

1 AN ACT concerning gaming.

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

4 ARTICLE 1.

5 Section 1-1. Short title. This Article may be cited as the
6 Chicago Casino Development Authority Act. References in this
7 Article to "this Act" mean this Article.

8 Section 1-2. Legislative intent.

9 (a) This Act is intended to benefit the people of the City
10 of Chicago and the State of Illinois by assisting economic
11 development and promoting tourism and by increasing the amount
12 of revenues available to the City and the State to assist and
13 support education.

14 (b) While authorization of casino gambling in Chicago will
15 enhance investment, development, and tourism in Illinois, it is
16 recognized that it will do so successfully only if public
17 confidence and trust in the credibility and integrity of the
18 gambling operations and the regulatory process is maintained.
19 Therefore, the provisions of this Act are designed to allow the
20 Illinois Gaming Board to strictly regulate the facilities,
21 persons, associations, and practices related to gambling
22 operations pursuant to the police powers of the State,

1 including comprehensive law enforcement supervision.
2 Consistent with the Gaming Board's authority, the Gaming Board
3 alone shall regulate any Chicago casino, just as it now
4 regulates every other casino in Illinois.

5 Section 1-5. Definitions. As used in this Act:

6 "Authority" means the Chicago Casino Development Authority
7 created by this Act.

8 "Casino" means one temporary land-based or water-based
9 facility and one permanent land-based or water-based facility
10 and airport gaming locations pursuant to Section 1-67 of this
11 Act at which lawful gambling is authorized and licensed as
12 provided in the Illinois Gambling Act.

13 "Casino Board" means the board appointed pursuant to this
14 Act to govern and control the Authority.

15 "Casino management contract" means a legally binding
16 agreement between the Authority and a casino operator licensee
17 to operate or manage a casino.

18 "Casino operator licensee" means any person or entity
19 selected by the Authority and approved and licensed by the
20 Gaming Board to manage and operate a casino within the City of
21 Chicago pursuant to a casino management contract.

22 "City" means the City of Chicago.

23 "Entity" means a corporation, joint venture, partnership,
24 limited liability company, trust, or unincorporated
25 association.

1 "Executive director" means the person appointed by the
2 Casino Board to oversee the daily operations of the Authority.

3 "Gaming Board" means the Illinois Gaming Board created by
4 the Illinois Gambling Act.

5 "Mayor" means the Mayor of the City.

6 Section 1-12. Creation of the Authority. There is hereby
7 created a political subdivision, unit of local government with
8 only the powers authorized by law, body politic, and municipal
9 corporation, by the name and style of the Chicago Casino
10 Development Authority.

11 Section 1-13. Duties of the Authority. It shall be the duty
12 of the Authority, as an owners licensee under the Illinois
13 Gambling Act, to promote and maintain a casino in the City. The
14 Authority shall own, acquire, construct, lease, equip, and
15 maintain grounds, buildings, and facilities for that purpose.
16 However, the Authority shall contract with a casino operator
17 licensee to manage and operate the casino and in no event shall
18 the Authority or City manage or operate the casino. The
19 Authority may contract pursuant to the procedures set forth in
20 Section 1-115 with other third parties in order to fulfill its
21 purpose. The Authority is responsible for the payment of any
22 fees required of a casino operator under subsection (a) of
23 Section 7.8 of the Illinois Gambling Act if the casino operator
24 licensee is late in paying any such fees. The Authority is

1 granted all rights and powers necessary to perform such duties.
2 Subject to the provisions of this Act, the Authority and casino
3 operator licensee are subject to the Illinois Gambling Act and
4 all of the rules of the Gaming Board, which shall be applied to
5 the Authority and the casino operator licensee in a manner
6 consistent with that of other owners licensees under the
7 Illinois Gambling Act. Nothing in this Act shall confer
8 regulatory authority on the Chicago Casino Development
9 Authority. The Illinois Gaming Board shall have exclusive
10 regulatory authority over all gambling operations governed by
11 this Act.

12 Section 1-15. Casino Board.

13 (a) The governing and administrative powers of the
14 Authority shall be vested in a body known as the Chicago Casino
15 Development Board. The Casino Board shall consist of 5 members
16 appointed by the Mayor. One of these members shall be
17 designated by the Mayor to serve as chairperson. All of the
18 members appointed by the Mayor shall be residents of the City.

19 Each Casino Board appointee shall be subject to a
20 preliminary background investigation completed by the Gaming
21 Board within 30 days after the appointee's submission of his or
22 her application to the Gaming Board. If the Gaming Board
23 determines that there is a substantial likelihood that it will
24 not find the appointee to be suitable to serve on the Casino
25 Board (applying the same standards for suitability to the

1 appointee as the Gaming Board would apply to an owners licensee
2 key person under the Gaming Board's adopted rules), then the
3 Gaming Board shall provide a written notice of such
4 determination to the appointee and the Corporation Counsel of
5 the City. The Mayor may then appoint a new candidate. If no
6 such notice is delivered with respect to a particular
7 appointee, then commencing on the 31st day following the date
8 of the appointee's submission of his or her application to the
9 Gaming Board, the appointee shall be deemed an acting member of
10 the Casino Board and shall participate as a Casino Board
11 member.

12 Each appointee shall be subject to a full background
13 investigation and final approval by the Gaming Board prior to
14 the opening of the casino. The Gaming Board shall complete its
15 full background investigation of the Casino Board appointee
16 within 3 months after the date of the appointee's submission of
17 his or her application to the Gaming Board. If the Gaming Board
18 does not complete its background investigation within the
19 3-month period, then the Gaming Board shall give a written
20 explanation to the appointee, as well as the Mayor, the
21 Governor, the President of the Senate, and the Speaker of the
22 House of Representatives, as to why it has not reached a final
23 determination and set forth a reasonable time when such
24 determination shall be made.

25 (b) Casino Board members shall receive \$300 for each day
26 the Authority meets and shall be entitled to reimbursement of

1 reasonable expenses incurred in the performance of their
2 official duties. A Casino Board member who serves in the office
3 of secretary-treasurer may also receive compensation for
4 services provided as that officer.

5 Section 1-20. Terms of appointments; resignation and
6 removal.

7 (a) The Mayor shall appoint 2 members of the Casino Board
8 for an initial term expiring July 1 of the year following final
9 approval by the Gaming Board, 2 members for an initial term
10 expiring July 1 three years following final approval by the
11 Gaming Board, and one member for an initial term expiring July
12 1 five years following final approval by the Gaming Board.

13 (b) All successors shall be appointed by the Mayor to hold
14 office for a term of 5 years from the first day of July of the
15 year in which they are appointed, except in the case of an
16 appointment to fill a vacancy. Each member, including the
17 chairperson, shall hold office until the expiration of his or
18 her term and until his or her successor is appointed and
19 qualified. Nothing shall preclude a member from serving
20 consecutive terms. Any member may resign from office, to take
21 effect when a successor has been appointed and qualified. A
22 vacancy in office shall occur in the case of a member's death
23 or indictment, conviction, or plea of guilty to a felony. A
24 vacancy shall be filled for the unexpired term by the Mayor
25 subject to the approval of the Gaming Board as provided in this

1 Section.

2 (c) Members of the Casino Board shall serve at the pleasure
3 of the Mayor. The Mayor or the Gaming Board may remove any
4 member of the Casino Board upon a finding of incompetence,
5 neglect of duty, or misfeasance or malfeasance in office or for
6 a violation of this Act. The Gaming Board may remove any member
7 of the Casino Board for any violation of the Illinois Gambling
8 Act or the rules and regulations of the Gaming Board.

9 (d) No member of the Casino Board shall engage in any
10 political activity. For the purpose of this Section, "political
11 activity" means any activity in support of or in connection
12 with any campaign for federal, State, or local elective office
13 or any political organization, but does not include activities
14 (i) relating to the support or opposition of any executive,
15 legislative, or administrative action, as those terms are
16 defined in Section 2 of the Lobbyist Registration Act, (ii)
17 relating to collective bargaining, or (iii) that are otherwise
18 in furtherance of the person's official duties or governmental
19 and public service functions.

