



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB3176

Introduced 2/24/2011, by Rep. John D. Cavaletto

#### SYNOPSIS AS INTRODUCED:

230 ILCS 10/13  
230 ILCS 10/23

from Ch. 120, par. 2413  
from Ch. 120, par. 2423

Amends the Riverboat Gambling Act. Provides that, on the first day of every month, the Comptroller must certify to the Board the mean delay in payment of valid reimbursement claims of health service providers. Requires the Illinois Gaming Board to delay payments to units of local government from privilege tax receipts by the length of time certified by the Comptroller. Provides that any interest on moneys held by the Illinois Gaming Board shall be transferred to the General Revenue Fund.

LRB097 06006 ASK 46077 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

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

4 Section 5. The Riverboat Gambling Act is amended by  
5 changing Sections 13 and 23 as follows:

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

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

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

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

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

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

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

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

1           35% of annual adjusted gross receipts in excess of  
2           \$100,000,000.

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

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

12           22.5% of annual adjusted gross receipts in excess of  
13           \$25,000,000 but not exceeding \$50,000,000;

14           27.5% of annual adjusted gross receipts in excess of  
15           \$50,000,000 but not exceeding \$75,000,000;

16           32.5% of annual adjusted gross receipts in excess of  
17           \$75,000,000 but not exceeding \$100,000,000;

18           37.5% of annual adjusted gross receipts in excess of  
19           \$100,000,000 but not exceeding \$150,000,000;

20           45% of annual adjusted gross receipts in excess of  
21           \$150,000,000 but not exceeding \$200,000,000;

22           50% of annual adjusted gross receipts in excess of  
23           \$200,000,000.

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

1 riverboat gambling operations on behalf of the State, based on  
2 the adjusted gross receipts received by a licensed owner from  
3 gambling games authorized under this Act at the following  
4 rates:

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

7 27.5% of annual adjusted gross receipts in excess of  
8 \$25,000,000 but not exceeding \$37,500,000;

9 32.5% of annual adjusted gross receipts in excess of  
10 \$37,500,000 but not exceeding \$50,000,000;

11 37.5% of annual adjusted gross receipts in excess of  
12 \$50,000,000 but not exceeding \$75,000,000;

13 45% of annual adjusted gross receipts in excess of  
14 \$75,000,000 but not exceeding \$100,000,000;

15 50% of annual adjusted gross receipts in excess of  
16 \$100,000,000 but not exceeding \$250,000,000;

17 70% of annual adjusted gross receipts in excess of  
18 \$250,000,000.

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

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

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

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

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

19 22.5% of annual adjusted gross receipts in excess of  
20 \$25,000,000 but not exceeding \$50,000,000;

21 27.5% of annual adjusted gross receipts in excess of  
22 \$50,000,000 but not exceeding \$75,000,000;

23 32.5% of annual adjusted gross receipts in excess of  
24 \$75,000,000 but not exceeding \$100,000,000;

25 37.5% of annual adjusted gross receipts in excess of  
26 \$100,000,000 but not exceeding \$150,000,000;

1           45% of annual adjusted gross receipts in excess of  
2           \$150,000,000 but not exceeding \$200,000,000;

3           50% of annual adjusted gross receipts in excess of  
4           \$200,000,000.

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

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

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

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

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

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

1 can be held liable.

2 "Base amount" means the following:

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

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

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

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

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

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

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

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

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

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

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

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



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

14 (b-5) Notwithstanding any other provision of this Act,  
15 payments under subsection (b) of this Section must be made in  
16 accordance with the provisions of this subsection (b-5).

17 On the first day of every month, the Comptroller must  
18 certify to the Board the mean delay in payment of valid  
19 reimbursement claims of health service providers. The Board  
20 must delay payments to units of local government under  
21 subsection (b) by the length of time certified by the  
22 Comptroller. Any interest on moneys held by the Board under  
23 this subsection (b-5) shall be transferred to the General  
24 Revenue Fund.

