections 5-50, 20-10, and 20-15 as follows:

6 (5 ILCS 430/5-50)

7 Sec. 5-50. Ex parte communications; special government
8 agents.

9 (a) This Section applies to ex parte communications made to
10 any agency listed in subsection (e).

11 (b) "Ex parte communication" means any written or oral
12 communication by any person that imparts or requests material
13 information or makes a material argument regarding potential
14 action concerning regulatory, quasi-adjudicatory, investment,
15 or licensing matters pending before or under consideration by
16 the agency. "Ex parte communication" does not include the
17 following: (i) statements by a person publicly made in a public
18 forum; (ii) statements regarding matters of procedure and
19 practice, such as format, the number of copies required, the
20 manner of filing, and the status of a matter; and (iii)
21 statements made by a State employee of the agency to the agency
22 head or other employees of that agency.

23 (b-5) An ex parte communication received by an agency,

1 agency head, or other agency employee from an interested party
2 or his or her official representative or attorney shall
3 promptly be memorialized and made a part of the record.

4 (c) An ex parte communication received by any agency,
5 agency head, or other agency employee, other than an ex parte
6 communication described in subsection (b-5), shall immediately
7 be reported to that agency's ethics officer by the recipient of
8 the communication and by any other employee of that agency who
9 responds to the communication. The ethics officer shall require
10 that the ex parte communication be promptly made a part of the
11 record. The ethics officer shall promptly file the ex parte
12 communication with the Executive Ethics Commission, including
13 all written communications, all written responses to the
14 communications, and a memorandum prepared by the ethics officer
15 stating the nature and substance of all oral communications,
16 the identity and job title of the person to whom each
17 communication was made, all responses made, the identity and
18 job title of the person making each response, the identity of
19 each person from whom the written or oral ex parte
20 communication was received, the individual or entity
21 represented by that person, any action the person requested or
22 recommended, and any other pertinent information. The
23 disclosure shall also contain the date of any ex parte
24 communication.

25 (d) "Interested party" means a person or entity whose
26 rights, privileges, or interests are the subject of or are

1 directly affected by a regulatory, quasi-adjudicatory,
2 investment, or licensing matter.

3 (e) This Section applies to the following agencies:

4 Executive Ethics Commission

5 Illinois Commerce Commission

6 Educational Labor Relations Board

7 State Board of Elections

8 ~~Illinois Gaming Board~~

9 Health Facilities Planning Board

10 Illinois Workers' Compensation Commission

11 Illinois Labor Relations Board

12 Illinois Liquor Control Commission

13 Pollution Control Board

14 Property Tax Appeal Board

15 Illinois Racing Board

16 Illinois Purchased Care Review Board

17 Department of State Police Merit Board

18 Motor Vehicle Review Board

19 Prisoner Review Board

20 Civil Service Commission

21 Personnel Review Board for the Treasurer

22 Merit Commission for the Secretary of State

23 Merit Commission for the Office of the Comptroller

24 Court of Claims

25 Board of Review of the Department of Employment Security

26 Department of Insurance

1 Department of Professional Regulation and licensing boards
2 under the Department

3 Department of Public Health and licensing boards under the
4 Department

5 Office of Banks and Real Estate and licensing boards under
6 the Office

7 State Employees Retirement System Board of Trustees

8 Judges Retirement System Board of Trustees

9 General Assembly Retirement System Board of Trustees

10 Illinois Board of Investment

11 State Universities Retirement System Board of Trustees

12 Teachers Retirement System Officers Board of Trustees

13 (f) Any person who fails to (i) report an ex parte
14 communication to an ethics officer, (ii) make information part
15 of the record, or (iii) make a filing with the Executive Ethics
16 Commission as required by this Section or as required by
17 Section 5-165 of the Illinois Administrative Procedure Act
18 violates this Act.

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

20 (5 ILCS 430/20-10)

21 Sec. 20-10. Offices of Executive Inspectors General.

22 (a) ~~Six~~ Five independent Offices of the Executive Inspector
23 General are created, one each for the Governor, the Attorney
24 General, the Secretary of State, the Comptroller, and the
25 Treasurer and one for gaming activities. Each Office shall be

1 under the direction and supervision of an Executive Inspector
2 General and shall be a fully independent office with separate
3 appropriations.

4 (b) The Governor, Attorney General, Secretary of State,
5 Comptroller, and Treasurer shall each appoint an Executive
6 Inspector General, and the Governor shall appoint an Executive
7 Inspector General for gaming activities. Each appointment must
8 be made without regard to political affiliation and solely on
9 the basis of integrity and demonstrated ability. Appointments
10 shall be made by and with the advice and consent of the Senate
11 by three-fifths of the elected members concurring by record
12 vote. Any nomination not acted upon by the Senate within 60
13 session days of the receipt thereof shall be deemed to have
14 received the advice and consent of the Senate. If, during a
15 recess of the Senate, there is a vacancy in an office of
16 Executive Inspector General, the appointing authority shall
17 make a temporary appointment until the next meeting of the
18 Senate when the appointing authority shall make a nomination to
19 fill that office. No person rejected for an office of Executive
20 Inspector General shall, except by the Senate's request, be
21 nominated again for that office at the same session of the
22 Senate or be appointed to that office during a recess of that
23 Senate.

24 Nothing in this Article precludes the appointment by the
25 Governor, Attorney General, Secretary of State, Comptroller,
26 or Treasurer of any other inspector general required or

1 permitted by law. The Governor, Attorney General, Secretary of
2 State, Comptroller, and Treasurer each may appoint an existing
3 inspector general as the Executive Inspector General required
4 by this Article, provided that such an inspector general is not
5 prohibited by law, rule, jurisdiction, qualification, or
6 interest from serving as the Executive Inspector General
7 required by this Article. An appointing authority may not
8 appoint a relative as an Executive Inspector General.

9 Each Executive Inspector General shall have the following
10 qualifications:

11 (1) has not been convicted of any felony under the laws
12 of this State, another State, or the United States;

13 (2) has earned a baccalaureate degree from an
14 institution of higher education; and

15 (3) has 5 or more years of cumulative service (A) with
16 a federal, State, or local law enforcement agency, at least
17 2 years of which have been in a progressive investigatory
18 capacity; (B) as a federal, State, or local prosecutor; (C)
19 as a senior manager or executive of a federal, State, or
20 local agency; (D) as a member, an officer, or a State or
21 federal judge; or (E) representing any combination of (A)
22 through (D).

23 The term of each initial Executive Inspector General shall
24 commence upon qualification and shall run through June 30,
25 2008. The initial appointments shall be made within 60 days
26 after the effective date of this Act.

1 After the initial term, each Executive Inspector General
2 shall serve for 5-year terms commencing on July 1 of the year
3 of appointment and running through June 30 of the fifth
4 following year. An Executive Inspector General may be
5 reappointed to one or more subsequent terms.

6 A vacancy occurring other than at the end of a term shall
7 be filled by the appointing authority only for the balance of
8 the term of the Executive Inspector General whose office is
9 vacant.

10 Terms shall run regardless of whether the position is
11 filled.

12 (c) The Executive Inspector General appointed by the
13 Attorney General shall have jurisdiction over the Attorney
14 General and all officers and employees of, and vendors and
15 others doing business with, State agencies within the
16 jurisdiction of the Attorney General. The Executive Inspector
17 General appointed by the Secretary of State shall have
18 jurisdiction over the Secretary of State and all officers and
19 employees of, and vendors and others doing business with, State
20 agencies within the jurisdiction of the Secretary of State. The
21 Executive Inspector General appointed by the Comptroller shall
22 have jurisdiction over the Comptroller and all officers and
23 employees of, and vendors and others doing business with, State
24 agencies within the jurisdiction of the Comptroller. The
25 Executive Inspector General appointed by the Treasurer shall
26 have jurisdiction over the Treasurer and all officers and

1 employees of, and vendors and others doing business with, State
2 agencies within the jurisdiction of the Treasurer. The
3 Executive Inspector General appointed by the Governor shall
4 have jurisdiction over the Governor, the Lieutenant Governor,
5 and all officers and employees of, and vendors and others doing
6 business with, executive branch State agencies under the
7 jurisdiction of the Executive Ethics Commission and not within
8 the jurisdiction of the Attorney General, the Secretary of
9 State, the Comptroller, ~~or~~ the Treasurer, or the Executive
10 Inspector General for gaming activities. The Executive
11 Inspector General for gaming activities appointed by the
12 Governor has jurisdiction over the Illinois Gaming Board and
13 all officers and employees of the Illinois Gaming Board.

14 The jurisdiction of each Executive Inspector General is to
15 investigate allegations of fraud, waste, abuse, mismanagement,
16 misconduct, nonfeasance, misfeasance, malfeasance, or
17 violations of this Act or violations of other related laws and
18 rules.

19 (d) The minimum compensation for each Executive Inspector
20 General shall be determined by the Executive Ethics Commission.
21 The actual compensation for each Executive Inspector General
22 shall be determined by the appointing ~~executive branch~~
23 ~~constitutional~~ officer and must be at or above the minimum
24 compensation level set by the Executive Ethics Commission.
25 Subject to Section 20-45 of this Act, each Executive Inspector
26 General has full authority to organize his or her Office of the

1 Executive Inspector General, including the employment and
2 determination of the compensation of staff, such as deputies,
3 assistants, and other employees, as appropriations permit. A
4 separate appropriation shall be made for each Office of
5 Executive Inspector General.

6 (e) No Executive Inspector General or employee of the
7 Office of the Executive Inspector General may, during his or
8 her term of appointment or employment:

9 (1) become a candidate for any elective office;

10 (2) hold any other elected or appointed public office
11 except for appointments on governmental advisory boards or
12 study commissions or as otherwise expressly authorized by
13 law;

14 (3) be actively involved in the affairs of any
15 political party or political organization; or

16 (4) actively participate in any campaign for any
17 elective office.

18 In this subsection an appointed public office means a
19 position authorized by law that is filled by an appointing
20 authority as provided by law and does not include employment by
21 hiring in the ordinary course of business.

22 (e-1) No Executive Inspector General or employee of the
23 Office of the Executive Inspector General may, for one year
24 after the termination of his or her appointment or employment:

25 (1) become a candidate for any elective office;

26 (2) hold any elected public office; or

1 (3) hold any appointed State, county, or local judicial
2 office.

3 (e-2) The requirements of item (3) of subsection (e-1) may
4 be waived by the Executive Ethics Commission.

5 (f) An Executive Inspector General may be removed only for
6 cause and may be removed only by the appointing ~~constitutional~~
7 officer. At the time of the removal, the appointing
8 ~~constitutional~~ officer must report to the Executive Ethics
9 Commission the justification for the removal.

10 (Source: P.A. 93-617, eff. 12-9-03.)

11 (5 ILCS 430/20-15)

12 Sec. 20-15. Duties of the Executive Ethics Commission. In
13 addition to duties otherwise assigned by law, the Executive
14 Ethics Commission shall have the following duties:

15 (1) To promulgate rules governing the performance of
16 its duties and the exercise of its powers and governing the
17 investigations of the Executive Inspectors General. It is
18 declared to be in the public interest, safety, and welfare
19 that the Commission adopt emergency rules under the
20 Illinois Administrative Procedure Act to initially perform
21 its duties under this subsection.

22 (2) To conduct administrative hearings and rule on
23 matters brought before the Commission only upon the receipt
24 of pleadings filed by an Executive Inspector General and
25 not upon its own prerogative, but may appoint special

1 Executive Inspectors General as provided in Section 20-21.
2 Any other allegations of misconduct received by the
3 Commission from a person other than an Executive Inspector
4 General shall be referred to the Office of the appropriate
5 Executive Inspector General.

6 (3) To prepare and publish manuals and guides and,
7 working with the Office of the Attorney General, oversee
8 training of employees under its jurisdiction that explains
9 their duties.

10 (4) To prepare public information materials to
11 facilitate compliance, implementation, and enforcement of
12 this Act.

13 (5) To submit reports as required by this Act.