20 Section 1-25. Organization of Casino Board; meetings.
21 After appointment by the Mayor, the Casino Board shall organize
22 for the transaction of business, provided that the Casino Board
23 shall not take any formal action until after the Gaming Board
24 has completed its preliminary background investigation of at
25 least a quorum of the Casino Board as provided in subsection

1 (a) of Section 1-15. The Casino Board shall prescribe the time
2 and place for meetings, the manner in which special meetings
3 may be called, and the notice that must be given to members.
4 All actions and meetings of the Casino Board shall be subject
5 to the provisions of the Open Meetings Act. Three members of
6 the Casino Board shall constitute a quorum. All substantive
7 action of the Casino Board shall be by resolution with an
8 affirmative vote of a majority of the members.

9 Section 1-30. Executive director; officers.

10 (a) The Casino Board shall appoint an executive director,
11 who shall be the chief executive officer of the Authority.

12 The executive director shall be subject to a preliminary
13 background investigation to be completed by the Gaming Board
14 within 30 days after the executive director's submission of his
15 or her application to the Gaming Board. If the Gaming Board
16 determines that there is a substantial likelihood that it will
17 not find the executive director to be suitable to serve in that
18 position (applying the same standards for suitability as the
19 Gaming Board would apply to an owners licensee key person under
20 the Gaming Board's adopted rules), then the Gaming Board shall
21 provide a written notice of such determination to the appointee
22 and the Corporation Counsel of the City. The Casino Board may
23 then appoint a new executive director. If no such notice is
24 delivered, then commencing on the 31st day following the date
25 of the executive director's submission of his or her

1 application to the Gaming Board, the executive director shall
2 commence all duties as the acting executive director of the
3 Authority.

4 The executive director shall be subject to a full
5 background investigation and final approval by the Gaming Board
6 prior to the opening of the casino. The Gaming Board shall
7 complete its full background investigation of the executive
8 director within 3 months after the date of the executive
9 director's submission of his or her application to the Gaming
10 Board. If the Gaming Board does not complete its background
11 investigation within the 3-month period, then the Gaming Board
12 shall give a written explanation to the appointee, as well as
13 the Mayor, the Governor, the President of the Senate, and the
14 Speaker of the House of Representatives, as to why it has not
15 reached a final determination and set forth a reasonable time
16 when such determination shall be made.

17 (b) The Casino Board shall fix the compensation of the
18 executive director. Subject to the general control of the
19 Casino Board, the executive director shall be responsible for
20 the management of the business, properties, and employees of
21 the Authority. The executive director shall direct the
22 enforcement of all resolutions, rules, and regulations of the
23 Casino Board, and shall perform such other duties as may be
24 prescribed from time to time by the Casino Board. All employees
25 and independent contractors, consultants, engineers,
26 architects, accountants, attorneys, financial experts,

1 construction experts and personnel, superintendents, managers,
2 and other personnel appointed or employed pursuant to this Act
3 shall report to the executive director. In addition to any
4 other duties set forth in this Act, the executive director
5 shall do or shall delegate to an employee or agent of the
6 Authority to do all of the following:

7 (1) Direct and supervise the administrative affairs
8 and activities of the Authority in accordance with its
9 rules, regulations, and policies.

10 (2) Attend meetings of the Casino Board.

11 (3) Keep minutes of all proceedings of the Casino
12 Board.

13 (4) Approve all accounts for salaries, per diem
14 payments, and allowable expenses of the Casino Board and
15 its employees and consultants.

16 (5) Report and make recommendations to the Casino Board
17 concerning the terms and conditions of any casino
18 management contract.

19 (6) Perform any other duty that the Casino Board
20 requires for carrying out the provisions of this Act.

21 (7) Devote his or her full time to the duties of the
22 office and not hold any other office or employment.

23 (c) The Casino Board may select a secretary-treasurer and
24 other officers to hold office at the pleasure of the Casino
25 Board. The Casino Board shall fix the duties of such officers.

1 Section 1-31. General rights and powers of the Authority.

2 (a) In addition to the duties and powers set forth in this
3 Act, the Authority shall have the following rights and powers:

4 (1) Adopt and alter an official seal.

5 (2) Establish and change its fiscal year.

6 (3) Sue and be sued, plead and be impleaded, all in its
7 own name, and agree to binding arbitration of any dispute
8 to which it is a party.

9 (4) Adopt, amend, and repeal bylaws, rules, and
10 regulations consistent with the furtherance of the powers
11 and duties provided for.

12 (5) Maintain its principal office within the City and
13 such other offices as the Casino Board may designate.

14 (6) Select locations in the City for a temporary and a
15 permanent casino.

16 (7) Subject to the bidding procedures of Section 1-115
17 of this Act, retain or employ, either as regular employees
18 or independent contractors, consultants, engineers,
19 architects, accountants, attorneys, financial experts,
20 construction experts and personnel, superintendents,
21 managers and other professional personnel, and such other
22 personnel as may be necessary in the judgment of the Casino
23 Board, and fix their compensation; however, employees of
24 the Authority shall be hired pursuant to and in accordance
25 with the rules and policies the Authority may adopt.

26 (8) Pursuant to Section 1-115 of this Act, own,

1 acquire, construct, equip, lease, operate, manage, and
2 maintain grounds, buildings, and facilities to carry out
3 its corporate purposes and duties.

4 (9) Pursuant to Section 1-115, and subject to the
5 oversight, review, and approval of the Gaming Board, enter
6 into, revoke, and modify contracts in accordance with the
7 rules of the Gaming Board as consistently applied to all
8 owners licensees under the Illinois Gambling Act, provided
9 that the Authority may enter into contracts for the design,
10 construction, and outfitting of a temporary casino prior to
11 the Gaming Board's final approval of the Authority's
12 executive director and the members of the Casino Board and
13 prior to the Gaming Board's issuance of the Authority's
14 owners license. Provided further that the entities
15 selected by the Authority for the design, construction, and
16 outfitting of the temporary casino shall be subject to a
17 preliminary background investigation to be completed by
18 the Gaming Board within 30 days after the Gaming Board is
19 provided the identities of the entities. If the Gaming
20 Board determines that there is a substantial likelihood
21 that the entities are not suitable or acceptable to perform
22 their respective functions, then the Gaming Board shall
23 immediately provide notice of that determination to the
24 Authority. If no such notice is delivered, then, commencing
25 on the 31st day following the date on which the information
26 identifying such entities is provided to the Gaming Board,

1 such entities shall be permitted to commence the services
2 contemplated for the design, construction, and outfitting
3 of the temporary casino. In no event, however, shall the
4 Authority open a casino until after the Gaming Board has
5 finally approved the Authority's executive director and
6 the members of the Casino Board and the Gaming Board has
7 issued the Authority's owners license and the casino
8 operator's casino operator license.

9 (10) Enter into a casino management contract subject to
10 the provisions of Section 1-45 of this Act.

11 (11) Negotiate and enter into intergovernmental
12 agreements with the State and its agencies, the City, and
13 other units of local government, in furtherance of the
14 powers and duties of the Casino Board.

15 (12) Receive and disburse funds for its own corporate
16 purposes or as otherwise specified in this Act.

17 (13) Borrow money from any source, public or private,
18 for any corporate purpose, including, without limitation,
19 working capital for its operations, reserve funds, or
20 payment of interest, and to mortgage, pledge, or otherwise
21 encumber the property or funds of the Authority and to
22 contract with or engage the services of any person in
23 connection with any financing, including financial
24 institutions, issuers of letters of credit, or insurers and
25 enter into reimbursement agreements with this person or
26 entity which may be secured as if money were borrowed from

1 the person or entity.

2 (14) Issue bonds as provided for under this Act.

