



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

**HB2878**

Introduced 2/22/2011, by Rep. William Davis

#### SYNOPSIS AS INTRODUCED:

230 ILCS 5/9	from Ch. 8, par. 37-9
230 ILCS 5/15.1	from Ch. 8, par. 37-15.1
230 ILCS 5/18	from Ch. 8, par. 37-18
230 ILCS 5/28	from Ch. 8, par. 37-28

Amends the Illinois Horse Racing Act of 1975. Provides for deposit of moneys from civil penalties, certain filing fees, and other sources under the Act into the Horse Racing Fund. Effective immediately.

LRB097 10608 ASK 50994 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Horse Racing Act of 1975 is amended  
5 by changing Sections 9, 15.1, 18, and 28 as follows:

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

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

10 (a) The Board is vested with jurisdiction and supervision  
11 over all race meetings in this State, over all licensees doing  
12 business in this State, over all occupation licensees, and over  
13 all persons on the facilities of any licensee. Such  
14 jurisdiction shall include the power to issue licenses to the  
15 Illinois Department of Agriculture authorizing the pari-mutuel  
16 system of wagering on harness and Quarter Horse races held (1)  
17 at the Illinois State Fair in Sangamon County, and (2) at the  
18 DuQuoin State Fair in Perry County. The jurisdiction of the  
19 Board shall also include the power to issue licenses to county  
20 fairs which are eligible to receive funds pursuant to the  
21 Agricultural Fair Act, as now or hereafter amended, or their  
22 agents, authorizing the pari-mutuel system of wagering on horse  
23 races conducted at the county fairs receiving such licenses.

1 Such licenses shall be governed by subsection (n) of this  
2 Section.

3 Upon application, the Board shall issue a license to the  
4 Illinois Department of Agriculture to conduct harness and  
5 Quarter Horse races at the Illinois State Fair and at the  
6 DuQuoin State Fairgrounds during the scheduled dates of each  
7 fair. The Board shall not require and the Department of  
8 Agriculture shall be exempt from the requirements of Sections  
9 15.3, 18 and 19, paragraphs (a)(2), (b), (c), (d), (e), (e-5),  
10 (e-10), (f), (g), and (h) of Section 20, and Sections 21, 24  
11 and 25. The Board and the Department of Agriculture may extend  
12 any or all of these exemptions to any contractor or agent  
13 engaged by the Department of Agriculture to conduct its race  
14 meetings when the Board determines that this would best serve  
15 the public interest and the interest of horse racing.

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

24 (b) The Board is vested with the full power to promulgate  
25 reasonable rules and regulations for the purpose of  
26 administering the provisions of this Act and to prescribe

1 reasonable rules, regulations and conditions under which all  
2 horse race meetings or wagering in the State shall be  
3 conducted. Such reasonable rules and regulations are to provide  
4 for the prevention of practices detrimental to the public  
5 interest and to promote the best interests of horse racing and  
6 to impose penalties for violations thereof.

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

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

20 (e) The Board, and any person or persons to whom it  
21 delegates this power, may eject or exclude from any race  
22 meeting or the facilities of any licensee, or any part thereof,  
23 any occupation licensee or any other individual whose conduct  
24 or reputation is such that his presence on those facilities  
25 may, in the opinion of the Board, call into question the  
26 honesty and integrity of horse racing or wagering or interfere

1 with the orderly conduct of horse racing or wagering; provided,  
2 however, that no person shall be excluded or ejected from the  
3 facilities of any licensee solely on the grounds of race,  
4 color, creed, national origin, ancestry, or sex. The power to  
5 eject or exclude an occupation licensee or other individual may  
6 be exercised for just cause by the licensee or the Board,  
7 subject to subsequent hearing by the Board as to the propriety  
8 of said exclusion.