14 (6) To the extent authorized by this Act, to make
15 rulings, issue recommendations, and impose administrative
16 fines, if appropriate, in connection with the
17 implementation and interpretation of this Act. The powers
18 and duties of the Commission are limited to matters clearly
19 within the purview of this Act.

20 (7) To issue subpoenas with respect to matters pending
21 before the Commission, subject to the provisions of this
22 Article and in the discretion of the Commission, to compel
23 the attendance of witnesses for purposes of testimony and
24 the production of documents and other items for inspection
25 and copying.

26 (8) To appoint special Executive Inspectors General as

1 provided in Section 20-21.

2 (9) To review applications and appoint members to the
3 Nomination Panel established under the Riverboat Gambling
4 Act.

5 (Source: P.A. 93-617, eff. 12-9-03.)

6 Section 10. The Executive Reorganization Implementation
7 Act is amended by changing Section 3.1 as follows:

8 (15 ILCS 15/3.1) (from Ch. 127, par. 1803.1)

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

- 21 (1) the State Board of Elections;
- 22 (2) the State Board of Education;
- 23 (3) the Illinois Commerce Commission;
- 24 (4) the Illinois Workers' Compensation Commission;

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

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

7 Section 15. The Department of Revenue Law of the Civil
8 Administrative Code of Illinois is amended by changing Section
9 2505-305 as follows:

10 (20 ILCS 2505/2505-305) (was 20 ILCS 2505/39b15.1)

11 Sec. 2505-305. Investigators.

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

20 (b) The Director must authorize to each investigator
21 employed under this Section and to any other employee of the
22 Department exercising the powers of a peace officer a distinct
23 badge that, on its face, (i) clearly states that the badge is
24 authorized by the Department and (ii) contains a unique

1 identifying number. No other badge shall be authorized by the
2 Department.

3 ~~(c) Investigators appointed under this Section who are~~
4 ~~assigned to the Illinois Gaming Board have and may exercise all~~
5 ~~the rights and powers of peace officers, provided that these~~
6 ~~powers shall be limited to offenses or violations occurring or~~
7 ~~committed on a riverboat or dock, as defined in subsections (d)~~
8 ~~and (f) of Section 4 of the Riverboat Gambling 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 20. The Illinois Pension Code is amended by
12 changing Sections 14-110, 14-111, 14-152.1, 18-127, and 18-169
13 as follows:

14 (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

15 Sec. 14-110. Alternative retirement annuity.

16 (a) Any member who has withdrawn from service with not less
17 than 20 years of eligible creditable service and has attained
18 age 55, and any member who has withdrawn from service with not
19 less than 25 years of eligible creditable service and has
20 attained age 50, regardless of whether the attainment of either
21 of the specified ages occurs while the member is still in
22 service, shall be entitled to receive at the option of the
23 member, in lieu of the regular or minimum retirement annuity, a
24 retirement annuity computed as follows:

1 (i) for periods of service as a noncovered employee: if
2 retirement occurs on or after January 1, 2001, 3% of final
3 average compensation for each year of creditable service;
4 if retirement occurs before January 1, 2001, 2 1/4% of
5 final average compensation for each of the first 10 years
6 of creditable service, 2 1/2% for each year above 10 years
7 to and including 20 years of creditable service, and 2 3/4%
8 for each year of creditable service above 20 years; and

9 (ii) for periods of eligible creditable service as a
10 covered employee: if retirement occurs on or after January
11 1, 2001, 2.5% of final average compensation for each year
12 of creditable service; if retirement occurs before January
13 1, 2001, 1.67% of final average compensation for each of
14 the first 10 years of such service, 1.90% for each of the
15 next 10 years of such service, 2.10% for each year of such
16 service in excess of 20 but not exceeding 30, and 2.30% for
17 each year in excess of 30.

18 Such annuity shall be subject to a maximum of 75% of final
19 average compensation if retirement occurs before January 1,
20 2001 or to a maximum of 80% of final average compensation if
21 retirement occurs on or after January 1, 2001.

22 These rates shall not be applicable to any service
23 performed by a member as a covered employee which is not
24 eligible creditable service. Service as a covered employee
25 which is not eligible creditable service shall be subject to
26 the rates and provisions of Section 14-108.

1 (b) For the purpose of this Section, "eligible creditable
2 service" means creditable service resulting from service in one
3 or more of the following positions:

4 (1) State policeman;

5 (2) fire fighter in the fire protection service of a
6 department;

7 (3) air pilot;

8 (4) special agent;

9 (5) investigator for the Secretary of State;

10 (6) conservation police officer;

11 (7) investigator for the Department of Revenue;

12 (7.5) investigator for the Illinois Gaming Board;

13 (8) security employee of the Department of Human
14 Services;

15 (9) Central Management Services security police
16 officer;

17 (10) security employee of the Department of
18 Corrections or the Department of Juvenile Justice;

19 (11) dangerous drugs investigator;

20 (12) investigator for the Department of State Police;

21 (13) investigator for the Office of the Attorney
22 General;

23 (14) controlled substance inspector;

24 (15) investigator for the Office of the State's
25 Attorneys Appellate Prosecutor;

26 (16) Commerce Commission police officer;

1 (17) arson investigator;

2 (18) State highway maintenance worker.

3 A person employed in one of the positions specified in this
4 subsection is entitled to eligible creditable service for
5 service credit earned under this Article while undergoing the
6 basic police training course approved by the Illinois Law
7 Enforcement Training Standards Board, if completion of that
8 training is required of persons serving in that position. For
9 the purposes of this Code, service during the required basic
10 police training course shall be deemed performance of the
11 duties of the specified position, even though the person is not
12 a sworn peace officer at the time of the training.

13 (c) For the purposes of this Section:

14 (1) The term "state policeman" includes any title or
15 position in the Department of State Police that is held by
16 an individual employed under the State Police Act.

17 (2) The term "fire fighter in the fire protection
18 service of a department" includes all officers in such fire
19 protection service including fire chiefs and assistant
20 fire chiefs.

21 (3) The term "air pilot" includes any employee whose
22 official job description on file in the Department of
23 Central Management Services, or in the department by which
24 he is employed if that department is not covered by the
25 Personnel Code, states that his principal duty is the
26 operation of aircraft, and who possesses a pilot's license;

1 however, the change in this definition made by this
2 amendatory Act of 1983 shall not operate to exclude any
3 noncovered employee who was an "air pilot" for the purposes
4 of this Section on January 1, 1984.

5 (4) The term "special agent" means any person who by
6 reason of employment by the Division of Narcotic Control,
7 the Bureau of Investigation or, after July 1, 1977, the
8 Division of Criminal Investigation, the Division of
9 Internal Investigation, the Division of Operations, or any
10 other Division or organizational entity in the Department
11 of State Police is vested by law with duties to maintain
12 public order, investigate violations of the criminal law of
13 this State, enforce the laws of this State, make arrests
14 and recover property. The term "special agent" includes any
15 title or position in the Department of State Police that is
16 held by an individual employed under the State Police Act.

17 (5) The term "investigator for the Secretary of State"
18 means any person employed by the Office of the Secretary of
19 State and vested with such investigative duties as render
20 him ineligible for coverage under the Social Security Act
21 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
22 218(1)(1) of that Act.

23 A person who became employed as an investigator for the
24 Secretary of State between January 1, 1967 and December 31,
25 1975, and who has served as such until attainment of age
26 60, either continuously or with a single break in service

1 of not more than 3 years duration, which break terminated
2 before January 1, 1976, shall be entitled to have his
3 retirement annuity calculated in accordance with
4 subsection (a), notwithstanding that he has less than 20
5 years of credit for such service.

6 (6) The term "Conservation Police Officer" means any
7 person employed by the Division of Law Enforcement of the
8 Department of Natural Resources and vested with such law
9 enforcement duties as render him ineligible for coverage
10 under the Social Security Act by reason of Sections
11 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The
12 term "Conservation Police Officer" includes the positions
13 of Chief Conservation Police Administrator and Assistant
14 Conservation Police Administrator.

15 (7) The term "investigator for the Department of
16 Revenue" means any person employed by the Department of
17 Revenue and vested with such investigative duties as render
18 him ineligible for coverage under the Social Security Act
19 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and
20 218(1)(1) of that Act.

21 (7.5) The term "investigator for the Illinois Gaming
22 Board" means any person employed as such by the Illinois
23 Gaming Board and vested with such peace officer duties as
24 render the person ineligible for coverage under the Social
25 Security Act by reason of Sections 218(d)(5)(A),
26 218(d)(8)(D), and 218(1)(1) of that Act.

1 (8) The term "security employee of the Department of
2 Human Services" means any person employed by the Department
3 of Human Services who (i) is employed at the Chester Mental
4 Health Center and has daily contact with the residents
5 thereof, (ii) is employed within a security unit at a
6 facility operated by the Department and has daily contact
7 with the residents of the security unit, (iii) is employed
8 at a facility operated by the Department that includes a
9 security unit and is regularly scheduled to work at least
10 50% of his or her working hours within that security unit,
11 or (iv) is a mental health police officer. "Mental health
12 police officer" means any person employed by the Department
13 of Human Services in a position pertaining to the
14 Department's mental health and developmental disabilities
15 functions who is vested with such law enforcement duties as
16 render the person ineligible for coverage under the Social
17 Security Act by reason of Sections 218(d)(5)(A),
18 218(d)(8)(D) and 218(1)(1) of that Act. "Security unit"
19 means that portion of a facility that is devoted to the
20 care, containment, and treatment of persons committed to
21 the Department of Human Services as sexually violent
22 persons, persons unfit to stand trial, or persons not
23 guilty by reason of insanity. With respect to past
24 employment, references to the Department of Human Services
25 include its predecessor, the Department of Mental Health
26 and Developmental Disabilities.

1 The changes made to this subdivision (c)(8) by Public
2 Act 92-14 apply to persons who retire on or after January
3 1, 2001, notwithstanding Section 1-103.1.

4 (9) "Central Management Services security police
5 officer" means any person employed by the Department of
6 Central Management Services who is vested with such law
7 enforcement duties as render him ineligible for coverage
8 under the Social Security Act by reason of Sections
9 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

10 (10) For a member who first became an employee under
11 this Article before July 1, 2005, the term "security
12 employee of the Department of Corrections or the Department
13 of Juvenile Justice" means any employee of the Department
14 of Corrections or the Department of Juvenile Justice or the
15 former Department of Personnel, and any member or employee
16 of the Prisoner Review Board, who has daily contact with
17 inmates or youth by working within a correctional facility
18 or Juvenile facility operated by the Department of Juvenile
19 Justice or who is a parole officer or an employee who has
20 direct contact with committed persons in the performance of
21 his or her job duties. For a member who first becomes an
22 employee under this Article on or after July 1, 2005, the
23 term means an employee of the Department of Corrections or
24 the Department of Juvenile Justice who is any of the
25 following: (i) officially headquartered at a correctional
26 facility or Juvenile facility operated by the Department of

1 Juvenile Justice, (ii) a parole officer, (iii) a member of
2 the apprehension unit, (iv) a member of the intelligence
3 unit, (v) a member of the sort team, or (vi) an
4 investigator.

5 (11) The term "dangerous drugs investigator" means any
6 person who is employed as such by the Department of Human
7 Services.

8 (12) The term "investigator for the Department of State
9 Police" means a person employed by the Department of State
10 Police who is vested under Section 4 of the Narcotic
11 Control Division Abolition Act with such law enforcement
12 powers as render him ineligible for coverage under the
13 Social Security Act by reason of Sections 218(d)(5)(A),
14 218(d)(8)(D) and 218(1)(1) of that Act.

15 (13) "Investigator for the Office of the Attorney
16 General" means any person who is employed as such by the
17 Office of the Attorney General and is vested with such
18 investigative duties as render him ineligible for coverage
19 under the Social Security Act by reason of Sections
20 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For
21 the period before January 1, 1989, the term includes all
22 persons who were employed as investigators by the Office of
23 the Attorney General, without regard to social security
24 status.