3 (15) Receive and accept from any source, private or
4 public, contributions, gifts, or grants of money or
5 property to the Authority.

6 (16) Provide for the insurance of any property,
7 operations, officers, members, agents, or employees of the
8 Authority against any risk or hazard, to self-insure or
9 participate in joint self-insurance pools or entities to
10 insure against such risk or hazard, and to provide for the
11 indemnification of its officers, members, employees,
12 contractors, or agents against any and all risks.

13 (17) Exercise all the corporate powers granted
14 Illinois corporations under the Business Corporation Act
15 of 1983, except to the extent that powers are inconsistent
16 with those of a body politic and municipal corporation.

17 (18) Do all things necessary or convenient to carry out
18 the powers granted by this Act.

19 (b) The Casino Board shall comply with all applicable legal
20 requirements imposed on other owners licensees to conduct all
21 background investigations required under the Illinois Gambling
22 Act and the rules of the Gaming Board. This requirement shall
23 also extend to senior legal, financial, and administrative
24 staff of the Authority.

25 Section 1-32. Ethical conduct.

1 (a) Casino Board members and employees of the Authority
2 must carry out their duties and responsibilities in such a
3 manner as to promote and preserve public trust and confidence
4 in the integrity and conduct of gaming.

5 (b) Except as may be required in the conduct of official
6 duties, Casino Board members and employees of the Authority
7 shall not engage in gambling on any riverboat, in any casino,
8 or in an electronic gaming facility licensed by the Illinois
9 Gaming Board or engage in legalized gambling in any
10 establishment identified by Gaming Board action that, in the
11 judgment of the Gaming Board, could represent a potential for a
12 conflict of interest.

13 (c) A Casino Board member or employee of the Authority
14 shall not use or attempt to use his or her official position to
15 secure or attempt to secure any privilege, advantage, favor, or
16 influence for himself or herself or others.

17 (d) Casino Board members and employees of the Authority
18 shall not hold or pursue employment, office, position,
19 business, or occupation that may conflict with his or her
20 official duties. Employees may engage in other gainful
21 employment so long as that employment does not interfere or
22 conflict with their duties. Such employment must be disclosed
23 to the executive director and approved by the Casino Board.

24 (e) Casino Board members, employees of the Authority, and
25 elected officials and employees of the City may not engage in
26 employment, communications, or any activity identified by the

1 Casino Board or Gaming Board that, in the judgment of either
2 entity, could represent the potential for or the appearance of
3 a conflict of interest.

4 (f) Casino Board members, employees of the Authority, and
5 elected officials and employees of the City may not have a
6 financial interest, directly or indirectly, in his or her own
7 name or in the name of any other person, partnership,
8 association, trust, corporation, or other entity in any
9 contract or subcontract for the performance of any work for the
10 Authority. This prohibition shall extend to the holding or
11 acquisition of an interest in any entity identified by the
12 Casino Board or the Gaming Board that, in the judgment of
13 either entity, could represent the potential for or the
14 appearance of a financial interest. The holding or acquisition
15 of an interest in such entities through an indirect means, such
16 as through a mutual fund, shall not be prohibited, except that
17 the Gaming Board may identify specific investments or funds
18 that, in its judgment, are so influenced by gaming holdings as
19 to represent the potential for or the appearance of a conflict
20 of interest.

21 (g) Casino Board members, employees of the Authority, and
22 elected officials and employees of the City may not accept any
23 gift, gratuity, service, compensation, travel, lodging, or
24 thing of value, with the exception of unsolicited items of an
25 incidental nature, from any person, corporation, or entity
26 doing business with the Authority.

1 (h) No Casino Board member, employee of the Authority, or
2 elected official or employee of the City may, during employment
3 or within a period of 2 years immediately after termination of
4 employment, knowingly accept employment or receive
5 compensation or fees for services from a person or entity, or
6 its parent or affiliate, that has engaged in business with the
7 Authority that resulted in contracts with an aggregate value of
8 at least \$25,000 or if that Casino Board member or employee has
9 made a decision that directly applied to the person or entity,
10 or its parent or affiliate.

11 (i) A spouse, child, or parent of a Casino Board member,
12 employee of the Authority, or elected official or employee of
13 the City may not have a financial interest, directly or
14 indirectly, in his or her own name or in the name of any other
15 person, partnership, association, trust, corporation, or other
16 entity in any contract or subcontract for the performance of
17 any work for the Authority. This prohibition shall extend to
18 the holding or acquisition of an interest in any entity
19 identified by the Casino Board or Gaming Board that, in the
20 judgment of either entity, could represent the potential for or
21 the appearance of a conflict of interest. The holding or
22 acquisition of an interest in such entities through an indirect
23 means, such as through a mutual fund, shall not be prohibited,
24 except that the Gaming Board may identify specific investments
25 or funds that, in its judgment, are so influenced by gaming
26 holdings as to represent the potential for or the appearance of

1 a conflict of interest.

2 (j) A spouse, child, or parent of a Casino Board member,
3 employee of the Authority, or elected official or employee of
4 the City may not accept any gift, gratuity, service,
5 compensation, travel, lodging, or thing of value, with the
6 exception of unsolicited items of an incidental nature, from
7 any person, corporation, or entity doing business with the
8 Authority.

9 (k) A spouse, child, or parent of a Casino Board member,
10 employee of the Authority, or elected official or employee of
11 the City may not, while the person is a Board member or
12 employee of the spouse or within a period of 2 years
13 immediately after termination of employment, knowingly accept
14 employment or receive compensation or fees for services from a
15 person or entity, or its parent or affiliate, that has engaged
16 in business with the Authority that resulted in contracts with
17 an aggregate value of at least \$25,000 or if that Casino Board
18 member, employee, or elected official or employee of the City
19 has made a decision that directly applied to the person or
20 entity, or its parent or affiliate.

21 (l) No Casino Board member, employee of the Authority, or
22 elected official or employee of the City may attempt, in any
23 way, to influence any person or entity doing business with the
24 Authority or any officer, agent, or employee thereof to hire or
25 contract with any person or entity for any compensated work.

26 (m) No Casino Board member, employee of the Authority, or

1 elected official or employee of the City shall use or attempt
2 to use his or her official position to secure, or attempt to
3 secure, any privilege, advantage, favor, or influence for
4 himself or herself or others. No Casino Board member, employee
5 of the Authority, or elected official or employee of the City
6 shall, within one year immediately preceding appointment by the
7 Mayor or employment, have been employed or received
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 Casino Board, a licensee under this Act, or a licensee under
11 the Illinois Gambling Act.

12 (n) Any communication between an elected official of the
13 City and any applicant for or party to a casino management
14 contract with the Authority, or an officer, director, or
15 employee thereof, concerning any matter relating in any way to
16 gaming or the Authority shall be disclosed to the Casino Board
17 and the Gaming Board. Such disclosure shall be in writing by
18 the official within 30 days after the communication and shall
19 be filed with the Casino Board and the Gaming Board. Disclosure
20 must consist of the date of the communication, the identity and
21 job title of the person with whom the communication was made, a
22 brief summary of the communication, the action requested or
23 recommended, all responses made, the identity and job title of
24 the person making the response, and any other pertinent
25 information. In addition, if the communication is written or
26 digital, then the entire communication shall be disclosed.

1 Public disclosure of the written summary provided to the
2 Casino Board and the Gaming Board shall be subject to the
3 exemptions provided under Section 7 of the Freedom of
4 Information Act.

5 This subsection (n) shall not apply to communications
6 regarding traffic, law enforcement, security, environmental
7 issues, City services, transportation, or other routine
8 matters concerning the ordinary operations of the casino.

9 (o) For purposes of this Section:

10 "Ordinary operations" means operations relating to the
11 casino facility other than the conduct of gambling activities.

12 "Routine matters" includes the application for, issuance,
13 renewal, and other processes associated with City permits and
14 licenses.

15 "Employee of the City" means only those employees of the
16 City who provide services to the Authority or otherwise
17 influence the decisions of the Authority or the Casino Board.

