



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB5840

Introduced 2/16/2012, by Rep. David Harris

SYNOPSIS AS INTRODUCED:

230 ILCS 5/27.2 new

230 ILCS 10/7

230 ILCS 10/13.05 new

750 ILCS 28/56 new

from Ch. 120, par. 2407

Amends the Illinois Horse Racing Act of 1975, the Riverboat Gambling Act, and the Income Withholding for Support Act. Provides that an organization licensee under the Illinois Horse Racing Act of 1975 shall withhold moneys from winning wagers and winnings from wagers placed upon races conducted by that organization licensee as provided in the Income Withholding for Support Act; imposes a similar duty on a licensed owner under the Riverboat Gambling Act with respect to winnings on games. Provides that if a licensed owner fails to withhold, from winnings otherwise payable to an individual, an amount representing delinquent child support as required under the Income Withholding for Support Act, the owner's license is not renewable upon its expiration, but the owner must instead apply for a new license. Provides that the Department of Healthcare and Family Services shall provide to each organization licensee under the Illinois Horse Racing Act of 1975 and each licensed owner under the Riverboat Gambling Act information concerning all individuals who are identified in the State Case Registry of child support orders and who have been determined to be delinquent in child support. Provides for: the obligations of an organization licensee or licensed owner; notice to the obligor; priority of claims; administrative appeals; enforcement; and immunity.

LRB097 18731 DRJ 63966 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning civil law.

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 adding Section 27.2 as follows:

6 (230 ILCS 5/27.2 new)

7 Sec. 27.2. Withholding for support from winning wagers or
8 winnings from wagers. An organization licensee shall withhold
9 moneys from winning wagers and winnings from wagers placed upon
10 races conducted by that organization licensee as provided in
11 Section 56 of the Income Withholding for Support Act.

12 Section 10. The Riverboat Gambling Act is amended by
13 changing Section 7 and by adding Section 13.05 as follows:

14 (230 ILCS 10/7) (from Ch. 120, par. 2407)

15 Sec. 7. Owners Licenses.

16 (a) The Board shall issue owners licenses to persons, firms
17 or corporations which apply for such licenses upon payment to
18 the Board of the non-refundable license fee set by the Board,
19 upon payment of a \$25,000 license fee for the first year of
20 operation and a \$5,000 license fee for each succeeding year and
21 upon a determination by the Board that the applicant is

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

1 or corporation is ineligible to receive an owners license if:

2 (1) the person has been convicted of a felony under the
3 laws of this State, any other state, or the United States;

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

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

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

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

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

17 (7) (blank); or

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

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

1 the meaning given to that term in Section 1-70 of the Illinois
2 Administrative Procedure Act.

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

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

8 (A) controls, directly or indirectly, such
9 applicant, or

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

13 (2) the facilities or proposed facilities for the
14 conduct of riverboat gambling;

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

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

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

26 (6) whether the applicant has adequate capitalization

1 to provide and maintain, for the duration of a license, a
2 riverboat;

3 (7) the extent to which the applicant exceeds or meets
4 other standards for the issuance of an owners license which
5 the Board may adopt by rule; and

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

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

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

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

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

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

25 In addition to any other revocation powers granted to the
26 Board under this Act, the Board may revoke the owners license

1 of a licensee which fails to begin conducting gambling within
2 15 months of receipt of the Board's approval of the application
3 if the Board determines that license revocation is in the best
4 interests of the State.

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

11 (g) Except as provided in Section 13.05, upon ~~Upon~~ the
12 termination, expiration, or revocation of each of the first 10
13 licenses, which shall be issued for a 3 year period, all
14 licenses are renewable annually upon payment of the fee and a
15 determination by the Board that the licensee continues to meet
16 all of the requirements of this Act and the Board's rules.
17 However, for licenses renewed on or after May 1, 1998, renewal
18 shall be for a period of 4 years, unless the Board sets a
19 shorter period.

20 (h) An owners license shall entitle the licensee to own up
21 to 2 riverboats. A licensee shall limit the number of gambling
22 participants to 1,200 for any such owners license. A licensee
23 may operate both of its riverboats concurrently, provided that
24 the total number of gambling participants on both riverboats
25 does not exceed 1,200. Riverboats licensed to operate on the
26 Mississippi River and the Illinois River south of Marshall

1 County shall have an authorized capacity of at least 500
2 persons. Any other riverboat licensed under this Act shall have
3 an authorized capacity of at least 400 persons.

4 (i) A licensed owner is authorized to apply to the Board
5 for and, if approved therefor, to receive all licenses from the
6 Board necessary for the operation of a riverboat, including a
7 liquor license, a license to prepare and serve food for human
8 consumption, and other necessary licenses. All use, occupation
9 and excise taxes which apply to the sale of food and beverages
10 in this State and all taxes imposed on the sale or use of
11 tangible personal property apply to such sales aboard the
12 riverboat.