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

17 (g) The Board may require that the records, including  
18 financial or other statements of any licensee or any person  
19 affiliated with the licensee who is involved directly or  
20 indirectly in the activities of any licensee as regulated under  
21 this Act to the extent that those financial or other statements  
22 relate to such activities be kept in such manner as prescribed  
23 by the Board, and that Board employees shall have access to  
24 those records during reasonable business hours. Within 120 days  
25 of the end of its fiscal year, each licensee shall transmit to  
26 the Board an audit of the financial transactions and condition

1 of the licensee's total operations. All audits shall be  
2 conducted by certified public accountants. Each certified  
3 public accountant must be registered in the State of Illinois  
4 under the Illinois Public Accounting Act. The compensation for  
5 each certified public accountant shall be paid directly by the  
6 licensee to the certified public accountant. A licensee shall  
7 also submit any other financial or related information the  
8 Board deems necessary to effectively administer this Act and  
9 all rules, regulations, and final decisions promulgated under  
10 this Act.

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

22 (i) The Board shall require that there shall be 3 stewards  
23 at each horse race meeting, at least 2 of whom shall be named  
24 and appointed by the Board. Stewards appointed or approved by  
25 the Board, while performing duties required by this Act or by  
26 the Board, shall be entitled to the same rights and immunities

1 as granted to Board members and Board employees in Section 10  
2 of this Act.

3 (j) The Board may discharge any Board employee who fails or  
4 refuses for any reason to comply with the rules and regulations  
5 of the Board, or who, in the opinion of the Board, is guilty of  
6 fraud, dishonesty or who is proven to be incompetent. The Board  
7 shall have no right or power to determine who shall be  
8 officers, directors or employees of any licensee, or their  
9 salaries except the Board may, by rule, require that all or any  
10 officials or employees in charge of or whose duties relate to  
11 the actual running of races be approved by the Board.

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

16 (l) The Board is vested with the power to impose civil  
17 penalties of up to \$5,000 against an individual and up to  
18 \$10,000 against a licensee for each violation of any provision  
19 of this Act, any rules adopted by the Board, any order of the  
20 Board or any other action which, in the Board's discretion, is  
21 a detriment or impediment to horse racing or wagering. All such  
22 civil penalties shall be deposited into the Horse Racing Fund.

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

26 (n) The Board shall have the power to issue a license to

1 any county fair, or its agent, authorizing the conduct of the  
2 pari-mutuel system of wagering. The Board is vested with the  
3 full power to promulgate reasonable rules, regulations and  
4 conditions under which all horse race meetings licensed  
5 pursuant to this subsection shall be held and conducted,  
6 including rules, regulations and conditions for the conduct of  
7 the pari-mutuel system of wagering. The rules, regulations and  
8 conditions shall provide for the prevention of practices  
9 detrimental to the public interest and for the best interests  
10 of horse racing, and shall prescribe penalties for violations  
11 thereof. Any authority granted the Board under this Act shall  
12 extend to its jurisdiction and supervision over county fairs,  
13 or their agents, licensed pursuant to this subsection. However,  
14 the Board may waive any provision of this Act or its rules or  
15 regulations which would otherwise apply to such county fairs or  
16 their agents.

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

26 (p) To insure the convenience, comfort, and wagering



1 accessibility of race track patrons, to provide for the  
2 maximization of State revenue, and to generate increases in  
3 purse allotments to the horsemen, the Board shall require any  
4 licensee to staff the pari-mutuel department with adequate  
5 personnel.

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

7 (230 ILCS 5/15.1) (from Ch. 8, par. 37-15.1)

8 Sec. 15.1. Upon collection of the fee accompanying the  
9 application for an occupation license, the Board shall be  
10 authorized to make daily temporary deposits of the fees, for a  
11 period not to exceed 7 days, with the horsemen's bookkeeper at  
12 a race meeting. The horsemen's bookkeeper shall issue a check,  
13 payable to the order of the Illinois Racing Board, for monies  
14 deposited under this Section within 24 hours of receipt of the  
15 monies. Provided however, upon the issuance of the check by the  
16 horsemen's bookkeeper the check shall be deposited into the  
17 Horse Racing Fund ~~in the State Treasury in accordance with the~~  
18 ~~provisions of the "State Officers and Employees Money~~  
19 ~~Disposition Act", approved June 9, 1911, as amended.~~

20 (Source: P.A. 84-432.)