18 (p) Any Casino Board member or employee of the Authority
19 who violates any provision of this Section is guilty of a Class
20 4 felony.

21 Section 1-45. Casino management contracts.

22 (a) In accordance with all applicable procurement laws and
23 rules, the Casino Board shall develop and administer a
24 competitive sealed bidding process for the selection of a
25 potential casino operator licensee to develop or operate a

1 casino within the City. The Casino Board shall issue one or
2 more requests for proposals. The Casino Board may establish
3 minimum financial and investment requirements to determine the
4 eligibility of persons to respond to the Casino Board's
5 requests for proposals, and may establish and consider such
6 other criteria as it deems appropriate. The Casino Board may
7 impose a reasonable fee upon persons who respond to requests
8 for proposals, in order to reimburse the Casino Board for its
9 costs in preparing and issuing the requests and reviewing the
10 proposals. At least 30 days prior to the commencement of the
11 competitive bidding process, the Gaming Board shall be given an
12 opportunity to review the competitive bidding process
13 established by the Casino Board. During the competitive bidding
14 process, the Casino Board shall keep the Gaming Board apprised
15 of the process and the responses received in connection with
16 the Casino Board's requests for proposals.

17 (b) Within 5 business days after the time limit for
18 submitting bids and proposals has passed, the Casino Board
19 shall make all bids and proposals public, provided, however,
20 the Casino Board shall not be required to disclose any
21 information which would be exempt from disclosure under Section
22 7 of the Freedom of Information Act. Thereafter, the Casino
23 Board shall evaluate the responses to its requests for
24 proposals and the ability of all persons or entities responding
25 to its requests for proposals to meet the requirements of this
26 Act and any relevant provisions of the Illinois Gambling Act

1 and to undertake and perform the obligations set forth in its
2 requests for proposals.

3 (c) After reviewing proposals and selecting a successful
4 bidder, the Casino Board shall enter into a casino management
5 contract with the successful bidder authorizing the operation
6 of a casino. The casino operator shall be subject to a
7 background investigation and approval by the Gaming Board. The
8 Gaming Board shall complete its background investigation and
9 approval of the casino operator within 6 months after the date
10 that the proposed casino operator submits its application to
11 the Gaming Board. If the Gaming Board does not complete its
12 background investigation and approval within the 6-month
13 period, then the Gaming Board shall give a written explanation
14 to the proposed casino operator and the chief legal officer of
15 the Authority as to why it has not reached a final
16 determination and when it reasonably expects to make a final
17 determination. Validity of the casino management contract is
18 contingent upon the issuance of a casino operator license to
19 the successful bidder. If the Gaming Board grants a casino
20 operator license, the Casino Board shall transmit a copy of the
21 executed casino management contract to the Gaming Board.

22 (d) After (1) the Authority has been issued an owners
23 license, (2) the Gaming Board has issued a casino operator
24 license, and (3) the Gaming Board has approved the members of
25 the Casino Board, the Authority may conduct gaming operations
26 at a temporary facility, subject to the adopted rules of the

1 Gaming Board, for no longer than 24 months after gaming
2 operations begin. The Gaming Board may, after holding a public
3 hearing, grant an extension so long as a permanent facility is
4 not operational and the Authority is working in good faith to
5 complete the permanent facility. The Gaming Board may grant
6 additional extensions following further public hearings. Each
7 extension may be for a period of no longer than 6 months.

8 (e) Fifty percent of any initial consideration received by
9 the Authority that was paid as an inducement pursuant to a bid
10 for a casino management contract or an executed casino
11 management contract must be transmitted to the State and
12 deposited into the Gaming Facilities Fee Revenue Fund. The
13 initial consideration shall not include (1) any amounts paid to
14 the Authority as reimbursement for its costs in preparing or
15 issuing the requests for proposals and reviewing the proposals
16 or (2) any amounts loaned to the Authority or paid by an entity
17 on behalf of the Authority for the design, construction,
18 outfitting, or equipping of the casino, pre-opening expenses,
19 bank roll or similar expenses required to open and operate the
20 casino, or any license or per position fees imposed pursuant to
21 the Illinois Gambling Act or any other financial obligation of
22 the Authority.

23 Section 1-47. Freedom of Information Act. The Authority
24 shall be a public body as defined in the Freedom of Information
25 Act and shall be subject to the provisions of the Freedom of

1 Information Act.

2 Section 1-50. Transfer of funds. The revenues received by
3 the Authority (other than amounts required to be paid pursuant
4 to the Illinois Gambling Act and amounts required to pay the
5 operating expenses of the Authority, to pay amounts due the
6 casino operator licensee pursuant to a casino management
7 contract, to repay any borrowing of the Authority made pursuant
8 to Section 1-31, to pay debt service on any bonds issued under
9 Section 1-75, and to pay any expenses in connection with the
10 issuance of such bonds pursuant to Section 1-75 or derivative
11 products pursuant to Section 1-85) shall be transferred to the
12 City by the Authority. Moneys transferred to the City pursuant
13 to this Section shall be expended or obligated by the City for
14 the construction, maintenance, and modernization of schools.

15 Section 1-60. Auditor General.

16 (a) Prior to the issuance of bonds under this Act, the
17 Authority shall submit to the Auditor General a certification
18 that:

19 (1) it is legally authorized to issue bonds;

20 (2) scheduled annual payments of principal and
21 interest on the bonds to be issued meet the requirements of
22 Section 1-75 of this Act;

23 (3) no bond shall mature later than 30 years; and

24 (4) after payment of costs of issuance and necessary

1 deposits to funds and accounts established with respect to
2 debt service on the bonds, the net bond proceeds (exclusive
3 of any proceeds to be used to refund outstanding bonds)
4 will be used only for the purposes set forth in this Act.

5 The Authority also shall submit to the Auditor General its
6 projections on revenues to be generated and pledged to
7 repayment of the bonds as scheduled and such other information
8 as the Auditor General may reasonably request.

9 The Auditor General shall examine the certifications and
10 information submitted and submit a report to the Authority and
11 the Gaming Board indicating whether the required
12 certifications, projections, and other information have been
13 submitted by the Authority and whether the assumptions
14 underlying the projections are not unreasonable in the
15 aggregate. The Auditor General shall submit the report no later
16 than 60 days after receiving the information required to be
17 submitted by the Authority.

18 The Auditor General shall submit a bill to the Authority
19 for costs associated with the examinations and report required
20 under this Section. The Authority shall reimburse in a timely
21 manner.

22 (b) The Authority shall enter into an intergovernmental
23 agreement with the Auditor General authorizing the Auditor
24 General to, every 2 years, (i) review the financial audit of
25 the Authority performed by the Authority's certified public
26 accountants, (ii) perform a management audit of the Authority,

1 and (iii) perform a management audit of the casino operator
2 licensee. The Auditor General shall provide the Authority and
3 the General Assembly with the audits and shall post on his or
4 her Internet website such portions of the audit or other
5 financial information as generally would be made publicly
6 available for other owners licensees under the Illinois
7 Gambling Act. The Auditor General shall submit a bill to the
8 Authority for costs associated with the review and the audit
9 required under this Section, which costs shall not exceed
10 \$100,000, and the Authority shall reimburse the Auditor General
11 for such costs in a timely manner.

12 Section 1-62. Advisory committee. An Advisory Committee is
13 established to monitor, review, and report on (1) the
14 Authority's utilization of minority-owned business enterprises
15 and female-owned business enterprises, (2) employment of
16 females, and (3) employment of minorities with regard to the
17 development and construction of the casino as authorized under
18 Section 7 of the Illinois Gambling Act. The Authority shall
19 work with the Advisory Committee in accumulating necessary
20 information for the Committee to submit reports, as necessary,
21 to the General Assembly and to the City.

