



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

SB3543

Introduced 2/8/2012, by Sen. Wm. Sam McCann

#### SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.811 new  
30 ILCS 105/6z-93 new  
230 ILCS 10/13

from Ch. 120, par. 2413

Amends the Riverboat Gambling Act. Provides that certain moneys under the Act that were to be paid to Chicago State University shall instead be transferred in specified amounts to the following funds: the State and County Fair Assistance Fund; the Partners for Conservation Fund, to be used for grants to soil and water conservation districts; the State Cooperative Service Trust Fund, to be used for grants to the State's cooperative extensions; the Illinois Thoroughbred Breeders Fund; and the Colt Stakes Purse Distribution Fund. Amends the State Finance Act to create the State and County Fair Assistance Fund as a special fund in the State treasury. Provides that the Fund shall be administered by the Department of Agriculture, and that the Department of Agriculture shall award grants from moneys appropriated from the State and County Fair Assistance Fund for the development, expansion, or support of county fairs that showcase Illinois agriculture products or byproducts. Effective immediately.

LRB097 19902 AMC 65189 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning finance.

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

4 Section 5. The State Finance Act is amended by adding  
5 Sections 5.811 and 6z-93 as follows:

6 (30 ILCS 105/5.811 new)

7 Sec. 5.811. The State and County Fair Assistance Fund.

8 (30 ILCS 105/6z-93 new)

9 Sec. 6z-93. The State and County Fair Assistance Fund.

10 The State and County Fair Assistance Fund is created as a  
11 special fund in the State treasury. The Fund shall be  
12 administered by the Department of Agriculture. No moneys shall  
13 be expended from the State and County Fair Assistance Fund  
14 except as appropriated by the General Assembly.

15 The Department of Agriculture shall award grants from  
16 moneys appropriated from the State and County Fair Assistance  
17 Fund for the development, expansion, or support of county fairs  
18 that showcase Illinois agriculture products or byproducts. No  
19 grant may exceed \$20,000. Not more than one grant under this  
20 Section may be made to any one county fair board. Additionally,  
21 grants under this Section shall be available to the Illinois  
22 State Fair and the DuQuoin State Fair.

1 Section 10. The Riverboat Gambling Act is amended by  
2 changing Section 13 as follows:

3 (230 ILCS 10/13) (from Ch. 120, par. 2413)

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

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

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

13 15% of annual adjusted gross receipts up to and  
14 including \$25,000,000;

15 20% of annual adjusted gross receipts in excess of  
16 \$25,000,000 but not exceeding \$50,000,000;

17 25% of annual adjusted gross receipts in excess of  
18 \$50,000,000 but not exceeding \$75,000,000;

19 30% of annual adjusted gross receipts in excess of  
20 \$75,000,000 but not exceeding \$100,000,000;

21 35% of annual adjusted gross receipts in excess of  
22 \$100,000,000.

23 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax  
24 is imposed on persons engaged in the business of conducting

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

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

8 22.5% of annual adjusted gross receipts in excess of  
9 \$25,000,000 but not exceeding \$50,000,000;

10 27.5% of annual adjusted gross receipts in excess of  
11 \$50,000,000 but not exceeding \$75,000,000;

12 32.5% of annual adjusted gross receipts in excess of  
13 \$75,000,000 but not exceeding \$100,000,000;

14 37.5% of annual adjusted gross receipts in excess of  
15 \$100,000,000 but not exceeding \$150,000,000;

16 45% of annual adjusted gross receipts in excess of  
17 \$150,000,000 but not exceeding \$200,000,000;

18 50% of annual adjusted gross receipts in excess of  
19 \$200,000,000.