21 (230 ILCS 5/18) (from Ch. 8, par. 37-18)

22 Sec. 18. (a) Together with its application, each applicant  
23 for racing dates shall deliver to the Board a certified check  
24 or bank draft payable to the order of the Board for \$1,000. In

1 the event the applicant applies for racing dates in 2 or 3  
2 successive calendar years as provided in subsection (b) of  
3 Section 21, the fee shall be \$2,000. Filing fees shall not be  
4 refunded in the event the application is denied. All filing  
5 fees shall be deposited into the Horse Racing Fund.

6 (b) In addition to the filing fee of \$1000 and the fees  
7 provided in subsection (j) of Section 20, each organization  
8 licensee shall pay a license fee of \$100 for each racing  
9 program on which its daily pari-mutuel handle is \$400,000 or  
10 more but less than \$700,000, and a license fee of \$200 for each  
11 racing program on which its daily pari-mutuel handle is  
12 \$700,000 or more. The additional fees required to be paid under  
13 this Section by this amendatory Act of 1982 shall be remitted  
14 by the organization licensee to the Illinois Racing Board with  
15 each day's graduated privilege tax or pari-mutuel tax and  
16 breakage as provided under Section 27.

17 (c) Sections 11-42-1, 11-42-5, and 11-54-1 of the "Illinois  
18 Municipal Code," approved May 29, 1961, as now or hereafter  
19 amended, shall not apply to any license under this Act.

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

21 (230 ILCS 5/28) (from Ch. 8, par. 37-28)

22 Sec. 28. Except as provided in subsection (g) of Section 27  
23 of this Act, moneys collected shall be distributed according to  
24 the provisions of this Section 28.

25 (a) Thirty per cent of the total of all monies received by

1 the State as privilege taxes shall be paid into the  
2 Metropolitan Exposition Auditorium and Office Building Fund in  
3 the State Treasury.

4 (b) In addition, 4.5% of the total of all monies received  
5 by the State as privilege taxes shall be paid into the State  
6 treasury into a special Fund to be known as the Metropolitan  
7 Exposition, Auditorium, and Office Building Fund.

8 (c) Fifty per cent of the total of all monies received by  
9 the State as privilege taxes under the provisions of this Act  
10 shall be paid into the Agricultural Premium Fund.

11 (d) Seven per cent of the total of all monies received by  
12 the State as privilege taxes shall be paid into the Fair and  
13 Exposition Fund in the State treasury; provided, however, that  
14 when all bonds issued prior to July 1, 1984 by the Metropolitan  
15 Fair and Exposition Authority shall have been paid or payment  
16 shall have been provided for upon a refunding of those bonds,  
17 thereafter 1/12 of \$1,665,662 of such monies shall be paid each  
18 month into the Build Illinois Fund, and the remainder into the  
19 Fair and Exposition Fund. All excess monies shall be allocated  
20 to the Department of Agriculture for distribution to county  
21 fairs for premiums and rehabilitation as set forth in the  
22 Agricultural Fair Act.

23 (e) The monies provided for in Section 30 shall be paid  
24 into the Illinois Thoroughbred Breeders Fund.

25 (f) The monies provided for in Section 31 shall be paid  
26 into the Illinois Standardbred Breeders Fund.

1 (g) Until January 1, 2000, that part representing 1/2 of  
2 the total breakage in Thoroughbred, Harness, Appaloosa,  
3 Arabian, and Quarter Horse racing in the State shall be paid  
4 into the Illinois Race Track Improvement Fund as established in  
5 Section 32.