25 (c) Appropriations, as approved by the General Assembly,  
26 may be made from the State Gaming Fund to the Board (i) for the

1 administration and enforcement of this Act and the Video Gaming  
2 Act, (ii) for distribution to the Department of State Police  
3 and to the Department of Revenue for the enforcement of this  
4 Act, and (iii) to the Department of Human Services for the  
5 administration of programs to treat problem gambling.

6 (c-5) Before May 26, 2006 (the effective date of Public Act  
7 94-804) and beginning on the effective date of this amendatory  
8 Act of the 95th General Assembly, unless any organization  
9 licensee under the Illinois Horse Racing Act of 1975 begins to  
10 operate a slot machine or video game of chance under the  
11 Illinois Horse Racing Act of 1975 or this Act, after the  
12 payments required under subsections (b) and (c) have been made,  
13 an amount equal to 15% of the adjusted gross receipts of (1) an  
14 owners licensee that relocates pursuant to Section 11.2, (2) an  
15 owners licensee conducting riverboat gambling operations  
16 pursuant to an owners license that is initially issued after  
17 June 25, 1999, or (3) the first riverboat gambling operations  
18 conducted by a licensed manager on behalf of the State under  
19 Section 7.3, whichever comes first, shall be paid from the  
20 State Gaming Fund into the Horse Racing Equity Fund.

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

25 (c-15) After the payments required under subsections (b),  
26 (c), and (c-5) have been made, an amount equal to 2% of the

1 adjusted gross receipts of (1) an owners licensee that  
2 relocates pursuant to Section 11.2, (2) an owners licensee  
3 conducting riverboat gambling operations pursuant to an owners  
4 license that is initially issued after June 25, 1999, or (3)  
5 the first riverboat gambling operations conducted by a licensed  
6 manager on behalf of the State under Section 7.3, whichever  
7 comes first, shall be paid, subject to appropriation from the  
8 General Assembly, from the State Gaming Fund to each home rule  
9 county with a population of over 3,000,000 inhabitants for the  
10 purpose of enhancing the county's criminal justice system.

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

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

26 (d) From time to time, the Board shall transfer the

1 remainder of the funds generated by this Act into the Education  
2 Assistance Fund, created by Public Act 86-0018, of the State of  
3 Illinois.

4 (e) Nothing in this Act shall prohibit the unit of local  
5 government designated as the home dock of the riverboat from  
6 entering into agreements with other units of local government  
7 in this State or in other states to share its portion of the  
8 tax revenue.

9 (f) To the extent practicable, the Board shall administer  
10 and collect the wagering taxes imposed by this Section in a  
11 manner consistent with the provisions of Sections 4, 5, 5a, 5b,  
12 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the  
13 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
14 Penalty and Interest Act.

15 (Source: P.A. 95-331, eff. 8-21-07; 95-1008, eff. 12-15-08;  
16 96-37, eff. 7-13-09; 96-1392, eff. 1-1-11.)

17 (230 ILCS 10/23) (from Ch. 120, par. 2423)

18 Sec. 23. The State Gaming Fund. On or after the effective  
19 date of this Act, except as provided for payments into the  
20 Horse Racing Equity Trust Fund under subsection (a) of Section  
21 7 and as provided in subsection (b-5) of Section 13, all of the  
22 fees and taxes collected pursuant to this Act shall be  
23 deposited into the State Gaming Fund, a special fund in the  
24 State Treasury, which is hereby created. The adjusted gross  
25 receipts of any riverboat gambling operations conducted by a

1 licensed manager on behalf of the State remaining after the  
2 payment of the fees and expenses of the licensed manager shall  
3 be deposited into the State Gaming Fund. Fines and penalties  
4 collected pursuant to this Act shall be deposited into the  
5 Education Assistance Fund, created by Public Act 86-0018, of  
6 the State of Illinois.

7 (Source: P.A. 93-28, eff. 6-20-03; 94-804, eff. 5-26-06.)