25 (14) "Controlled substance inspector" means any person
26 who is employed as such by the Department of Professional

1 Regulation and is vested with such law enforcement duties
2 as render him ineligible for coverage under the Social
3 Security Act by reason of Sections 218(d)(5)(A),
4 218(d)(8)(D) and 218(1)(1) of that Act. The term
5 "controlled substance inspector" includes the Program
6 Executive of Enforcement and the Assistant Program
7 Executive of Enforcement.

8 (15) The term "investigator for the Office of the
9 State's Attorneys Appellate Prosecutor" means a person
10 employed in that capacity on a fulltime basis under the
11 authority of Section 7.06 of the State's Attorneys
12 Appellate Prosecutor's Act.

13 (16) "Commerce Commission police officer" means any
14 person employed by the Illinois Commerce Commission who is
15 vested with such law enforcement duties as render him
16 ineligible for coverage under the Social Security Act by
17 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and
18 218(1)(1) of that Act.

19 (17) "Arson investigator" means any person who is
20 employed as such by the Office of the State Fire Marshal
21 and is vested with such law enforcement duties as render
22 the person ineligible for coverage under the Social
23 Security Act by reason of Sections 218(d)(5)(A),
24 218(d)(8)(D), and 218(1)(1) of that Act. A person who was
25 employed as an arson investigator on January 1, 1995 and is
26 no longer in service but not yet receiving a retirement

1 annuity may convert his or her creditable service for
2 employment as an arson investigator into eligible
3 creditable service by paying to the System the difference
4 between the employee contributions actually paid for that
5 service and the amounts that would have been contributed if
6 the applicant were contributing at the rate applicable to
7 persons with the same social security status earning
8 eligible creditable service on the date of application.

9 (18) The term "State highway maintenance worker" means
10 a person who is either of the following:

11 (i) A person employed on a full-time basis by the
12 Illinois Department of Transportation in the position
13 of highway maintainer, highway maintenance lead
14 worker, highway maintenance lead/lead worker, heavy
15 construction equipment operator, power shovel
16 operator, or bridge mechanic; and whose principal
17 responsibility is to perform, on the roadway, the
18 actual maintenance necessary to keep the highways that
19 form a part of the State highway system in serviceable
20 condition for vehicular traffic.

21 (ii) A person employed on a full-time basis by the
22 Illinois State Toll Highway Authority in the position
23 of equipment operator/laborer H-4, equipment
24 operator/laborer H-6, welder H-4, welder H-6,
25 mechanical/electrical H-4, mechanical/electrical H-6,
26 water/sewer H-4, water/sewer H-6, sign maker/hanger

1 H-4, sign maker/hanger H-6, roadway lighting H-4,
2 roadway lighting H-6, structural H-4, structural H-6,
3 painter H-4, or painter H-6; and whose principal
4 responsibility is to perform, on the roadway, the
5 actual maintenance necessary to keep the Authority's
6 tollways in serviceable condition for vehicular
7 traffic.

8 (d) A security employee of the Department of Corrections or
9 the Department of Juvenile Justice, and a security employee of
10 the Department of Human Services who is not a mental health
11 police officer, shall not be eligible for the alternative
12 retirement annuity provided by this Section unless he or she
13 meets the following minimum age and service requirements at the
14 time of retirement:

15 (i) 25 years of eligible creditable service and age 55;

16 or

17 (ii) beginning January 1, 1987, 25 years of eligible
18 creditable service and age 54, or 24 years of eligible
19 creditable service and age 55; or

20 (iii) beginning January 1, 1988, 25 years of eligible
21 creditable service and age 53, or 23 years of eligible
22 creditable service and age 55; or

23 (iv) beginning January 1, 1989, 25 years of eligible
24 creditable service and age 52, or 22 years of eligible
25 creditable service and age 55; or

26 (v) beginning January 1, 1990, 25 years of eligible

1 creditable service and age 51, or 21 years of eligible
2 creditable service and age 55; or

3 (vi) beginning January 1, 1991, 25 years of eligible
4 creditable service and age 50, or 20 years of eligible
5 creditable service and age 55.

6 Persons who have service credit under Article 16 of this
7 Code for service as a security employee of the Department of
8 Corrections or the Department of Juvenile Justice, or the
9 Department of Human Services in a position requiring
10 certification as a teacher may count such service toward
11 establishing their eligibility under the service requirements
12 of this Section; but such service may be used only for
13 establishing such eligibility, and not for the purpose of
14 increasing or calculating any benefit.

15 (e) If a member enters military service while working in a
16 position in which eligible creditable service may be earned,
17 and returns to State service in the same or another such
18 position, and fulfills in all other respects the conditions
19 prescribed in this Article for credit for military service,
20 such military service shall be credited as eligible creditable
21 service for the purposes of the retirement annuity prescribed
22 in this Section.

23 (f) For purposes of calculating retirement annuities under
24 this Section, periods of service rendered after December 31,
25 1968 and before October 1, 1975 as a covered employee in the
26 position of special agent, conservation police officer, mental

1 health police officer, or investigator for the Secretary of
2 State, shall be deemed to have been service as a noncovered
3 employee, provided that the employee pays to the System prior
4 to retirement an amount equal to (1) the difference between the
5 employee contributions that would have been required for such
6 service as a noncovered employee, and the amount of employee
7 contributions actually paid, plus (2) if payment is made after
8 July 31, 1987, regular interest on the amount specified in item
9 (1) from the date of service to the date of payment.

10 For purposes of calculating retirement annuities under
11 this Section, periods of service rendered after December 31,
12 1968 and before January 1, 1982 as a covered employee in the
13 position of investigator for the Department of Revenue shall be
14 deemed to have been service as a noncovered employee, provided
15 that the employee pays to the System prior to retirement an
16 amount equal to (1) the difference between the employee
17 contributions that would have been required for such service as
18 a noncovered employee, and the amount of employee contributions
19 actually paid, plus (2) if payment is made after January 1,
20 1990, regular interest on the amount specified in item (1) from
21 the date of service to the date of payment.

22 (g) A State policeman may elect, not later than January 1,
23 1990, to establish eligible creditable service for up to 10
24 years of his service as a policeman under Article 3, by filing
25 a written election with the Board, accompanied by payment of an
26 amount to be determined by the Board, equal to (i) the

1 difference between the amount of employee and employer
2 contributions transferred to the System under Section 3-110.5,
3 and the amounts that would have been contributed had such
4 contributions been made at the rates applicable to State
5 policemen, plus (ii) interest thereon at the effective rate for
6 each year, compounded annually, from the date of service to the
7 date of payment.

8 Subject to the limitation in subsection (i), a State
9 policeman may elect, not later than July 1, 1993, to establish
10 eligible creditable service for up to 10 years of his service
11 as a member of the County Police Department under Article 9, by
12 filing a written election with the Board, accompanied by
13 payment of an amount to be determined by the Board, equal to
14 (i) the difference between the amount of employee and employer
15 contributions transferred to the System under Section 9-121.10
16 and the amounts that would have been contributed had those
17 contributions been made at the rates applicable to State
18 policemen, plus (ii) interest thereon at the effective rate for
19 each year, compounded annually, from the date of service to the
20 date of payment.

21 (h) Subject to the limitation in subsection (i), a State
22 policeman or investigator for the Secretary of State may elect
23 to establish eligible creditable service for up to 12 years of
24 his service as a policeman under Article 5, by filing a written
25 election with the Board on or before January 31, 1992, and
26 paying to the System by January 31, 1994 an amount to be

1 determined by the Board, equal to (i) the difference between
2 the amount of employee and employer contributions transferred
3 to the System under Section 5-236, and the amounts that would
4 have been contributed had such contributions been made at the
5 rates applicable to State policemen, plus (ii) interest thereon
6 at the effective rate for each year, compounded annually, from
7 the date of service to the date of payment.

8 Subject to the limitation in subsection (i), a State
9 policeman, conservation police officer, or investigator for
10 the Secretary of State may elect to establish eligible
11 creditable service for up to 10 years of service as a sheriff's
12 law enforcement employee under Article 7, by filing a written
13 election with the Board on or before January 31, 1993, and
14 paying to the System by January 31, 1994 an amount to be
15 determined by the Board, equal to (i) the difference between
16 the amount of employee and employer contributions transferred
17 to the System under Section 7-139.7, and the amounts that would
18 have been contributed had such contributions been made at the
19 rates applicable to State policemen, plus (ii) interest thereon
20 at the effective rate for each year, compounded annually, from
21 the date of service to the date of payment.

22 Subject to the limitation in subsection (i), a State
23 policeman, conservation police officer, or investigator for
24 the Secretary of State may elect to establish eligible
25 creditable service for up to 5 years of service as a police
26 officer under Article 3, a policeman under Article 5, a

1 sheriff's law enforcement employee under Article 7, a member of
2 the county police department under Article 9, or a police
3 officer under Article 15 by filing a written election with the
4 Board and paying to the System an amount to be determined by
5 the Board, equal to (i) the difference between the amount of
6 employee and employer contributions transferred to the System
7 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4
8 and the amounts that would have been contributed had such
9 contributions been made at the rates applicable to State
10 policemen, plus (ii) interest thereon at the effective rate for
11 each year, compounded annually, from the date of service to the
12 date of payment.

13 (i) The total amount of eligible creditable service
14 established by any person under subsections (g), (h), (j), (k),
15 and (l) of this Section shall not exceed 12 years.

16 (j) Subject to the limitation in subsection (i), an
17 investigator for the Office of the State's Attorneys Appellate
18 Prosecutor or a controlled substance inspector may elect to
19 establish eligible creditable service for up to 10 years of his
20 service as a policeman under Article 3 or a sheriff's law
21 enforcement employee under Article 7, by filing a written
22 election with the Board, accompanied by payment of an amount to
23 be determined by the Board, equal to (1) the difference between
24 the amount of employee and employer contributions transferred
25 to the System under Section 3-110.6 or 7-139.8, and the amounts
26 that would have been contributed had such contributions been

1 made at the rates applicable to State policemen, plus (2)
2 interest thereon at the effective rate for each year,
3 compounded annually, from the date of service to the date of
4 payment.

5 (k) Subject to the limitation in subsection (i) of this
6 Section, an alternative formula employee may elect to establish
7 eligible creditable service for periods spent as a full-time
8 law enforcement officer or full-time corrections officer
9 employed by the federal government or by a state or local
10 government located outside of Illinois, for which credit is not
11 held in any other public employee pension fund or retirement
12 system. To obtain this credit, the applicant must file a
13 written application with the Board by March 31, 1998,
14 accompanied by evidence of eligibility acceptable to the Board
15 and payment of an amount to be determined by the Board, equal
16 to (1) employee contributions for the credit being established,
17 based upon the applicant's salary on the first day as an
18 alternative formula employee after the employment for which
19 credit is being established and the rates then applicable to
20 alternative formula employees, plus (2) an amount determined by
21 the Board to be the employer's normal cost of the benefits
22 accrued for the credit being established, plus (3) regular
23 interest on the amounts in items (1) and (2) from the first day
24 as an alternative formula employee after the employment for
25 which credit is being established to the date of payment.

26 (l) Subject to the limitation in subsection (i), a security

1 employee of the Department of Corrections may elect, not later
2 than July 1, 1998, to establish eligible creditable service for
3 up to 10 years of his or her service as a policeman under
4 Article 3, by filing a written election with the Board,
5 accompanied by payment of an amount to be determined by the
6 Board, equal to (i) the difference between the amount of
7 employee and employer contributions transferred to the System
8 under Section 3-110.5, and the amounts that would have been
9 contributed had such contributions been made at the rates
10 applicable to security employees of the Department of
11 Corrections, plus (ii) interest thereon at the effective rate
12 for each year, compounded annually, from the date of service to
13 the date of payment.