22 The Committee shall consist of 9 members as provided in
23 this Section. Five members shall be selected by the Governor
24 and 4 members shall be selected by the Mayor. The Governor and
25 Mayor shall each appoint at least one current member of the

1 General Assembly. The Advisory Committee shall meet
2 periodically and shall report the information to the Mayor of
3 the City and to the General Assembly by December 31st of every
4 year.

5 The Advisory Committee shall be dissolved on the date that
6 casino gambling operations are first conducted at a permanent
7 facility under the license authorized under Section 7 of the
8 Illinois Gambling Act. For the purposes of this Section, the
9 terms "female" and "minority person" have the meanings provided
10 in Section 2 of the Business Enterprise for Minorities,
11 Females, and Persons with Disabilities Act.

12 Section 1-65. Acquisition of property; eminent domain
13 proceedings. For the lawful purposes of this Act, the City may
14 acquire, by eminent domain or by condemnation proceedings in
15 the manner provided by the Eminent Domain Act, real or personal
16 property or interests in real or personal property located in
17 the City, and the City may convey to the Authority property so
18 acquired. The acquisition of property under this Section is
19 declared to be for a public use.

20 Section 1-67. Limitations on gaming at Chicago airports.
21 The Authority may conduct gaming operations in an airport under
22 the administration or control of the Chicago Department of
23 Aviation. Gaming operations may be conducted pursuant to this
24 Section so long as (i) gaming operations are conducted in a

1 secured area that is beyond the Transportation Security
2 Administration security checkpoints and only available to
3 airline passengers at least 21 years of age who are members of
4 a private club, and not to the general public, (ii) gaming
5 operations are limited to slot machines, as defined in Section
6 4 of the Illinois Gambling Act, and (iii) the combined number
7 of gaming positions operating in the City at the airports and
8 at the temporary and permanent casino facility does not exceed
9 the maximum number of gaming positions authorized pursuant to
10 subsection (h) of Section 7 of the Illinois Gambling Act.
11 Gaming operations at an airport are subject to all applicable
12 laws and rules that apply to any other gaming facility under
13 this Act or the Illinois Gambling Act.

14 Section 1-70. Local regulation. In addition to this Act,
15 the Illinois Gambling Act, and all of the rules of the Gaming
16 Board, the casino facilities and operations therein shall be
17 subject to all ordinances and regulations of the City. The
18 construction, development, and operation of the casino shall
19 comply with all ordinances, regulations, rules, and controls of
20 the City, including, but not limited to, those relating to
21 zoning and planned development, building, fire prevention, and
22 land use. However, the regulation of gaming operations is
23 subject to the exclusive jurisdiction of the Gaming Board. The
24 Gaming Board shall be responsible for the investigation for and
25 issuance of all licenses required by this Act and the Illinois

1 Gambling Act.

2 Section 1-75. Borrowing.

3 (a) The Authority may borrow money and issue bonds as
4 provided in this Section. Bonds of the Authority may be issued
5 to provide funds for land acquisition, site assembly and
6 preparation, and the design and construction of the casino, as
7 defined in the Illinois Gambling Act, all ancillary and related
8 facilities comprising the casino complex, and all on-site and
9 off-site infrastructure improvements required in connection
10 with the development of the casino; to refund (at the time or
11 in advance of any maturity or redemption) or redeem any bonds
12 of the Authority; to provide or increase a debt service reserve
13 fund or other reserves with respect to any or all of its bonds;
14 or to pay the legal, financial, administrative, bond insurance,
15 credit enhancement, and other legal expenses of the
16 authorization, issuance, or delivery of bonds. In this Act, the
17 term "bonds" also includes notes of any kind, interim
18 certificates, refunding bonds, or any other evidence of
19 obligation for borrowed money issued under this Section. Bonds
20 may be issued in one or more series and may be payable and
21 secured either on a parity with or separately from other bonds.

22 (b) The bonds of the Authority shall be payable from one or
23 more of the following sources: (i) the property or revenues of
24 the Authority; (ii) revenues derived from the casino; (iii)
25 revenues derived from any casino operator licensee; (iv) fees,

1 bid proceeds, charges, lease payments, payments required
2 pursuant to any casino management contract or other revenues
3 payable to the Authority, or any receipts of the Authority; (v)
4 payments by financial institutions, insurance companies, or
5 others pursuant to letters or lines of credit, policies of
6 insurance, or purchase agreements; (vi) investment earnings
7 from funds or accounts maintained pursuant to a bond resolution
8 or trust indenture; (vii) proceeds of refunding bonds; (viii)
9 any other revenues derived from or payments by the City; and
10 (ix) any payments by any casino operator licensee or others
11 pursuant to any guaranty agreement.

12 (c) Bonds shall be authorized by a resolution of the
13 Authority and may be secured by a trust indenture by and
14 between the Authority and a corporate trustee or trustees,
15 which may be any trust company or bank having the powers of a
16 trust company within or without the State. Bonds shall meet the
17 following requirements:

18 (1) Bonds may bear interest payable at any time or
19 times and at any rate or rates, notwithstanding any other
20 provision of law to the contrary, and may be subject to
21 such other terms and conditions as may be provided by the
22 resolution or indenture authorizing the issuance of such
23 bonds.

24 (2) Bonds issued pursuant to this Section may be
25 payable on such dates and times as may be provided for by
26 the resolution or indenture authorizing the issuance of

1 such bonds; provided, however, that such bonds shall mature
2 no later than 30 years from the date of issuance.

3 (3) Bonds issued pursuant to this Section may be sold
4 pursuant to notice of sale and public bid or by negotiated
5 sale.

6 (4) Bonds shall be payable at a time or times, in the
7 denominations and form, including book entry form, either
8 coupon, registered, or both, and carry the registration and
9 privileges as to exchange, transfer or conversion, and
10 replacement of mutilated, lost, or destroyed bonds as the
11 resolution or trust indenture may provide.

12 (5) Bonds shall be payable in lawful money of the
13 United States at a designated place.

14 (6) Bonds shall be subject to the terms of purchase,
15 payment, redemption, refunding, or refinancing that the
16 resolution or trust indenture provides.

17 (7) Bonds shall be executed by the manual or facsimile
18 signatures of the officers of the Authority designated by
19 the Board, which signatures shall be valid at delivery even
20 for one who has ceased to hold office.

21 (8) Bonds shall be sold at public or private sale in
22 the manner and upon the terms determined by the Authority.

23 (9) Bonds shall be issued in accordance with the
24 provisions of the Local Government Debt Reform Act.

25 (d) The Authority shall adopt a procurement program with
26 respect to contracts relating to underwriters, bond counsel,

1 financial advisors, and accountants. The program shall include
2 goals for the payment of not less than 30% of the total dollar
3 value of the fees from these contracts to minority-owned
4 businesses and female-owned businesses as defined in the
5 Business Enterprise for Minorities, Females, and Persons with
6 Disabilities Act. The Authority shall conduct outreach to
7 minority-owned businesses and female-owned businesses.
8 Outreach shall include, but is not limited to, advertisements
9 in periodicals and newspapers, mailings, and other appropriate
10 media. The Authority shall submit to the General Assembly a
11 comprehensive report that shall include, at a minimum, the
12 details of the procurement plan, outreach efforts, and the
13 results of the efforts to achieve goals for the payment of
14 fees.

15 (e) Subject to the Illinois Gambling Act and rules of the
16 Gaming Board regarding pledging of interests in holders of
17 owners licenses, any resolution or trust indenture may contain
18 provisions that may be a part of the contract with the holders
19 of the bonds as to the following:

20 (1) Pledging, assigning, or directing the use,
21 investment, or disposition of revenues of the Authority or
22 proceeds or benefits of any contract, including without
23 limitation any rights in any casino management contract.

24 (2) The setting aside of loan funding deposits, debt
25 service reserves, replacement or operating reserves, cost
26 of issuance accounts and sinking funds, and the regulation,

1 investment, and disposition thereof.