20 (a-3) Beginning July 1, 2003, a privilege tax is imposed on  
21 persons engaged in the business of conducting riverboat  
22 gambling operations, other than licensed managers conducting  
23 riverboat gambling operations on behalf of the State, based on  
24 the adjusted gross receipts received by a licensed owner from  
25 gambling games authorized under this Act at the following  
26 rates:

1           15% of annual adjusted gross receipts up to and  
2 including \$25,000,000;

3           27.5% of annual adjusted gross receipts in excess of  
4 \$25,000,000 but not exceeding \$37,500,000;

5           32.5% of annual adjusted gross receipts in excess of  
6 \$37,500,000 but not exceeding \$50,000,000;

7           37.5% of annual adjusted gross receipts in excess of  
8 \$50,000,000 but not exceeding \$75,000,000;

9           45% of annual adjusted gross receipts in excess of  
10 \$75,000,000 but not exceeding \$100,000,000;

11          50% of annual adjusted gross receipts in excess of  
12 \$100,000,000 but not exceeding \$250,000,000;

13          70% of annual adjusted gross receipts in excess of  
14 \$250,000,000.

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

20          The privilege tax imposed under this subsection (a-3) shall  
21 no longer be imposed beginning on the earlier of (i) July 1,  
22 2005; (ii) the first date after June 20, 2003 that riverboat  
23 gambling operations are conducted pursuant to a dormant  
24 license; or (iii) the first day that riverboat gambling  
25 operations are conducted under the authority of an owners  
26 license that is in addition to the 10 owners licenses initially

1 authorized under this Act. For the purposes of this subsection  
2 (a-3), the term "dormant license" means an owners license that  
3 is authorized by this Act under which no riverboat gambling  
4 operations are being conducted on June 20, 2003.

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

13 15% of annual adjusted gross receipts up to and  
14 including \$25,000,000;

15 22.5% of annual adjusted gross receipts in excess of  
16 \$25,000,000 but not exceeding \$50,000,000;

17 27.5% of annual adjusted gross receipts in excess of  
18 \$50,000,000 but not exceeding \$75,000,000;

19 32.5% of annual adjusted gross receipts in excess of  
20 \$75,000,000 but not exceeding \$100,000,000;

21 37.5% of annual adjusted gross receipts in excess of  
22 \$100,000,000 but not exceeding \$150,000,000;

23 45% of annual adjusted gross receipts in excess of  
24 \$150,000,000 but not exceeding \$200,000,000;

25 50% of annual adjusted gross receipts in excess of  
26 \$200,000,000.

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

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

7 (a-15) If the privilege tax imposed under subsection (a-3)  
8 is no longer imposed pursuant to item (i) of the last paragraph  
9 of subsection (a-3), then by June 15 of each year, each owners  
10 licensee, other than an owners licensee that admitted 1,000,000  
11 persons or fewer in calendar year 2004, must, in addition to  
12 the payment of all amounts otherwise due under this Section,  
13 pay to the Board a reconciliation payment in the amount, if  
14 any, by which the licensed owner's base amount exceeds the  
15 amount of net privilege tax paid by the licensed owner to the  
16 Board in the then current State fiscal year. A licensed owner's  
17 net privilege tax obligation due for the balance of the State  
18 fiscal year shall be reduced up to the total of the amount paid  
19 by the licensed owner in its June 15 reconciliation payment.  
20 The obligation imposed by this subsection (a-15) is binding on  
21 any person, firm, corporation, or other entity that acquires an  
22 ownership interest in any such owners license. The obligation  
23 imposed under this subsection (a-15) terminates on the earliest  
24 of: (i) July 1, 2007, (ii) the first day after the effective  
25 date of this amendatory Act of the 94th General Assembly that  
26 riverboat gambling operations are conducted pursuant to a

1 dormant license, (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, or (iv) the first day that a  
5 licensee under the Illinois Horse Racing Act of 1975 conducts  
6 gaming operations with slot machines or other electronic gaming  
7 devices. The Board must reduce the obligation imposed under  
8 this subsection (a-15) by an amount the Board deems reasonable  
9 for any of the following reasons: (A) an act or acts of God,  
10 (B) an act of bioterrorism or terrorism or a bioterrorism or  
11 terrorism threat that was investigated by a law enforcement  
12 agency, or (C) a condition beyond the control of the owners  
13 licensee that does not result from any act or omission by the  
14 owners licensee or any of its agents and that poses a hazardous  
15 threat to the health and safety of patrons. If an owners  
16 licensee pays an amount in excess of its liability under this  
17 Section, the Board shall apply the overpayment to future  
18 payments required under this Section.