14 (m) The amendatory changes to this Section made by this
15 amendatory Act of the 94th General Assembly apply only to: (1)
16 security employees of the Department of Juvenile Justice
17 employed by the Department of Corrections before the effective
18 date of this amendatory Act of the 94th General Assembly and
19 transferred to the Department of Juvenile Justice by this
20 amendatory Act of the 94th General Assembly; and (2) persons
21 employed by the Department of Juvenile Justice on or after the
22 effective date of this amendatory Act of the 94th General
23 Assembly who are required by subsection (b) of Section 3-2.5-15
24 of the Unified Code of Corrections to have a bachelor's or
25 advanced degree from an accredited college or university with a
26 specialization in criminal justice, education, psychology,

1 social work, or a closely related social science or, in the
2 case of persons who provide vocational training, who are
3 required to have adequate knowledge in the skill for which they
4 are providing the vocational training.

5 (Source: P.A. 94-4, eff. 6-1-05; 94-696, eff. 6-1-06; 95-530,
6 eff. 8-28-07.)

7 (40 ILCS 5/14-111) (from Ch. 108 1/2, par. 14-111)

8 Sec. 14-111. Re-entry After retirement.

9 (a) An annuitant who re-enters the service of a department
10 and receives compensation on a regular payroll shall receive no
11 payments of the retirement annuity during the time he is so
12 employed, with the following exceptions:

13 (1) An annuitant who is employed by a department while
14 he or she is a continuing participant in the General
15 Assembly Retirement System under Sections 2-117.1 and
16 14-105.4 will not be considered to have made a re-entry
17 after retirement within the meaning of this Section for the
18 duration of such continuing participation. Any person who
19 is a continuing participant under Sections 2-117.1 and
20 14-105.4 on the effective date of this amendatory Act of
21 1991 and whose retirement annuity has been suspended under
22 this Section shall be entitled to receive from the System a
23 sum equal to the annuity payments that have been withheld
24 under this Section, and shall receive the benefit of this
25 amendment without regard to Section 1-103.1.

1 (2) An annuitant who accepts temporary employment from
2 such a department for a period not exceeding 75 working
3 days in any calendar year is not considered to make a
4 re-entry after retirement within the meaning of this
5 Section. Any part of a day on temporary employment is
6 considered a full day of employment.

7 (3) An annuitant who accepts employment as a member of
8 the Illinois Gaming Board may elect to not participate in
9 this System with respect to that service. An annuitant who
10 elects to not participate in this System with respect to
11 that service is not considered to make a re-entry after
12 retirement within the meaning of this Section.

13 (b) If such person re-enters the service of a department,
14 not as a temporary employee, contributions to the system shall
15 begin as of the date of re-employment and additional creditable
16 service shall begin to accrue. He shall assume the status of a
17 member entitled to all rights and privileges in the system,
18 including death and disability benefits, excluding a refund of
19 contributions.

20 Upon subsequent retirement, his retirement annuity shall
21 consist of:

22 (1) the amounts of the annuities terminated by re-entry
23 into service; and

24 (2) the amount of the additional retirement annuity
25 earned by the member during the period of additional
26 membership service which shall not be subject to

1 reversionary annuity if any.

2 The total retirement annuity shall not, however, exceed the
3 maximum applicable to the member at the time of original
4 retirement. In the computation of any such retirement annuity,
5 the time that the member was on retirement shall not interrupt
6 the continuity of service for the computation of final average
7 compensation and the additional membership service shall be
8 considered, together with service rendered before the previous
9 retirement, in establishing final average compensation.

10 A person who re-enters the service of a department within 3
11 years after retiring may qualify to have the retirement annuity
12 computed as though the member had not previously retired by
13 paying to the System, within 5 years after re-entry and prior
14 to subsequent retirement, in a lump sum or in installment
15 payments in accordance with such rules as may be adopted by the
16 Board, an amount equal to all retirement payments received,
17 including any payments received in accordance with subsection
18 (c) or (d) of Section 14-130, plus regular interest from the
19 date retirement payments were suspended to the date of
20 repayment.

21 (Source: P.A. 86-1488; 87-794.)

22 (40 ILCS 5/14-152.1)

23 Sec. 14-152.1. Application and expiration of new benefit
24 increases.

25 (a) As used in this Section, "new benefit increase" means

1 an increase in the amount of any benefit provided under this
2 Article, or an expansion of the conditions of eligibility for
3 any benefit under this Article, that results from an amendment
4 to this Code that takes effect after June 1, 2005 (the
5 effective date of Public Act 94-4) ~~this amendatory Act of the~~
6 ~~94th General Assembly~~. "New benefit increase", however, does
7 not include any benefit increase resulting from the changes
8 made to this Article by this amendatory Act of the 96th General
9 Assembly.

10 (b) Notwithstanding any other provision of this Code or any
11 subsequent amendment to this Code, every new benefit increase
12 is subject to this Section and shall be deemed to be granted
13 only in conformance with and contingent upon compliance with
14 the provisions of this Section.

15 (c) The Public Act enacting a new benefit increase must
16 identify and provide for payment to the System of additional
17 funding at least sufficient to fund the resulting annual
18 increase in cost to the System as it accrues.

19 Every new benefit increase is contingent upon the General
20 Assembly providing the additional funding required under this
21 subsection. The Commission on Government Forecasting and
22 Accountability shall analyze whether adequate additional
23 funding has been provided for the new benefit increase and
24 shall report its analysis to the Public Pension Division of the
25 Department of Financial and Professional Regulation. A new
26 benefit increase created by a Public Act that does not include

1 the additional funding required under this subsection is null
2 and void. If the Public Pension Division determines that the
3 additional funding provided for a new benefit increase under
4 this subsection is or has become inadequate, it may so certify
5 to the Governor and the State Comptroller and, in the absence
6 of corrective action by the General Assembly, the new benefit
7 increase shall expire at the end of the fiscal year in which
8 the certification is made.

9 (d) Every new benefit increase shall expire 5 years after
10 its effective date or on such earlier date as may be specified
11 in the language enacting the new benefit increase or provided
12 under subsection (c). This does not prevent the General
13 Assembly from extending or re-creating a new benefit increase
14 by law.

15 (e) Except as otherwise provided in the language creating
16 the new benefit increase, a new benefit increase that expires
17 under this Section continues to apply to persons who applied
18 and qualified for the affected benefit while the new benefit
19 increase was in effect and to the affected beneficiaries and
20 alternate payees of such persons, but does not apply to any
21 other person, including without limitation a person who
22 continues in service after the expiration date and did not
23 apply and qualify for the affected benefit while the new
24 benefit increase was in effect.

25 (Source: P.A. 94-4, eff. 6-1-05.)

1 (40 ILCS 5/18-127) (from Ch. 108 1/2, par. 18-127)
2 Sec. 18-127. Retirement annuity - suspension on
3 reemployment.

4 (a) A participant receiving a retirement annuity who is
5 regularly employed for compensation by an employer other than a
6 county, in any capacity, shall have his or her retirement
7 annuity payments suspended during such employment. Upon
8 termination of such employment, retirement annuity payments at
9 the previous rate shall be resumed.

10 If such a participant resumes service as a judge, he or she
11 shall receive credit for any additional service. Upon
12 subsequent retirement, his or her retirement annuity shall be
13 the amount previously granted, plus the amount earned by the
14 additional judicial service under the provisions in effect
15 during the period of such additional service. However, if the
16 participant was receiving the maximum rate of annuity at the
17 time of re-employment, he or she may elect, in a written
18 direction filed with the board, not to receive any additional
19 service credit during the period of re-employment. In such
20 case, contributions shall not be required during the period of
21 re-employment. Any such election shall be irrevocable.

22 (b) Beginning January 1, 1991, any participant receiving a
23 retirement annuity who accepts temporary employment from an
24 employer other than a county for a period not exceeding 75
25 working days in any calendar year shall not be deemed to be
26 regularly employed for compensation or to have resumed service

1 as a judge for the purposes of this Article. A day shall be
2 considered a working day if the annuitant performs on it any of
3 his duties under the temporary employment agreement.

4 (c) Except as provided in subsection (a), beginning January
5 1, 1993, retirement annuities shall not be subject to
6 suspension upon resumption of employment for an employer, and
7 any retirement annuity that is then so suspended shall be
8 reinstated on that date.

9 (d) The changes made in this Section by this amendatory Act
10 of 1993 shall apply to judges no longer in service on its
11 effective date, as well as to judges serving on or after that
12 date.

13 (e) A participant receiving a retirement annuity under this
14 Article who (i) serves as a part-time employee in any of the
15 following positions: Legislative Inspector General, Special
16 Legislative Inspector General, employee of the Office of the
17 Legislative Inspector General, Executive Director of the
18 Legislative Ethics Commission, or staff of the Legislative
19 Ethics Commission or (ii) serves on the Illinois Gaming Board,
20 but has not elected to participate in the Article 14 System
21 with respect to that service, shall not be deemed to be
22 regularly employed for compensation by an employer other than a
23 county, nor to have resumed service as a judge, on the basis of
24 that service, and the retirement annuity payments and other
25 benefits of that person under this Code shall not be suspended,
26 diminished, or otherwise impaired solely as a consequence of

1 that service. This subsection (e) applies without regard to
2 whether the person is in service as a judge under this Article
3 on or after the effective date of this amendatory Act of the
4 93rd General Assembly. In this subsection, a "part-time
5 employee" is a person who is not required to work at least 35
6 hours per week. The changes made to this subsection (e) by this
7 amendatory Act of the 96th General Assembly apply without
8 regard to whether the person is in service as a judge under
9 this Article on or after the effective date of this amendatory
10 Act of the 96th General Assembly.

11 (f) A participant receiving a retirement annuity under this
12 Article who has made an election under Section 1-123 and who is
13 serving either as legal counsel in the Office of the Governor
14 or as Chief Deputy Attorney General shall not be deemed to be
15 regularly employed for compensation by an employer other than a
16 county, nor to have resumed service as a judge, on the basis of
17 that service, and the retirement annuity payments and other
18 benefits of that person under this Code shall not be suspended,
19 diminished, or otherwise impaired solely as a consequence of
20 that service. This subsection (f) applies without regard to
21 whether the person is in service as a judge under this Article
22 on or after the effective date of this amendatory Act of the
23 93rd General Assembly.

24 (Source: P.A. 93-685, eff. 7-8-04; 93-1069, eff. 1-15-05.)

1 Sec. 18-169. Application and expiration of new benefit
2 increases.

3 (a) As used in this Section, "new benefit increase" means
4 an increase in the amount of any benefit provided under this
5 Article, or an expansion of the conditions of eligibility for
6 any benefit under this Article, that results from an amendment
7 to this Code that takes effect after June 1, 2005 (the
8 effective date Public Act 94-4) ~~of this amendatory Act of the~~
9 ~~94th General Assembly~~. "New benefit increase", however, does
10 not include any benefit increase resulting from the changes
11 made to this Article by this amendatory Act of the 96th General
12 Assembly.

13 (b) Notwithstanding any other provision of this Code or any
14 subsequent amendment to this Code, every new benefit increase
15 is subject to this Section and shall be deemed to be granted
16 only in conformance with and contingent upon compliance with
17 the provisions of this Section.

18 (c) The Public Act enacting a new benefit increase must
19 identify and provide for payment to the System of additional
20 funding at least sufficient to fund the resulting annual
21 increase in cost to the System as it accrues.

22 Every new benefit increase is contingent upon the General
23 Assembly providing the additional funding required under this
24 subsection. The Commission on Government Forecasting and
25 Accountability shall analyze whether adequate additional
26 funding has been provided for the new benefit increase and

1 shall report its analysis to the Public Pension Division of the
2 Department of Financial and Professional Regulation. A new
3 benefit increase created by a Public Act that does not include
4 the additional funding required under this subsection is null
5 and void. If the Public Pension Division determines that the
6 additional funding provided for a new benefit increase under
7 this subsection is or has become inadequate, it may so certify
8 to the Governor and the State Comptroller and, in the absence
9 of corrective action by the General Assembly, the new benefit
10 increase shall expire at the end of the fiscal year in which
11 the certification is made.