6 (h) All other monies received by the Board under this Act  
7 shall be paid into the Horse Racing Fund ~~General Revenue Fund~~  
8 ~~of the State~~.

9 (i) The salaries of the Board members, secretary, stewards,  
10 directors of mutuels, veterinarians, representatives,  
11 accountants, clerks, stenographers, inspectors and other  
12 employees of the Board, and all expenses of the Board incident  
13 to the administration of this Act, including, but not limited  
14 to, all expenses and salaries incident to the taking of saliva  
15 and urine samples in accordance with the rules and regulations  
16 of the Board shall be paid out of the Agricultural Premium  
17 Fund.

18 (j) The Agricultural Premium Fund shall also be used:

19 (1) for the expenses of operating the Illinois State  
20 Fair and the DuQuoin State Fair, including the payment of  
21 prize money or premiums;

22 (2) for the distribution to county fairs, vocational  
23 agriculture section fairs, agricultural societies, and  
24 agricultural extension clubs in accordance with the  
25 Agricultural Fair Act, as amended;

26 (3) for payment of prize monies and premiums awarded

1 and for expenses incurred in connection with the  
2 International Livestock Exposition and the Mid-Continent  
3 Livestock Exposition held in Illinois, which premiums, and  
4 awards must be approved, and paid by the Illinois  
5 Department of Agriculture;

6 (4) for personal service of county agricultural  
7 advisors and county home advisors;

8 (5) for distribution to agricultural home economic  
9 extension councils in accordance with "An Act in relation  
10 to additional support and finance for the Agricultural and  
11 Home Economic Extension Councils in the several counties in  
12 this State and making an appropriation therefor", approved  
13 July 24, 1967, as amended;

14 (6) for research on equine disease, including a  
15 development center therefor;

16 (7) for training scholarships for study on equine  
17 diseases to students at the University of Illinois College  
18 of Veterinary Medicine;

19 (8) for the rehabilitation, repair and maintenance of  
20 the Illinois and DuQuoin State Fair Grounds and the  
21 structures and facilities thereon and the construction of  
22 permanent improvements on such Fair Grounds, including  
23 such structures, facilities and property located on such  
24 State Fair Grounds which are under the custody and control  
25 of the Department of Agriculture;

26 (9) for the expenses of the Department of Agriculture

1 under Section 5-530 of the Departments of State Government  
2 Law (20 ILCS 5/5-530);

3 (10) for the expenses of the Department of Commerce and  
4 Economic Opportunity under Sections 605-620, 605-625, and  
5 605-630 of the Department of Commerce and Economic  
6 Opportunity Law (20 ILCS 605/605-620, 605/605-625, and  
7 605/605-630);

8 (11) for remodeling, expanding, and reconstructing  
9 facilities destroyed by fire of any Fair and Exposition  
10 Authority in counties with a population of 1,000,000 or  
11 more inhabitants;

12 (12) for the purpose of assisting in the care and  
13 general rehabilitation of disabled veterans of any war and  
14 their surviving spouses and orphans;

15 (13) for expenses of the Department of State Police for  
16 duties performed under this Act;

17 (14) for the Department of Agriculture for soil surveys  
18 and soil and water conservation purposes;

19 (15) for the Department of Agriculture for grants to  
20 the City of Chicago for conducting the Chicagofest;

21 (16) for the State Comptroller for grants and operating  
22 expenses authorized by the Illinois Global Partnership  
23 Act.

24 (k) To the extent that monies paid by the Board to the  
25 Agricultural Premium Fund are in the opinion of the Governor in  
26 excess of the amount necessary for the purposes herein stated,

1 the Governor shall notify the Comptroller and the State  
2 Treasurer of such fact, who, upon receipt of such notification,  
3 shall transfer such excess monies from the Agricultural Premium  
4 Fund to the General Revenue Fund.

5 (Source: P.A. 94-91, Sections 55-135 and 90-10, eff. 7-1-05.)

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