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

20 "Act of God" means an incident caused by the operation of  
21 an extraordinary force that cannot be foreseen, that cannot be  
22 avoided by the exercise of due care, and for which no person  
23 can be held liable.

24 "Base amount" means the following:

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

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



1           For the Empress riverboat in Joliet, \$86,000,000.  
2           For a riverboat in Metropolis, \$45,000,000.  
3           For the Harrah's riverboat in Joliet, \$114,000,000.  
4           For a riverboat in Aurora, \$86,000,000.  
5           For a riverboat in East St. Louis, \$48,500,000.  
6           For a riverboat in Elgin, \$198,000,000.

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

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

13           The changes made to this subsection (a-15) by Public Act  
14 94-839 are intended to restate and clarify the intent of Public  
15 Act 94-673 with respect to the amount of the payments required  
16 to be made under this subsection by an owners licensee to the  
17 Board.

18           (b) Until January 1, 1998, 25% of the tax revenue deposited  
19 in the State Gaming Fund under this Section shall be paid,  
20 subject to appropriation by the General Assembly, to the unit  
21 of local government which is designated as the home dock of the  
22 riverboat. Beginning January 1, 1998, from the tax revenue  
23 deposited in the State Gaming Fund under this Section, an  
24 amount equal to 5% of adjusted gross receipts generated by a  
25 riverboat shall be paid monthly, subject to appropriation by  
26 the General Assembly, to the unit of local government that is

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

10 (c) Appropriations, as approved by the General Assembly,  
11 may be made from the State Gaming Fund to the Board (i) for the  
12 administration and enforcement of this Act and the Video Gaming  
13 Act, (ii) for distribution to the Department of State Police  
14 and to the Department of Revenue for the enforcement of this  
15 Act, and (iii) to the Department of Human Services for the  
16 administration of programs to treat problem gambling.

17 (c-5) Before May 26, 2006 (the effective date of Public Act  
18 94-804) and beginning on the effective date of this amendatory  
19 Act of the 95th General Assembly, unless any organization  
20 licensee under the Illinois Horse Racing Act of 1975 begins to  
21 operate a slot machine or video game of chance under the  
22 Illinois Horse Racing Act of 1975 or this Act, after the  
23 payments required under subsections (b) and (c) have been made,  
24 an amount equal to 15% of the adjusted gross receipts of (1) an  
25 owners licensee that relocates pursuant to Section 11.2, (2) an  
26 owners licensee conducting riverboat gambling operations

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

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

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

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

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

11 (A) fifty percent shall be transferred in equal amounts  
12 to the State and County Fair Assistance Fund; the Partners  
13 for Conservation Fund, to be used for grants to soil and  
14 water conservation districts; and the State Cooperative  
15 Service Trust Fund, to be used for grants to the State's  
16 cooperative extensions; and

17 (B) fifty percent shall be distributed as follows: 60%  
18 shall be transferred to the Illinois Thoroughbred Breeders  
19 Fund and 40% shall be transferred to the Colt Stakes Purse  
20 Distribution Fund.

21 Transfers made pursuant to this subsection (c-25) shall  
22 supplement, and not supplant, other State funding for these  
23 purposes. ~~to Chicago State University.~~

24 (d) From time to time, the Board shall transfer the  
25 remainder of the funds generated by this Act into the Education  
26 Assistance Fund, created by Public Act 86-0018, of the State of

1 Illinois.

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

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

13 (Source: P.A. 95-331, eff. 8-21-07; 95-1008, eff. 12-15-08;  
14 96-37, eff. 7-13-09; 96-1392, eff. 1-1-11.)

15 Section 99. Effective date. This Act takes effect upon  
16 becoming law.