12 (d) Every new benefit increase shall expire 5 years after
13 its effective date or on such earlier date as may be specified
14 in the language enacting the new benefit increase or provided
15 under subsection (c). This does not prevent the General
16 Assembly from extending or re-creating a new benefit increase
17 by law.

18 (e) Except as otherwise provided in the language creating
19 the new benefit increase, a new benefit increase that expires
20 under this Section continues to apply to persons who applied
21 and qualified for the affected benefit while the new benefit
22 increase was in effect and to the affected beneficiaries and
23 alternate payees of such persons, but does not apply to any
24 other person, including without limitation a person who
25 continues in service after the expiration date and did not
26 apply and qualify for the affected benefit while the new

1 benefit increase was in effect.

2 (Source: P.A. 94-4, eff. 6-1-05.)

3 Section 25. The Riverboat Gambling Act is amended by
4 changing Sections 5, 5.1, 11, and 13 and by adding Sections
5 5.2, 5.3, 5.5, 5.7, and 9.5 as follows:

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 chairperson
21 ~~chairman~~. Each member shall have a reasonable knowledge of the
22 practice, procedure and principles of gambling operations.
23 Each member shall either be a resident of Illinois or shall
24 certify that he or she will become a resident of Illinois

1 before taking office. Notwithstanding any provision of this
2 Section to the contrary, the term of office of each member of
3 the Board ends on the effective date of this amendatory Act of
4 the 96th General Assembly and those members shall hold office
5 only until their successors are appointed and qualified
6 pursuant to this amendatory Act. Members appointed pursuant to
7 this amendatory Act of the 96th General Assembly and their
8 successors shall serve on a full-time basis and may not hold
9 any other employment for which they are compensated.

10 Beginning on the effective date of this amendatory Act of
11 the 96th General Assembly, the Board shall consist of 5 members
12 appointed by the Governor from nominations presented to the
13 Governor by the Nomination Panel and with the advice and
14 consent of the Senate. The Board must include the following:

15 (1) One member must have, at a minimum, a bachelor's
16 degree from an accredited school and at least 10 years of
17 verifiable training and experience in the fields of
18 investigation and law enforcement.

19 (2) One member must be a certified public accountant
20 with experience in auditing and with knowledge of complex
21 corporate structures and transactions.

22 (3) One member must have 5 years' experience as a
23 principal, senior officer, or director of a company or
24 business with either material responsibility for the daily
25 operations and management of the overall company or
26 business or material responsibility for the policy making

1 of the company or business.

2 (4) Two members must be former judges elected or
3 appointed to judicial office in Illinois or former federal
4 judges appointed to serve in Illinois.

5 No more than 3 members of the Board may be from the same
6 political party. The Board should reflect the ethnic, cultural,
7 and geographic diversity of the State. Each member shall have a
8 reasonable knowledge of the practice, procedures, and
9 principles of gambling operations. No Board member, within a
10 period of 2 years immediately preceding nomination, shall have
11 been employed by or received compensation or fees for services
12 from a person or entity, or its parent or affiliate, that has
13 engaged in business with the Board, a licensee, or a licensee
14 under the Horse Racing Act of 1975. Each member shall either be
15 a resident of Illinois or shall certify that he or she will
16 become a resident of Illinois before taking office. ~~At least~~
17 ~~one member shall be experienced in law enforcement and criminal~~
18 ~~investigation, at least one member shall be a certified public~~
19 ~~accountant experienced in accounting and auditing, and at least~~
20 ~~one member shall be a lawyer licensed to practice law in~~
21 ~~Illinois.~~

22 (3) The terms of office of the Board members shall be 4 ~~3~~
23 years, except that the terms of office of the initial Board
24 members appointed pursuant to this amendatory Act of the 96th
25 General Assembly Act will commence from the effective date of
26 this amendatory Act and run as follows, to be determined by

1 lot: one for a term ending July 1 of the year following
2 confirmation, ~~1991~~, one 2 for a term ending July 1 two years
3 following confirmation, ~~1992~~, one and 2 for a term ending July
4 1 three years following confirmation, and 2 for a term ending
5 July 1 four years following confirmation ~~1993~~. Upon the
6 expiration of the foregoing terms, the successors of such
7 members shall serve a term for 4 3 years and until their
8 successors are appointed and qualified for like terms.
9 Vacancies in the Board shall be filled for the unexpired term
10 in like manner as original appointments. Each member of the
11 Board shall be eligible for reappointment, subject to the
12 nomination process of the Nomination Panel, by at the
13 discretion of the Governor with the advice and consent of the
14 Senate.

15 Until all 5 members of the Board are appointed and
16 qualified pursuant to this amendatory Act of the 96th General
17 Assembly, the Illinois Gaming Board may not act with regard to
18 any license under which gambling operations are not being
19 conducted on the effective date of this amendatory Act.

20 (4) The chairman of the Board shall receive an annual
21 salary equal to the annual salary of a State appellate court
22 judge. Other members of the Board shall receive an annual
23 salary equal to the annual salary of a State circuit court
24 judge. ~~Each member of the Board shall receive \$300 for each day~~
25 ~~the Board meets and for each day the member conducts any~~
26 ~~hearing pursuant to this Act.~~ Each member of the Board shall

1 also be reimbursed for all actual and necessary expenses and
2 disbursements incurred in the execution of official duties.

3 (5) (Blank). ~~No person shall be appointed a member of the~~
4 ~~Board or continue to be a member of the Board who is, or whose~~
5 ~~spouse, child or parent is, a member of the board of directors~~
6 ~~of, or a person financially interested in, any gambling~~
7 ~~operation subject to the jurisdiction of this Board, or any~~
8 ~~race track, race meeting, racing association or the operations~~
9 ~~thereof subject to the jurisdiction of the Illinois Racing~~
10 ~~Board. No Board member shall hold any other public office for~~
11 ~~which he shall receive compensation other than necessary travel~~
12 ~~or other incidental expenses. No person shall be a member of~~
13 ~~the Board who is not of good moral character or who has been~~
14 ~~convicted of, or is under indictment for, a felony under the~~
15 ~~laws of Illinois or any other state, or the United States.~~

16 (6) Any member of the Board may be removed by the Governor
17 for neglect of duty, misfeasance, malfeasance, or nonfeasance
18 in office or for engaging in any political activity.

19 (7) Before entering upon the discharge of the duties of his
20 office, each member of the Board shall take an oath that he
21 will faithfully execute the duties of his office according to
22 the laws of the State and the rules and regulations adopted
23 therewith and shall give bond to the State of Illinois,
24 approved by the Governor, in the sum of \$25,000. Every such
25 bond, when duly executed and approved, shall be recorded in the
26 office of the Secretary of State. Whenever the Governor

1 determines that the bond of any member of the Board has become
2 or is likely to become invalid or insufficient, he shall
3 require such member forthwith to renew his bond, which is to be
4 approved by the Governor. Any member of the Board who fails to
5 take oath and give bond within 30 days from the date of his
6 appointment, or who fails to renew his bond within 30 days
7 after it is demanded by the Governor, shall be guilty of
8 neglect of duty and may be removed by the Governor. The cost of
9 any bond given by any member of the Board under this Section
10 shall be taken to be a part of the necessary expenses of the
11 Board.

12 (8) ~~The~~ Upon the request of the Board, the Department shall
13 employ such personnel as may be necessary to carry out its ~~the~~
14 functions and shall determine the salaries of all personnel,
15 except those personnel whose salaries are determined under the
16 terms of a collective bargaining agreement ~~of the Board~~. No
17 person shall be employed to serve the Board who is, or whose
18 spouse, parent or child is, an official of, or has a financial
19 interest in or financial relation with, any operator engaged in
20 gambling operations within this State or any organization
21 engaged in conducting horse racing within this State. For the 2
22 years immediately preceding employment, an employee shall not
23 have been employed or received compensation or fees for
24 services from a person or entity, or its parent or affiliate,
25 that has engaged in business with the Board, a licensee, or a
26 licensee under the Horse Racing Act of 1975. Any employee

1 violating these prohibitions shall be subject to termination of
2 employment.

3 (9) An Administrator shall perform any and all duties that
4 the Board shall assign him. The salary of the Administrator
5 shall be determined by the Board ~~and approved by the Director~~
6 ~~of the Department~~ and, in addition, he shall be reimbursed for
7 all actual and necessary expenses incurred by him in discharge
8 of his official duties. The Administrator shall keep records of
9 all proceedings of the Board and shall preserve all records,
10 books, documents and other papers belonging to the Board or
11 entrusted to its care. The Administrator shall devote his full
12 time to the duties of the office and shall not hold any other
13 office or employment.

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

17 (1) To decide promptly and in reasonable order all
18 license applications. Any party aggrieved by an action of
19 the Board denying, suspending, revoking, restricting or
20 refusing to renew a license may request a hearing before
21 the Board. A request for a hearing must be made to the
22 Board in writing within 5 days after service of notice of
23 the action of the Board. Notice of the action of the Board
24 shall be served either by personal delivery or by certified
25 mail, postage prepaid, to the aggrieved party. Notice
26 served by certified mail shall be deemed complete on the

1 business day following the date of such mailing. The Board
2 shall conduct all requested hearings promptly and in
3 reasonable order;

4 (2) To conduct all hearings pertaining to civil
5 violations of this Act or rules and regulations promulgated
6 hereunder;

7 (3) To promulgate such rules and regulations as in its
8 judgment may be necessary to protect or enhance the
9 credibility and integrity of gambling operations
10 authorized by this Act and the regulatory process
11 hereunder;

12 (4) To provide for the establishment and collection of
13 all license and registration fees and taxes imposed by this
14 Act and the rules and regulations issued pursuant hereto.
15 All such fees and taxes shall be deposited into the State
16 Gaming Fund, unless otherwise provided for;

17 (5) To provide for the levy and collection of penalties
18 and fines for the violation of provisions of this Act and
19 the rules and regulations promulgated hereunder. All such
20 fines and penalties shall be deposited into the Education
21 Assistance Fund, created by Public Act 86-0018, of the
22 State of Illinois;

23 (6) To be present through its inspectors and agents any
24 time gambling operations are conducted on any riverboat for
25 the purpose of certifying the revenue thereof, receiving
26 complaints from the public, and conducting such other

1 investigations into the conduct of the gambling games and
2 the maintenance of the equipment as from time to time the
3 Board may deem necessary and proper;

4 (7) To review and rule upon any complaint by a licensee
5 regarding any investigative procedures of the State which
6 are unnecessarily disruptive of gambling operations. The
7 need to inspect and investigate shall be presumed at all
8 times. The disruption of a licensee's operations shall be
9 proved by clear and convincing evidence, and establish
10 that: (A) the procedures had no reasonable law enforcement
11 purposes, and (B) the procedures were so disruptive as to
12 unreasonably inhibit gambling operations;

13 (8) (Blank) ~~To hold at least one meeting each quarter~~
14 ~~of the fiscal year. In addition, special meetings may be~~
15 ~~called by the Chairman or any 2 Board members upon 72 hours~~
16 ~~written notice to each member. All Board meetings shall be~~
17 ~~subject to the Open Meetings Act. Three members of the~~
18 ~~Board shall constitute a quorum, and 3 votes shall be~~
19 ~~required for any final determination by the Board. The~~
20 ~~Board shall keep a complete and accurate record of all its~~
21 ~~meetings. A majority of the members of the Board shall~~
22 ~~constitute a quorum for the transaction of any business,~~
23 ~~for the performance of any duty, or for the exercise of any~~
24 ~~power which this Act requires the Board members to~~
25 ~~transact, perform or exercise on bane, except that, upon~~
26 ~~order of the Board, one of the Board members or an~~

1 ~~administrative law judge designated by the Board may~~
2 ~~conduct any hearing provided for under this Act or by Board~~
3 ~~rule and may recommend findings and decisions to the Board.~~
4 ~~The Board member or administrative law judge conducting~~
5 ~~such hearing shall have all powers and rights granted to~~
6 ~~the Board in this Act. The record made at the time of the~~
7 ~~hearing shall be reviewed by the Board, or a majority~~
8 ~~thereof, and the findings and decision of the majority of~~
9 ~~the Board shall constitute the order of the Board in such~~
10 ~~case;~~

11 (9) To maintain records which are separate and distinct
12 from the records of any other State board or commission.
13 Such records shall be available for public inspection and
14 shall accurately reflect all Board proceedings;

15 (10) (Blank) ~~To file a written annual report with the~~
16 ~~Governor on or before March 1 each year and such additional~~
17 ~~reports as the Governor may request. The annual report~~
18 ~~shall include a statement of receipts and disbursements by~~
19 ~~the Board, actions taken by the Board, and any additional~~
20 ~~information and recommendations which the Board may deem~~
21 ~~valuable or which the Governor may request;~~

22 (11) (Blank); and

23 (12) (Blank). ~~To assume responsibility for the~~
24 ~~administration and enforcement of the Bingo License and Tax~~
25 ~~Act, the Charitable Games Act, and the Pull Tabs and Jar~~
26 ~~Games Act if such responsibility is delegated to it by the~~

1 ~~Director of Revenue.~~

2 (c) The Board shall have jurisdiction over and shall
3 supervise all gambling operations governed by this Act. The
4 Board shall have all powers necessary and proper to fully and
5 effectively execute the provisions of this Act, including, but
6 not limited to, the following:

7 (1) To investigate applicants and determine the
8 eligibility of applicants for licenses and to select among
9 competing applicants the applicants which best serve the
10 interests of the citizens of Illinois.