2 (3) Limitations on the purposes to which or the
3 investments in which the proceeds of sale of any issue of
4 bonds or the Authority's revenues and receipts may be
5 applied or made.

6 (4) Limitations on the issue of additional bonds, the
7 terms upon which additional bonds may be issued and
8 secured, the terms upon which additional bonds may rank on
9 a parity with, or be subordinate or superior to, other
10 bonds.

11 (5) The refunding, advance refunding, or refinancing
12 of outstanding bonds.

13 (6) The procedure, if any, by which the terms of any
14 contract with bondholders may be altered or amended and the
15 amount of bonds and holders of which must consent thereto
16 and the manner in which consent shall be given.

17 (7) Defining the acts or omissions that shall
18 constitute a default in the duties of the Authority to
19 holders of bonds and providing the rights or remedies of
20 such holders in the event of a default, which may include
21 provisions restricting individual rights of action by
22 bondholders.

23 (8) Providing for guarantees, pledges of property,
24 letters of credit, or other security, or insurance for the
25 benefit of bondholders.

26 (f) No member of the Casino Board, nor any person executing

1 the bonds, shall be liable personally on the bonds or subject
2 to any personal liability by reason of the issuance of the
3 bonds.

4 (g) The Authority may issue and secure bonds in accordance
5 with the provisions of the Local Government Credit Enhancement
6 Act.

7 (h) A pledge by the Authority of revenues and receipts as
8 security for an issue of bonds or for the performance of its
9 obligations under any casino management contract shall be valid
10 and binding from the time when the pledge is made. The revenues
11 and receipts pledged shall immediately be subject to the lien
12 of the pledge without any physical delivery or further act, and
13 the lien of any pledge shall be valid and binding against any
14 person having any claim of any kind in tort, contract, or
15 otherwise against the Authority, irrespective of whether the
16 person has notice. No resolution, trust indenture, management
17 agreement or financing statement, continuation statement, or
18 other instrument adopted or entered into by the Authority need
19 be filed or recorded in any public record other than the
20 records of the Authority in order to perfect the lien against
21 third persons, regardless of any contrary provision of law.

22 (i) Bonds that are being paid or retired by issuance, sale,
23 or delivery of bonds, and bonds for which sufficient funds have
24 been deposited with the paying agent or trustee to provide for
25 payment of principal and interest thereon, and any redemption
26 premium, as provided in the authorizing resolution, shall not

1 be considered outstanding for the purposes of this subsection.

2 (j) The bonds of the Authority shall not be indebtedness of
3 the State. The bonds of the Authority are not general
4 obligations of the State and are not secured by a pledge of the
5 full faith and credit of the State and the holders of bonds of
6 the Authority may not require the application of State revenues
7 or funds to the payment of bonds of the Authority. The
8 foregoing non-recourse language must be printed in bold-face
9 type on the face of the bonds and in the preliminary and final
10 official statements on the bonds.

11 (k) The State of Illinois pledges and agrees with the
12 owners of the bonds that it will not limit or alter the rights
13 and powers vested in the Authority by this Act so as to impair
14 the terms of any contract made by the Authority with the owners
15 or in any way impair the rights and remedies of the owners
16 until the bonds, together with interest on them, and all costs
17 and expenses in connection with any action or proceedings by or
18 on behalf of the owners, are fully met and discharged. The
19 Authority is authorized to include this pledge and agreement in
20 any contract with the owners of bonds issued under this
21 Section.

22 (l) No person holding an elective office in the City, in
23 Cook County, or in this State, holding a seat in the General
24 Assembly, or serving as a board member, trustee, officer, or
25 employee of the Authority, including the spouse of that person,
26 may receive a legal, banking, consulting, or other fee related

1 to the issuance of bonds. This prohibition shall also apply to
2 a company or firm that employs a person holding an elective
3 office in the City, in Cook County, or in this State, holding a
4 seat in the General Assembly, or serving as a board member,
5 trustee, officer, or employee of the Authority, including the
6 spouse of that person, if the person or his or her spouse has
7 greater than 7.5% ownership of the company or firm.

8 Section 1-85. Derivative products. With respect to all or
9 part of any issue of its bonds, the Authority may enter into
10 agreements or contracts with any necessary or appropriate
11 person, which will have the benefit of providing to the
12 Authority an interest rate basis, cash flow basis, or other
13 basis different from that provided in the bonds for the payment
14 of interest. Such agreements or contracts may include, without
15 limitation, agreements or contracts commonly known as
16 "interest rate swap agreements", "forward payment conversion
17 agreements", "futures", "options", "puts", or "calls" and
18 agreements or contracts providing for payments based on levels
19 of or changes in interest rates, agreements or contracts to
20 exchange cash flows or a series of payments, or to hedge
21 payment, rate spread, or similar exposure. Any such agreement
22 or contract shall be solely an obligation or indebtedness of
23 the Authority and shall not be an obligation or indebtedness of
24 the State, nor shall any party thereto have any recourse
25 against the State in connection with the agreement or contract.

1 Section 1-90. Legality for investment. The State of
2 Illinois, all governmental entities, all public officers,
3 banks, bankers, trust companies, savings banks and
4 institutions, building and loan associations, savings and loan
5 associations, investment companies, and other persons carrying
6 on a banking business, insurance companies, insurance
7 associations, and other persons carrying on an insurance
8 business, and all executors, administrators, guardians,
9 trustees, and other fiduciaries may legally invest any sinking
10 funds, moneys, or other funds belonging to them or within their
11 control in any bonds issued under this Act. However, nothing in
12 this Section shall be construed as relieving any person or
13 entity from any duty of exercising reasonable care in selecting
14 securities for purchase or investment.

15 Section 1-105. Budgets and reporting.

16 (a) The Casino Board shall annually adopt a budget for each
17 fiscal year. The budget may be modified from time to time in
18 the same manner and upon the same vote as it may be adopted.
19 The budget shall include the Authority's available funds and
20 estimated revenues and shall provide for payment of its
21 obligations and estimated expenditures for the fiscal year,
22 including, without limitation, expenditures for
23 administration, operation, maintenance and repairs, debt
24 service, and deposits into reserve and other funds and capital

1 projects.

2 (b) The Casino Board shall annually cause the finances of
3 the Authority to be audited by a firm of certified public
4 accountants selected by the Casino Board in accordance with the
5 rules of the Gaming Board and post on the Authority's Internet
6 website such financial information as is required to be posted
7 by all other owners licensees under the Illinois Gambling Act.

8 (c) The Casino Board shall, for each fiscal year, prepare
9 an annual report setting forth information concerning its
10 activities in the fiscal year and the status of the development
11 of the casino. The annual report shall include financial
12 information of the Authority consistent with that which is
13 required for all other owners licensees under the Illinois
14 Gambling Act, the budget for the succeeding fiscal year, and
15 the current capital plan as of the date of the report. Copies
16 of the annual report shall be made available to persons who
17 request them and shall be submitted not later than 120 days
18 after the end of the Authority's fiscal year or, if the audit
19 of the Authority's financial statements is not completed within
20 120 days after the end of the Authority's fiscal year, as soon
21 as practical after completion of the audit, to the Governor,
22 the Mayor, the General Assembly, and the Commission on
23 Government Forecasting and Accountability.

24 Section 1-110. Deposit and withdrawal of funds.

25 (a) All funds deposited by the Authority in any bank or

1 savings and loan association shall be placed in the name of the
2 Authority and shall be withdrawn or paid out only by check or
3 draft upon the bank or savings and loan association, signed by
4 2 officers or employees designated by the Casino Board.
5 Notwithstanding any other provision of this Section, the Casino
6 Board may designate any of its members or any officer or
7 employee of the Authority to authorize the wire transfer of
8 funds deposited by the secretary-treasurer of funds in a bank
9 or savings and loan association for the payment of payroll and
10 employee benefits-related expenses.

11 No bank or savings and loan association shall receive
12 public funds as permitted by this Section unless it has
13 complied with the requirements established pursuant to Section
14 6 of the Public Funds Investment Act.