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

25 (Source: P.A. 95-1008, eff. 12-15-08; 96-1392, eff. 1-1-11.)

1 (230 ILCS 10/13.05 new)

2 Sec. 13.05. Withholding for support from gaming winnings;
3 penalty for failure.

4 (a) A licensed owner shall withhold moneys from winnings on
5 games as provided in Section 56 of the Income Withholding for
6 Support Act.

7 (b) If a licensed owner, or an employee, agent, or
8 representative of a licensed owner acting on the licensed
9 owner's behalf, fails to withhold, from winnings otherwise
10 payable to an individual, an amount representing delinquent
11 child support as required under Section 56 of the Income
12 Withholding for Support Act, the owner's license is not
13 renewable under subsection (g) of Section 7 upon its
14 expiration, but the owner must instead apply for a new license
15 as provided in Sections 6 and 7.

16 Section 15. The Income Withholding for Support Act is
17 amended by adding Section 56 as follows:

18 (750 ILCS 28/56 new)

19 Sec. 56. Withholding from gaming winnings.

20 (a) Delinquency information. The Department of Healthcare
21 and Family Services shall provide to each organization licensee
22 under the Illinois Horse Racing Act of 1975 and each licensed
23 owner under the Riverboat Gambling Act information concerning
24 all individuals who are identified in the State Case Registry

1 established pursuant to Section 10-27 of the Illinois Public
2 Aid Code and who have been determined to be delinquent in the
3 payment of child support. The information made available to a
4 licensee under this Section about each individual obligor who
5 has been determined to be delinquent in the payment of child
6 support shall include appropriate information to identify the
7 individual, the amount of the delinquency, and other
8 information necessary for the organization licensee or
9 licensed owner to remit payment of withheld amounts to the
10 Department of Healthcare and Family Services as provided in
11 this Section.

12 (b) Licensee's withholding obligations. If an organization
13 licensee or an employee of an organization licensee under the
14 Illinois Horse Racing Act of 1975, or a licensed owner or an
15 employee of a licensed owner under the Riverboat Gambling Act,
16 disburses winnings from wagers or a jackpot, exchange chips,
17 tokens, or vouchers (hereinafter, collectively, "cash
18 winnings") in the amount of \$1,200 or more to a person
19 identified pursuant to this Section in the State Case Registry
20 as being delinquent in child support, the organization
21 licensee, licensed owner, or employee:

22 (1) may deduct and retain an administrative fee in the
23 amount of 5% of the amount of delinquent child support
24 withheld under this Section or \$250, whichever is less;

25 (2) shall withhold the amount of delinquent child
26 support owed or so much of the delinquent child support

1 owed that is collectible from the winnings;

2 (3) shall transmit to the Department of Healthcare and
3 Family Services, within 7 business days after the date the
4 cash winnings were paid or claimed: the amount withheld
5 under this Section; identifying information, including the
6 full name, address, and social security number of the
7 obligor and the child support case identifier; the date and
8 amount of the cash winnings and the amount withheld; and
9 the name, location, and contact information of the
10 licensee; and

11 (4) shall issue to the obligor a receipt, in a form
12 prescribed by the Department of Healthcare and Family
13 Services, stating the total amount withheld from the cash
14 winnings for delinquent child support and the
15 administrative fee.

16 (c) Notice to obligor. The Department of Healthcare and
17 Family Services shall provide written notice to the obligor, at
18 the address provided by the organization licensee or licensed
19 owner, that the Department intends to offset the obligor's
20 delinquent child support with some or all of his or her cash
21 winnings. The Department shall hold the amount withheld from
22 the obligor's cash winnings for 10 business days after sending
23 the written notice to the obligor before applying the amount as
24 payment toward the obligor's delinquent child support.

25 (d) The delinquent child support required to be withheld
26 under this Section and the administrative fee authorized under

1 this Section have priority over any secured or unsecured claim
2 on cash winnings, except claims for federal or State taxes that
3 are required to be withheld under federal or State law.

4 (e) Administrative appeal. The obligor may dispute the
5 notice in subsection (c), as provided in Sections 10-12, 10-13,
6 and 10-14 of the Illinois Public Aid Code and Sections 160.60
7 and 160.61 of Title 89 of the Illinois Administrative Code.

8 (f) Enforcement. The Department of Healthcare and Family
9 Services and the Illinois Gaming Board shall provide for
10 enforcement of this Section by rule.

11 (g) Immunity. An organization licensee or licensed owner is
12 immune from civil or criminal liability for acting in
13 conformity with this Section or the rules applicable to a
14 licensee under this Section.