11 (2) To have jurisdiction and supervision over all
12 riverboat gambling operations in this State and all persons
13 on riverboats where gambling operations are conducted.

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

26 (4) To enter the office, riverboats, facilities, or

1 other places of business of a licensee, where evidence of
2 the compliance or noncompliance with the provisions of this
3 Act is likely to be found.

4 (5) To investigate alleged violations of this Act or
5 the rules of the Board and to take appropriate disciplinary
6 action against a licensee or a holder of an occupational
7 license for a violation, or institute appropriate legal
8 action for enforcement, or both.

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

12 (7) To adopt appropriate standards for all riverboats
13 and facilities.

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

26 (9) To conduct hearings, issue subpoenas for the

1 attendance of witnesses and subpoenas duces tecum for the
2 production of books, records and other pertinent documents
3 in accordance with the Illinois Administrative Procedure
4 Act, and to administer oaths and affirmations to the
5 witnesses, when, in the judgment of the Board, it is
6 necessary to administer or enforce this Act or the Board
7 rules.

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

12 (11) To revoke or suspend licenses, as the Board may
13 see fit and in compliance with applicable laws of the State
14 regarding administrative procedures, and to review
15 applications for the renewal of licenses.

16 (11.5) To ~~The Board may~~ suspend an owners license,
17 without notice or hearing, upon a determination that the
18 safety or health of patrons or employees is jeopardized by
19 continuing a riverboat's operation. The suspension may
20 remain in effect until the Board determines that the cause
21 for suspension has been abated. After such a suspension,
22 the ~~The~~ Board may revoke the owners license upon a
23 determination that the licensee ~~owner~~ has not made
24 satisfactory progress toward abating the hazard.

25 (12) To eject or exclude or authorize the ejection or
26 exclusion of, any person from riverboat gambling

1 facilities where such person is in violation of this Act,
2 rules and regulations thereunder, or final orders of the
3 Board, or where such person's conduct or reputation is such
4 that his presence within the riverboat gambling facilities
5 may, in the opinion of the Board, call into question the
6 honesty and integrity of the gambling operations or
7 interfere with orderly conduct thereof; provided that the
8 propriety of such ejection or exclusion is subject to
9 subsequent hearing by the Board.

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

15 (14) (Blank).

16 (15) To suspend, revoke or restrict licenses, to
17 require the removal of a licensee or an employee of a
18 licensee for a violation of this Act or a Board rule or for
19 engaging in a fraudulent practice, and to impose civil
20 penalties of up to \$5,000 against individuals and up to
21 \$10,000 or an amount equal to the daily gross receipts,
22 whichever is larger, against licensees for each violation
23 of any provision of the Act, any rules adopted by the
24 Board, any order of the Board or any other action which, in
25 the Board's discretion, is a detriment or impediment to
26 riverboat gambling operations.

1 (16) To hire employees to gather information, conduct
2 investigations and carry out any other tasks contemplated
3 under this Act.

4 (17) To establish minimum levels of insurance to be
5 maintained by licensees.

6 (18) To authorize a licensee to sell or serve alcoholic
7 liquors, wine or beer as defined in the Liquor Control Act
8 of 1934 on board a riverboat and to have exclusive
9 authority to establish the hours for sale and consumption
10 of alcoholic liquor on board a riverboat, notwithstanding
11 any provision of the Liquor Control Act of 1934 or any
12 local ordinance, and regardless of whether the riverboat
13 makes excursions. The establishment of the hours for sale
14 and consumption of alcoholic liquor on board a riverboat is
15 an exclusive power and function of the State. A home rule
16 unit may not establish the hours for sale and consumption
17 of alcoholic liquor on board a riverboat. This amendatory
18 Act of 1991 is a denial and limitation of home rule powers
19 and functions under subsection (h) of Section 6 of Article
20 VII of the Illinois Constitution.

21 (19) After consultation with the U.S. Army Corps of
22 Engineers, to establish binding emergency orders upon the
23 concurrence of a majority of the members of the Board
24 regarding the navigability of water, relative to
25 excursions, in the event of extreme weather conditions,
26 acts of God or other extreme circumstances.

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

4 (21) When all 5 members of the Board are appointed and
5 qualified pursuant to this amendatory Act of the 96th
6 General Assembly, to review all contracts entered into by
7 owners licensees authorized under this Act. The Board must
8 review and approve all contracts entered into by a owners
9 licensee for an aggregate amount of \$10,000 or more or for
10 a term to exceed 365 days. If a contract has been entered
11 into prior to Board authorization of a requested action,
12 including without limitation a contract for a construction
13 project for expansion of a facility, or for construction of
14 a relocated facility, then the contract is not valid until
15 the Board approves both the requested action and the
16 contract itself.

17 (22) ~~(21)~~ To take any other action as may be reasonable
18 or appropriate to enforce this Act and rules and
19 regulations hereunder.

20 (d) The Board may seek and shall receive the cooperation of
21 the Department of State Police in conducting background
22 investigations of applicants and in fulfilling its
23 responsibilities under this Section. Costs incurred by the
24 Department of State Police as a result of such cooperation
25 shall be paid by the Board in conformance with the requirements
26 of Section 2605-400 of the Department of State Police Law (20

1 ILCS 2605/2605-400).

2 (e) The Board must authorize to each investigator and to
3 any other employee of the Board exercising the powers of a
4 peace officer a distinct badge that, on its face, (i) clearly
5 states that the badge is authorized by the Board and (ii)
6 contains a unique identifying number. No other badge shall be
7 authorized by the Board.

8 (f) Except as provided in subsection (h) of Section 5.4,
9 all Board meetings are subject to the Open Meetings Act. Three
10 members of the Board constitute a quorum, and 3 votes are
11 required for any final determination by the Board. The Board
12 shall keep a complete and accurate record of all its meetings.
13 A majority of the members of the Board constitute a quorum for
14 the transaction of any business, for the performance of any
15 duty, or for the exercise of any power that this Act requires
16 the Board members to transact, perform, or exercise en banc,
17 except that, upon order of the Board, one of the Board members
18 or an administrative law judge designated by the Board may
19 conduct any hearing provided for under this Act or by Board
20 rule and may recommend findings and decisions to the Board. The
21 Board member or administrative law judge conducting such
22 hearing has all powers and rights granted to the Board in this
23 Act. The record made at the time of the hearing shall be
24 reviewed by the Board, or a majority thereof, and the findings
25 and decision of the majority of the Board constitutes the order
26 of the Board in such case.

1 (g) The Board shall carry on a continuous study of the
2 operation and administration of gaming laws that may be in
3 effect in other jurisdictions, literature on this subject that
4 may from time to time become available, federal laws that may
5 affect the operation of gaming in this State, and the reaction
6 of Illinois citizens to existing and potential features of
7 gaming under this Act. The Board is responsible for
8 ascertaining any defects in this Act or in the rules adopted
9 thereunder, formulating recommendations for changes in this
10 Act to prevent abuses thereof, guarding against the use of this
11 Act as a cloak for the carrying on of illegal gambling or other
12 criminal activities, and insuring that this Act and the rules
13 are in such form and so administered as to serve the true
14 purposes of this Act.

15 (h) The Board shall file with the Governor and the General
16 Assembly an annual report of (i) all revenues, expenses, and
17 disbursements, (ii) actions taken by the Board, and (iii) any
18 recommendations for changes in this Act as the Board deems
19 necessary or desirable. The Board shall also report
20 recommendations that promote more efficient operations of the
21 Board.

22 (i) The Board shall report immediately to the Governor and
23 the General Assembly any matters that in its judgment require
24 immediate changes in the laws of this State in order to prevent
25 abuses and evasions of this Act or of its rules or to rectify
26 undesirable conditions in connection with the operation and

1 regulation of gambling operations.

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

4 (230 ILCS 10/5.1) (from Ch. 120, par. 2405.1)

5 Sec. 5.1. Disclosure of records.

6 (a) Notwithstanding any applicable statutory provision to
7 the contrary, the Board shall, on written request from any
8 person, provide information furnished by an applicant or
9 licensee concerning the applicant or licensee, his products,
10 services or gambling enterprises and his business holdings, as
11 follows:

12 (1) The name, business address and business telephone
13 number of any applicant or licensee.

14 (2) An identification of any applicant or licensee
15 including, if an applicant or licensee is not an
16 individual, the state of incorporation or registration,
17 the corporate officers, and the identity of all
18 shareholders or participants. If an applicant or licensee
19 has a pending registration statement filed with the
20 Securities and Exchange Commission, only the names of those
21 persons or entities holding interest of 1% ~~5%~~ or more must
22 be provided.

23 (3) An identification of any business, including, if
24 applicable, the state of incorporation or registration, in
25 which an applicant or licensee or an applicant's or

1 licensee's spouse or children has an equity interest of
2 more than 1% ~~5%~~. If an applicant or licensee is a
3 corporation, partnership or other business entity, the
4 applicant or licensee shall identify any other
5 corporation, partnership or business entity in which it has
6 an equity interest of 1% ~~5%~~ or more, including, if
7 applicable, the state of incorporation or registration.
8 This information need not be provided by a corporation,
9 partnership or other business entity that has a pending
10 registration statement filed with the Securities and
11 Exchange Commission.

12 (4) Whether an applicant or licensee has been indicted,
13 convicted, pleaded guilty or nolo contendere, or forfeited
14 bail concerning any criminal offense under the laws of any
15 jurisdiction, either felony or misdemeanor (except for
16 traffic violations), including the date, the name and
17 location of the court, arresting agency and prosecuting
18 agency, the case number, the offense, the disposition and
19 the location and length of incarceration.

20 (5) Whether an applicant or licensee has had any
21 license or certificate issued by a licensing authority in
22 Illinois or any other jurisdiction denied, restricted,
23 suspended, revoked or not renewed and a statement
24 describing the facts and circumstances concerning the
25 denial, restriction, suspension, revocation or
26 non-renewal, including the licensing authority, the date

1 each such action was taken, and the reason for each such
2 action.

3 (6) Whether an applicant or licensee has ever filed or
4 had filed against it a proceeding in bankruptcy or has ever
5 been involved in any formal process to adjust, defer,
6 suspend or otherwise work out the payment of any debt
7 including the date of filing, the name and location of the
8 court, the case and number of the disposition.

9 (7) Whether an applicant or licensee has filed, or been
10 served with a complaint or other notice filed with any
11 public body, regarding the delinquency in the payment of,
12 or a dispute over the filings concerning the payment of,
13 any tax required under federal, State or local law,
14 including the amount, type of tax, the taxing agency and
15 time periods involved.