15 (b) If any officer or employee whose signature appears upon
16 any check or draft issued pursuant to this Act ceases (after
17 attaching his signature) to hold his or her office before the
18 delivery of such a check or draft to the payee, his or her
19 signature shall nevertheless be valid and sufficient for all
20 purposes with the same effect as if he or she had remained in
21 office until delivery thereof.

22 Section 1-112. Contracts with the Authority or casino
23 operator licensee; disclosure requirements.

24 (a) A bidder, respondent, offeror, or contractor for
25 contracts with the Authority or casino operator licensee shall

1 disclose the identity of all officers and directors and every
2 owner, beneficiary, or person with beneficial interest of more
3 than 1% or shareholder entitled to receive more than 1% of the
4 total distributable income of any corporation having any
5 interest in the contract or in the bidder, respondent, offeror,
6 or contractor. The disclosure shall be in writing and attested
7 to by an owner, trustee, corporate official, or agent. If stock
8 in a corporation is publicly traded and there is no readily
9 known individual having greater than a 1% interest, then a
10 statement to that effect attested to by an officer or agent of
11 the corporation shall fulfill the disclosure statement
12 requirement of this Section. A bidder, respondent, offeror, or
13 contractor shall notify the Authority of any changes in
14 officers, directors, ownership, or individuals having a
15 beneficial interest of more than 1%. Notwithstanding the
16 provisions of this subsection (a), the Gaming Board may adopt
17 rules in connection with contractors for contracts with the
18 Authority or the casino operator licensee.

19 (b) A bidder, respondent, offeror, or contractor for
20 contracts with an annual value of \$25,000 or more or for a
21 period to exceed one year shall disclose all political
22 contributions of the bidder, respondent, offeror, or
23 contractor and any affiliated person or entity. Disclosure
24 shall include at least the names and addresses of the
25 contributors and the dollar amounts of any contributions to any
26 political committee made within the previous 2 years. The

1 disclosure must be submitted to the Gaming Board with a copy of
2 the contract. All such disclosures shall be posted on the
3 websites of the Authority and the Gaming Board.

4 (c) As used in this Section:

5 "Contribution" means contribution as defined in Section
6 9-1.4 of the Election Code.

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

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

17 (d) The Gaming Board may direct the Authority or a casino
18 operator licensee to void a contract if a violation of this
19 Section occurs. The Authority may direct a casino operator
20 licensee to void a contract if a violation of this Section
21 occurs.

22 (e) All contracts pertaining to the actual operation of the
23 casino and related gaming activities shall be entered into by
24 the casino operator licensee and not the Authority and shall be
25 subject to the regulation, oversight, and approval of the
26 Gaming Board, applying the same regulation, oversight, and

1 approval requirements as would be applied to any other owners
2 licensee under the Illinois Gambling Act.

3 Section 1-115. Purchasing.

4 (a) The Casino Board shall designate an officer of the
5 Authority to serve as the Chief Procurement Officer for the
6 Authority. The Chief Procurement Officer shall have all powers
7 and duties set forth in Section 15 of Division 10 of Article 8
8 of the Illinois Municipal Code. Except as otherwise provided in
9 this Section, the Chief Procurement Officer of the Authority
10 shall conduct procurements on behalf of the Authority subject
11 to Title 2, Chapter 92 of the Municipal Code of Chicago, which
12 by its terms incorporates Division 10 of Article 8 of the
13 Illinois Municipal Code.

14 (b) All contracts for amounts greater than \$25,000 must be
15 approved by the Casino Board and executed by the chairperson of
16 the Casino Board and executive director of the Authority.
17 Contracts for amounts of \$25,000 or less may be approved and
18 executed by the Chief Procurement Officer for the Authority and
19 executive director of the Authority, with approval by the chief
20 legal counsel for the Authority as to form and legality.

21 (c) All construction contracts and contracts for supplies,
22 materials, equipment, and services for amounts greater than
23 \$25,000 shall be let by a competitive selection process to the
24 lowest responsible proposer, after advertising for proposals,
25 except for the following:

1 (1) when repair parts, accessories, equipment, or
2 services are required for equipment or services previously
3 furnished or contracted for;

4 (2) when services such as water, light, heat, power,
5 telephone (other than long-distance service), or telegraph
6 are required;

7 (3) casino management contracts, which shall be
8 awarded as set forth in Section 1-45 of this Act;

9 (4) contracts where there is only one economically
10 feasible source;

11 (5) when a purchase is needed on an immediate,
12 emergency basis because there exists a threat to public
13 health or public safety, or when immediate expenditure is
14 necessary for repairs to Authority property in order to
15 protect against further loss of or damage to Authority
16 property, to prevent or minimize serious disruption in
17 Authority services or to ensure the integrity of Authority
18 records;

19 (6) contracts for professional services other than for
20 management of the casino, except such contracts described
21 in subsection (d) of this Section; and

22 (7) contracts for the use, purchase, delivery,
23 movement, or installation of (i) data processing
24 equipment, software, and services and (ii)
25 telecommunications equipment, software, and services.

26 (d) Contracts for professional services for a term of more

1 than one year or contracts that may require payment in excess
2 of \$25,000 in one year shall be let by a competitive bidding
3 process to the most highly qualified firm that agrees to
4 compensation and other terms of engagement that are both
5 reasonable and acceptable to the Casino Board.

6 (e) All contracts involving less than \$25,000 shall be let
7 by competitive selection process whenever possible, and in any
8 event in a manner calculated to ensure the best interests of
9 the public.

10 (f) In determining the responsibility of any proposer, the
11 Authority may take into account the proposer's (or an
12 individual having a beneficial interest, directly or
13 indirectly, of more than 1% in such proposing entity) past
14 record of dealings with the Authority, the proposer's
15 experience, adequacy of equipment, and ability to complete
16 performance within the time set, and other factors besides
17 financial responsibility. No such contract shall be awarded to
18 any proposer other than the lowest proposer (in case of
19 purchase or expenditure) unless authorized or approved by a
20 vote of at least 3 members of the Casino Board and such action
21 is accompanied by a written statement setting forth the reasons
22 for not awarding the contract to the highest or lowest
23 proposer, as the case may be. The statement shall be kept on
24 file in the principal office of the Authority and open to
25 public inspection.

26 (g) The Authority shall have the right to reject all

1 proposals and to re-advertise for proposals. If after any such
2 re-advertisement, no responsible and satisfactory proposals,
3 within the terms of the re-advertisement, is received, the
4 Authority may award such contract without competitive
5 selection. The contract must not be less advantageous to the
6 Authority than any valid proposal received pursuant to
7 advertisement.

8 (h) Advertisements for proposals and re-proposals shall be
9 published at least once in a daily newspaper of general
10 circulation published in the City at least 10 calendar days
11 before the time for receiving proposals and in an online
12 bulletin published on the Authority's website. Such
13 advertisements shall state the time and place for receiving and
14 opening of proposals and, by reference to plans and
15 specifications on file at the time of the first publication or
16 in the advertisement itself, shall describe the character of
17 the proposed contract in sufficient detail to fully advise
18 prospective proposers of their obligations and to ensure free
19 and open competitive selection.

20 (i) All proposals in response to advertisements shall be
21 sealed and shall be publicly opened by the Authority. All
22 proposers shall be entitled to be present in person or by
23 representatives. Cash or a certified or satisfactory cashier's
24 check, as a deposit of good faith, in a reasonable amount to be
25 fixed by the Authority before advertising for proposals, shall
26 be required with the proposal. A bond for faithful performance

1 of the contract with surety or sureties satisfactory to the
2 Authority and adequate insurance may be required in reasonable
3 amounts to be fixed by the Authority before advertising for
4 proposals.