16 (8) A statement listing the names and titles of all
17 public officials or officers of any unit of government, and
18 relatives of said public officials or officers who,
19 directly or indirectly, own any financial interest in, have
20 any beneficial interest in, are the creditors of or hold
21 any debt instrument issued by, or hold or have any interest
22 in any contractual or service relationship with, an
23 applicant or licensee.

24 (9) Whether an applicant or licensee has made, directly
25 or indirectly, any political contribution, or any loans,
26 donations or other payments, to any candidate or office

1 holder, within 5 years from the date of filing the
2 application, including the amount and the method of
3 payment.

4 (10) The name and business telephone number of the
5 counsel representing an applicant or licensee in matters
6 before the Board.

7 (11) A description of any proposed or approved
8 riverboat gaming operation, including the type of boat,
9 home dock location, expected economic benefit to the
10 community, anticipated or actual number of employees, any
11 statement from an applicant or licensee regarding
12 compliance with federal and State affirmative action
13 guidelines, projected or actual admissions and projected
14 or actual adjusted gross gaming receipts.

15 (12) A description of the product or service to be
16 supplied by an applicant for a supplier's license.

17 (b) Notwithstanding any applicable statutory provision to
18 the contrary, the Board shall, on written request from any
19 person, also provide the following information furnished by an
20 applicant for a owners license or owners licensee:

21 (1) The amount of the wagering tax and admission tax
22 paid daily to the State of Illinois by the holder of an
23 owner's license.

24 (2) Whenever the Board finds an applicant for an
25 owner's license unsuitable for licensing, a copy of the
26 written letter outlining the reasons for the denial.

1 (3) Whenever the Board has refused to grant leave for
2 an applicant to withdraw his application, a copy of the
3 letter outlining the reasons for the refusal.

4 (c) Subject to the above provisions, the Board shall not
5 disclose any information which would be barred by:

6 (1) Section 7 of the Freedom of Information Act; or

7 (2) The statutes, rules, regulations or
8 intergovernmental agreements of any jurisdiction.

9 (d) The Board may assess fees for the copying of
10 information in accordance with Section 6 of the Freedom of
11 Information Act.

12 (Source: P.A. 87-826.)

13 (230 ILCS 10/5.2 new)

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

21 The status and rights of the transferred employees, and the
22 rights of the State of Illinois and its agencies, under the
23 Personnel Code and applicable collective bargaining agreements
24 or under any pension, retirement, or annuity plan are not
25 affected (except as provided in the Illinois Pension Code) by

1 that transfer or by any other provision of this amendatory Act
2 of the 96th General Assembly.

3 (230 ILCS 10/5.3 new)

4 Sec. 5.3. Nomination Panel.

5 (a) The Nomination Panel is established to provide a list
6 of nominees to the Governor for appointment to the Illinois
7 Gaming Board. Members of the Nomination Panel shall be
8 appointed by majority vote of the following appointing
9 authorities: (1) the Executive Ethics Commissioner appointed
10 by the Secretary of State; (2) the Executive Ethics
11 Commissioner appointed by the Treasurer; (3) the Executive
12 Ethics Commissioner appointed by the Comptroller; (4) the
13 Executive Ethics Commissioner appointed by the Attorney
14 General; and (5) the Executive Ethics Commissioner appointed to
15 serve as the first Chairman of the Executive Ethics Commission,
16 or, upon his or her disqualification or resignation, the
17 longest-serving Executive Ethics Commissioner appointed by the
18 Governor. Provided, however, the appointing authorities as of
19 the effective date of this amendatory Act of the 96th General
20 Assembly shall remain empowered to fill vacancies on the
21 Nomination Panel until all members of the new Gaming Board have
22 been appointed and qualified, regardless of whether such
23 appointing authorities remain members of the Executive Ethics
24 Commission. For appointing authorities who were appointed to
25 the Executive Ethics Commission by a Constitutional officer

1 other than the Governor, in the event of such appointing
2 authority's disqualification, resignation, or refusal to serve
3 as an appointing authority, the Constitutional officer that
4 appointed the Executive Ethics Commissioner may name a designee
5 to serve as an appointing authority for the Nomination Panel.
6 For the appointing authority who was appointed to the Executive
7 Ethics Commission by the Governor, in the event of such
8 appointing authority's disqualification, resignation, or
9 refusal to serve as an appointing authority, the
10 longest-serving Executive Ethics Commissioner appointed by the
11 Governor shall become the appointing authority. The appointing
12 authorities may hold so many public or non-public meetings as
13 is required to fulfill their duties, and may utilize the staff
14 and budget of the Executive Ethics Commission in carrying out
15 their duties; provided, however, that a final vote on
16 appointees to the Nomination Panel shall take place in a
17 meeting governed by the Open Meetings Act. Any ex parte
18 communications regarding the Nomination Panel must be made a
19 part of the record at the next public meeting and part of a
20 written record. The appointing authorities shall file a list of
21 members of the Nomination Panel with the Secretary of State
22 within 60 days after the effective date of this amendatory Act
23 of the 96th General Assembly. A vacancy on the Nomination Panel
24 due to disqualification or resignation must be filled within 60
25 days of a vacancy and the appointing authorities must file the
26 name of the new appointee with the Secretary of State.

1 (b) The Nomination Panel shall consist of the following
2 members: (i) 2 members shall be former federal or State judges
3 from Illinois, (ii) 2 members shall be former federal
4 prosecutors from Illinois, (iii) one member shall be a former
5 sworn federal officer with investigatory experience with a
6 federal agency, including but not limited to the Federal Bureau
7 of Investigation, the Internal Revenue Service, the Securities
8 and Exchange Commission, the Drug Enforcement Administration,
9 the Bureau of Alcohol, Tobacco, Firearms and Explosives, or any
10 other federal agency, (iv) 2 former members of federal agencies
11 with experience in regulatory oversight, and (v) 2 members with
12 at least 5 years of experience with nonprofit agencies in
13 Illinois committed to public-interest advocacy, after the
14 appointing authorities' solicitation of recommendations from
15 the Campaign for Political Reform, the Better Government
16 Association, the Chicago Crime Commission, the League of Women
17 Voters, the Urban League, the Mexican American Legal Defense
18 and Educational Fund, the Citizen Advocacy Center, and any
19 other source deemed appropriate. Each member of the Panel shall
20 receive \$300 for each day the Panel meets.

21 (c) Candidates for nomination to the Illinois Gaming Board
22 may apply or be nominated. All candidates must fill out a
23 written application and submit to a background investigation to
24 be eligible for consideration. The written application must
25 include, at a minimum, a sworn statement disclosing any
26 communications that the applicant has engaged in with a

1 constitutional officer, a member of the General Assembly, a
2 special government agent (as that term is defined in Section
3 4A-101 of the Illinois Governmental Ethics Act), a director,
4 secretary, or other employee of the executive branch of the
5 State, or an employee of the legislative branch of the State
6 related to the regulation of gaming within the last year.

7 A person who provides false or misleading information on
8 the application or fails to disclose a communication required
9 to be disclosed in the sworn statement under this Section is
10 guilty of a Class 4 felony.

11 (d) Once an application is submitted to the Nomination
12 Panel and until (1) the candidate is rejected by the Nomination
13 Panel, (2) the candidate is rejected by the Governor, (3) the
14 candidate is rejected by the Senate, or (4) the candidate is
15 confirmed by the Senate, whichever is applicable, a candidate
16 may not engage in ex parte communications, as that term is
17 defined in Section 5.5 of this Act.

18 (e) For the purpose of making the initial nominations after
19 the effective date of the amendatory Act of the 96th General
20 Assembly, the Nomination Panel shall request the assistance of
21 the Federal Bureau of Investigation to conduct the background
22 investigation. If the Federal Bureau of Investigation does not
23 agree to conduct the background investigations within 120 days
24 after the request, the Nomination Panel may contract with an
25 independent agency that specialized in conducting personal
26 investigations. The Nomination Panel, however, may not engage

1 the services or enter into any contract with State or local
2 agencies. The Nomination Panel shall conduct a background
3 investigation on eligible applicants prior to nomination.

4 (f) The Nomination Panel must review written applications,
5 determine eligibility for oral interviews, confirm
6 satisfactory background investigations, and hold public
7 hearings on qualifications of candidates. Initial interviews
8 of candidates need not be held in meetings subject to the Open
9 Meetings Act; members or staff may arrange for informal
10 interviews. Prior to recommendation, however, the Nomination
11 Panel must question candidates in a meeting subject to the Open
12 Meetings Act under oath.

13 (g) The Nomination Panel must recommend 15 candidates for
14 nomination to the Illinois Gaming Board. The Governor may
15 choose only from these recommendations. The Nomination Panel
16 shall deliver a list of the nominees, including a memorandum
17 detailing the nominees' qualifications, to the Governor. After
18 submitting the names to the Governor, the Nomination Panel
19 shall file a copy along with a statement confirming delivery of
20 the list and memorandum to the Governor with the Secretary of
21 State. The Secretary of State shall indicate the date and time
22 of filing.

23 (h) After reviewing the nominations, the Governor may
24 select 5 nominees for the Illinois Gaming Board to be confirmed
25 by the Senate. The Governor shall file the names of his
26 nominees with the Senate and the Secretary of State. The

1 Secretary of State shall indicate the date and time of filing.

2 The Governor has 90 days from the date the Nomination Panel
3 files with the Secretary of State to select nominees for
4 confirmation by the Senate. If the Governor does not select all
5 nominees within 90 days, the Nomination Panel may select the
6 members or remaining members of the Board. The Nomination Panel
7 shall file the names of nominees with the Senate and the
8 Secretary of State. The Secretary of State shall indicate the
9 date and time of filing.

10 (i) Selections by the Governor or Nomination Panel must
11 receive the consent of the Senate by two-thirds of members by
12 record vote. Any nomination not acted upon within 30 calendar
13 days after the date of filing with the Secretary of State shall
14 be deemed to have received the advice and consent of the
15 Senate.

16 (j) When a vacancy occurs on the Illinois Gaming Board, the
17 Nomination Panel shall use its best efforts to recommend at
18 least 3 candidates for that vacancy within 90 days after the
19 vacancy, and the Governor shall respond within 90 days or the
20 Nomination Panel may make the appointment. Vacancies shall be
21 confirmed in the same manner prescribed in this Section.

22 (230 ILCS 10/5.5 new)

23 Sec. 5.5. Ethics provisions.

24 (a) Conflict of Interest. Board members, members of the
25 Nomination Panel, and employees may not engage in

1 communications or any activity that may cause or have the
2 appearance of causing a conflict of interest. A conflict of
3 interest exists if a situation influences or creates the
4 appearance that it may influence judgment or performance of
5 regulatory duties and responsibilities. This prohibition shall
6 extend to any act identified by Board action that, in the
7 judgment of the Board, could represent the potential for or the
8 appearance of a conflict of interest.

9 (b) Financial Interest. Board members, members of the
10 Nomination Panel, and employees may not have a financial
11 interest, directly or indirectly, in his or her own name or in
12 the name of any other person, partnership, association, trust,
13 corporation, or other entity, in any contract or subcontract
14 for the performance of any work for the Board of any licensee.
15 This prohibition shall extend to the holding or acquisition of
16 an interest in any entity identified by Board action that, in
17 the judgment of the Board, could represent the potential for or
18 the appearance of a financial interest. The holding or
19 acquisition of an interest in such entities through an indirect
20 means, such as through a mutual fund, shall not be prohibited,
21 except that Board may identify specific investments or funds
22 that, in its judgment, are so influenced by gaming holdings as
23 to represent the potential for or the appearance of a conflict
24 of interest.

25 (c) Gambling. Except as may be required in the conduct of
26 official duties, Board members and employees shall not engage

1 in gambling on any riverboat licensed by the Board or engage in
2 legalized gambling in any establishment identified by Board
3 action that, in the judgment of the Board, could represent a
4 potential for a conflict of interest.

5 (d) Outside employment. A Board member or an employee may
6 not, within a period of 5 years immediately after termination
7 of employment, knowingly accept employment or receive
8 compensation or fees for services from a person or entity, or
9 its parent or affiliate, that has engaged in business with the
10 Board that resulted in contracts with an aggregate value of at
11 least \$25,000 or made a decision that directly applied to the
12 person or entity, or its parent or affiliate. Board members and
13 employees shall not hold or pursue employment, office,
14 position, business, or occupation that conflict with his or her
15 official duties. Board members shall not engage in other
16 employment. Employees may engage in other gainful employment so
17 long as that employment does not interfere or conflict with
18 their duties and such employment is approved by the Board.

19 (e) Gift ban. Board members and employees may not accept
20 any gift, gratuity, service, compensation, travel, lodging, or
21 thing of value, with the exception of unsolicited items of an
22 incidental nature, from any person, corporation or entity doing
23 business with the Board.

24 (f) Abuse of Position. A Board member, member of the
25 Nomination Panel, or employee shall not use or attempt to use
26 his or her official position to secure, or attempt to secure,

1 any privilege, advantage, favor, or influence for himself or
2 herself or others.

3 (g) Political activity. No member of the Board or employee,
4 shall engage in any political activity. For the purposes of
5 this subsection, "political activity" means any activity in
6 support of or in connection with any campaign for State or
7 local elective office or any political organization, but does
8 not include activities (i) relating to the support of
9 opposition of any executive, legislative, or administrative
10 action (as those terms are defined in Section 2 of the Lobbyist
11 Registration Act), (ii) relating to collective bargaining, or
12 (iii) that are otherwise in furtherance of the person's
13 official State duties or governmental and public service
14 functions.

15 (h) A spouse, child, or parent of a Board member or an
16 employee may not:

17 (1) Have a financial interest, directly or indirectly,
18 in his or her own name or in the name of any other person,
19 partnership, association, trust, corporation, or other
20 entity, in any contract or subcontract for the performance
21 of any work for the Board of any licensee. This prohibition
22 shall extend to the holding or acquisition of an interest
23 in any entity identified by Board action that, in the
24 judgment of the Board, could represent the potential for or
25 the appearance of a conflict of interest. The holding or
26 acquisition of an interest in such entities through an

1 indirect means, such as through a mutual fund, shall not be
2 prohibited, except that the Board may identify specific
3 investments or funds that, in its judgment, are so
4 influenced by gaming holdings as to represent the potential
5 for or the appearance of a conflict of interest.

6 (2) Accept any gift, gratuity, service, compensation,
7 travel, lodging, or thing of value, with the exception of
8 unsolicited items of an incidental nature, from any person,
9 corporation or entity doing business with the Board.

10 (i) Any Board member, member of the Nomination Panel, or
11 employee or spouse, child, or parent of a Board member, member
12 of the Nomination Panel, or employee who violates any provision
13 of this Section is guilty of a Class 4 felony.

14 (230 ILCS 10/5.7 new)

15 Sec. 5.7. Ex parte communications.

16 (a) For the purpose of this Section:

17 "Ex parte communication" means any written or oral
18 communication by any person that imparts or requests material
19 information or makes a material argument regarding potential
20 action concerning regulatory, quasi regulatory, investment, or
21 licensing matters pending before or under consideration by the
22 Illinois Gaming Board. "Ex parte communication" does not
23 include the following: (i) statements by a person publicly made
24 in a public forum; (ii) statements regarding matters of
25 procedure and practice, such as format, the number of copies

1 required, the manner of filing, and the status of a matter;
2 (iii) statements regarding recommendation for pending or
3 approved legislation; (iv) statements made by a State employee
4 of the agency to the agency head or other employees of that
5 agency.

6 "Interested party" means a person or entity whose rights,
7 privileges, or interests are the subject of or are directly
8 affected by a regulatory, quasi-adjudicatory, investment, or
9 licensing matter of the Board.

10 (b) A constitutional officer, a member of the General
11 Assembly, a special government agent as that term is defined in
12 Section 4A-101 of the Illinois Governmental Ethics Act, a
13 director, secretary, or other employee of the executive branch
14 of the State, an employee of the legislative branch of the
15 State, or an interested party may not engage in any ex parte
16 communication with a member of the Board or an employee. A
17 member of the Board or an employee must immediately report any
18 ex parte communication to the Inspector General for gaming
19 activities. A violation of this subsection (b) is a Class 4
20 felony.

21 (c) A constitutional officer, a member of the General
22 Assembly, a special government agent as that term is defined in
23 Section 4A-101 of the Illinois Governmental Ethics Act, a
24 director, secretary, or other employee of the executive branch
25 of the State, an employee of the legislative branch of the
26 State, or an interested party may not engage in any ex parte

1 communication with a nominee for the Board. A person is deemed
2 a nominee once they have submitted information to the
3 nomination panel. A nominee must immediately report any ex
4 parte communication to the Inspector General for gaming
5 activities. A violation of this subsection (c) is a Class 4
6 felony.

7 (d) Any ex parte communication from a constitutional
8 officer, a member of the General Assembly, a special government
9 agent as that term is defined in Section 4A-101 of the Illinois
10 Governmental Ethics Act, a director, secretary, or other
11 employee of the executive branch of the State, an employee of
12 the legislative branch of the State, or an interested party
13 received by a member of the Nomination Panel or employee
14 assisting the Nomination Panel must be immediately
15 memorialized and made a part of the record at the next meeting.
16 Report of the communication shall include all written
17 communications along with a statement describing the nature and
18 substance of all oral communications, any action the person
19 requested or recommended, the identity and job title of the
20 person to whom each communication was made, all responses made
21 by the member. A violation of this subsection (d) is Class A
22 misdemeanor.

23 (230 ILCS 10/9.5 new)

24 Sec. 9.5. Contractor disclosure of political
25 contributions.

1 (a) As used in this Section:

2 "Contracts" means any agreement for services or goods for a
3 period to exceed one year or with an annual value of at least
4 \$10,000.

5 "Contribution" means contribution as defined in this act.

6 "Affiliated person" means (i) any person with any ownership
7 interest or distributive share of the bidding or contracting
8 entity in excess of 1%, (ii) executive employees of the bidding
9 or contracting entity, and (iii) the spouse and minor children
10 of any such persons.

11 "Affiliated entity" means (i) any parent or subsidiary of
12 the bidding or contracting entity, (ii) any member of the same
13 unitary business group, or (iii) any political committee for
14 which the bidding or contracting entity is the sponsoring
15 entity.

16 (b) A bidder, offeror, or contractor for contracts with a
17 licensee shall disclose all political contributions of the
18 bidder, offeror, or contractor and any affiliated person or
19 entity. Such disclosure must accompany any contract. The
20 disclosure must be submitted to the Board with a copy of the
21 contract prior to Board approval of the contract. The
22 disclosure of each successful bidder or offeror shall become
23 part of the publicly available record.

24 (c) Disclosure by the bidder, offeror, or contractor shall
25 include at least the names and addresses of the contributors
26 and the dollar amounts of any contributions to any political

1 committee made within the previous 2 years.

2 (d) The Board shall refuse to approve any contract that
3 does not include the required disclosure. The Board must
4 include the disclosure on their website.

5 (e) The Board may direct a licensee to void a contract if a
6 violation of this Section occurs.

7 (230 ILCS 10/11) (from Ch. 120, par. 2411)

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

11 (1) A licensee may conduct riverboat gambling
12 authorized under this Act regardless of whether it conducts
13 excursion cruises. A licensee may permit the continuous
14 ingress and egress of passengers for the purpose of
15 gambling.

16 (2) (Blank).

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

19 (4) Agents of the Board ~~and the Department of State~~
20 ~~Police~~ may board and inspect any riverboat at any time for
21 the purpose of determining whether this Act is being
22 complied with. Every riverboat, if under way and being
23 hailed by a law enforcement officer or agent of the Board,
24 must stop immediately and lay to.

25 (5) Employees of the Board shall have the right to be

1 present on the riverboat or on adjacent facilities under
2 the control of the licensee.

3 (6) Gambling equipment and supplies customarily used
4 in conducting riverboat gambling must be purchased or
5 leased only from suppliers licensed for such purpose under
6 this Act.

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

10 (8) Wagers may be received only from a person present
11 on a licensed riverboat. No person present on a licensed
12 riverboat shall place or attempt to place a wager on behalf
13 of another person who is not present on the riverboat.

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

16 (10) A person under age 21 shall not be permitted on an
17 area of a riverboat where gambling is being conducted,
18 except for a person at least 18 years of age who is an
19 employee of the riverboat gambling operation. No employee
20 under age 21 shall perform any function involved in
21 gambling by the patrons. No person under age 21 shall be
22 permitted to make a wager under this Act.

23 (11) Gambling excursion cruises are permitted only
24 when the waterway for which the riverboat is licensed is
25 navigable, as determined by the Board in consultation with
26 the U.S. Army Corps of Engineers. This paragraph (11) does

1 not limit the ability of a licensee to conduct gambling
2 authorized under this Act when gambling excursion cruises
3 are not permitted.

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

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

1 Fund, created by Public Act 86-0018, of the State of
2 Illinois.

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

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

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) (Blank). ~~Appropriations, as approved by the General~~
14 ~~Assembly, may be made from the State Gaming Fund to the~~
15 ~~Department of Revenue and the Department of State Police for~~
16 ~~the 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 on the effective date of this amendatory
21 Act of the 95th General Assembly, unless any organization
22 licensee under the Illinois Horse Racing Act of 1975 begins to
23 operate a slot machine or video game of chance under the
24 Illinois Horse Racing Act of 1975 or this Act, after the
25 payments required under subsections (b) and (c) have been made,
26 an amount equal to 15% of the adjusted gross receipts of (1) an

1 owners licensee that relocates pursuant to Section 11.2, (2) an
2 owners licensee conducting riverboat gambling operations
3 pursuant to an owners license that is initially issued after
4 June 25, 1999, or (3) the first riverboat gambling operations
5 conducted by a licensed manager on behalf of the State under
6 Section 7.3, whichever comes first, shall be paid from the
7 State Gaming Fund into the Horse Racing Equity Fund.

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

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

24 (c-20) Each year the General Assembly shall appropriate
25 from the General Revenue Fund to the Education Assistance Fund
26 an amount equal to the amount paid to each home rule county

1 with a population of over 3,000,000 inhabitants pursuant to
2 subsection (c-15) in the prior calendar year.

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

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

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

22 (f) To the extent practicable, the Board shall administer
23 and collect the wagering taxes imposed by this Section in a
24 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
25 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
26 Retailers' Occupation Tax Act and Section 3-7 of the Uniform

1 Penalty and Interest Act.

2 (Source: P.A. 94-673, eff. 8-23-05; 94-804, eff. 5-26-06;
3 94-839, eff. 6-6-06; 95-331, eff. 8-21-07; 95-1008, eff.
4 12-15-08.)

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

1	INDEX	
2	Statutes amended in order of appearance	
3	5 ILCS 430/5-50	
4	5 ILCS 430/20-10	
5	5 ILCS 430/20-15	
6	15 ILCS 15/3.1	from Ch. 127, par. 1803.1
7	20 ILCS 2505/2505-305	was 20 ILCS 2505/39b15.1
8	40 ILCS 5/14-110	from Ch. 108 1/2, par. 14-110
9	40 ILCS 5/14-111	from Ch. 108 1/2, par. 14-111
10	40 ILCS 5/14-152.1	
11	40 ILCS 5/18-127	from Ch. 108 1/2, par. 18-127
12	40 ILCS 5/18-169	
13	230 ILCS 10/5	from Ch. 120, par. 2405
14	230 ILCS 10/5.1	from Ch. 120, par. 2405.1
15	230 ILCS 10/5.2 new	
16	230 ILCS 10/5.3 new	
17	230 ILCS 10/5.5 new	
18	230 ILCS 10/5.7 new	
19	230 ILCS 10/9.5 new	
20	230 ILCS 10/11	from Ch. 120, par. 2411
21	230 ILCS 10/13	from Ch. 120, par. 2413