5 (j) The contract shall be awarded as promptly as possible
6 after the opening of proposals. The proposal of the successful
7 proposer, as well as the bids of the unsuccessful proposers,
8 shall be placed on file and be open to public inspection
9 subject to the exemptions from disclosure provided under
10 Section 7 of the Freedom of Information Act. All proposals
11 shall be void if any disclosure of the terms of any proposals
12 in response to an advertisement is made or permitted to be made
13 by the Authority before the time fixed for opening proposals.

14 (k) Notice of each and every contract that is offered,
15 including renegotiated contracts and change orders, shall be
16 published in an online bulletin. The online bulletin must
17 include at least the date first offered, the date submission of
18 offers is due, the location that offers are to be submitted to,
19 a brief purchase description, the method of source selection,
20 information of how to obtain a comprehensive purchase
21 description and any disclosure and contract forms, and
22 encouragement to prospective vendors to hire qualified
23 veterans, as defined by Section 45-67 of the Illinois
24 Procurement Code, and Illinois residents discharged from any
25 Illinois adult correctional center subject to Gaming Board
26 licensing and eligibility rules. Notice of each and every

1 contract that is let or awarded, including renegotiated
2 contracts and change orders, shall be published in the online
3 bulletin and must include at least all of the information
4 specified in this subsection (k), as well as the name of the
5 successful responsible proposer or offeror, the contract
6 price, and the number of unsuccessful responsive proposers and
7 any other disclosure specified in this Section. This notice
8 must be posted in the online electronic bulletin prior to
9 execution of the contract.

10 Section 1-130. Affirmative action and equal opportunity
11 obligations of Authority.

12 (a) The Authority is subject to the requirements of Article
13 IV of Chapter 2-92 (Sections 2-92-650 through 2-92-720
14 inclusive) of the Chicago Municipal Code, as now or hereafter
15 amended, renumbered, or succeeded, concerning a Minority-Owned
16 and Women-Owned Business Enterprise Procurement Program for
17 construction contracts, and Section 2-92-420 et seq. of the
18 Chicago Municipal Code, as now or hereafter amended,
19 renumbered, or succeeded, concerning a Minority-Owned and
20 Women-Owned Business Enterprise Procurement Program.

21 (b) The Authority is authorized to enter into agreements
22 with contractors' associations, labor unions, and the
23 contractors working on the development of the casino to
24 establish an apprenticeship preparedness training program to
25 provide for an increase in the number of minority and female

1 journeymen and apprentices in the building trades and to enter
2 into agreements with community college districts or other
3 public or private institutions to provide readiness training.
4 The Authority is further authorized to enter into contracts
5 with public and private educational institutions and persons in
6 the gaming, entertainment, hospitality, and tourism industries
7 to provide training for employment in those industries.

8 Section 1-135. Transfer of interest. Neither the Authority
9 nor the City may sell, lease, rent, transfer, exchange, or
10 otherwise convey any interest that they have in the casino
11 without prior approval of the General Assembly.

12 Section 1-140. Home rule. The regulation and licensing of
13 casinos and casino gaming, casino gaming facilities, and casino
14 operator licensees under this Act are exclusive powers and
15 functions of the State. A home rule unit may not regulate or
16 license casinos, casino gaming, casino gaming facilities, or
17 casino operator licensees under this Act, except as provided
18 under this Act. This Section is a denial and limitation of home
19 rule powers and functions under subsection (h) of Section 6 of
20 Article VII of the Illinois Constitution.

21 Section 1-145. Prohibition of political contributions from
22 casino operator licensees and applicants.

23 (a) The General Assembly has a compelling interest in

1 protecting the integrity of both the electoral process and the
2 legislative process by preventing corruption and the
3 appearance of corruption which may arise through permitting
4 certain political campaign contributions by certain persons
5 involved in the gaming industry and regulated by the State.
6 Unlike most other regulated industries, gaming is especially
7 susceptible to corruption and potential criminal influence. In
8 Illinois, only licensed gaming activities are legal and all
9 other gaming activities are strictly prohibited. Given these
10 circumstances, it is imperative to eliminate any potential
11 corrupt influence in the gaming industry and the electoral
12 process.

13 Banning political campaign contributions by certain
14 persons subject to this Section to State officeholders and
15 candidates for such offices and to county and municipal
16 officeholders and candidates for such offices in counties and
17 municipalities that receive financial benefits from gaming
18 activities is necessary to prevent corruption and the
19 appearance of corruption that may arise when political campaign
20 contributions and gaming that is regulated by the State and
21 that confers benefits on counties and municipalities are
22 intermingled.

23 The General Assembly has prohibited political campaign
24 contributions to certain State and local officeholders and
25 candidates for such offices by certain persons with State of
26 Illinois and Metropolitan Pier and Exposition Authority

1 contracts and pending bids or proposals for contracts of over
2 \$50,000 and certain individuals and entities affiliated with
3 such persons. Certain gaming licensees will receive receipts
4 far in excess of the base level of contract amounts subject to
5 such other campaign contribution prohibitions.

6 (b) As used in this Section:

7 "Affiliated entity" means (i) any corporate parent and
8 operating subsidiary of the business entity applying for or
9 holding a license, (ii) each operating subsidiary of the
10 corporate parent of the business entity applying for or holding
11 a license, (iii) any organization recognized by the United
12 States Internal Revenue Service as a tax-exempt organization
13 described in Section 501(c) of the Internal Revenue Code of
14 1986 (or any successor provision of federal tax law)
15 established by one or more business entities seeking or holding
16 a license, any affiliated entity of such business entity, or
17 any affiliated person of such business entity, and (iv) any
18 political committee for which the business entity applying for
19 or holding a license, or any 501(c) organization described in
20 item (iii) related to that business entity, is the sponsoring
21 entity as defined in Section 9-3 of the Election Code. For
22 purposes of item (iv), the funding of all business entities
23 applying for or holding a license shall be aggregated in
24 determining whether such political committee is an affiliated
25 entity.

26 "Affiliated person" means (i) any person with any ownership

1 interest or distributive share in excess of 7.5% of any
2 business entity applying for or holding a license, (ii)
3 executive employees of any such business entity, (iii) any
4 person designated as a key person under the Illinois Gambling
5 Act, and (iv) the spouse of the persons described in items (i)
6 through (iii).

7 "Business entity" means any entity doing business for
8 profit, whether organized as a corporation, partnership, sole
9 proprietorship, limited liability company, or partnership or
10 otherwise.

11 "Contribution" means a contribution as defined in Section
12 9-1.4 of the Election Code.

13 "Declared candidate" means a person who has filed a
14 statement of candidacy and petition for nomination or election
15 in the principal office of the State Board of Elections, or in
16 the office of the appropriate election authority for any county
17 or municipality in which a casino is located or proposed or
18 which receives any gaming revenue.

19 "Executive employee" means (i) any person who is an officer
20 or director or who fulfills duties equivalent to those of an
21 officer or director of a business entity applying for or
22 holding a license and (ii) any employee of such business entity
23 who is required to register under the Lobbyist Registration
24 Act.

25 "License" means the casino operator license issued
26 pursuant to this Act.

1 "Officeholder" means the Governor, Lieutenant Governor,
2 Attorney General, Secretary of State, Comptroller, Treasurer,
3 member of the General Assembly, or any officeholder in any
4 county or municipality in which a riverboat, casino, or
5 electronic gaming device is located or proposed or that
6 receives any gaming revenue.

7 (c) Any person or business entity applying for or holding a
8 license, any affiliated entities or persons of such business
9 entity, and any entities or persons soliciting a contribution
10 or causing a contribution to be made on behalf of such person
11 or business entity, are prohibited from making any contribution
12 to any officeholder or declared candidate or any political
13 committee affiliated with any officeholder or declared
14 candidate, as defined in Section 9-1.8 of the Election Code.
15 This prohibition shall commence upon filing of an application
16 for a license and shall continue for a period of 2 years after
17 termination, suspension or revocation of the license.

18 The Gaming Board shall have authority to suspend, revoke,
19 or restrict the license and to impose civil penalties of up to
20 \$100,000 for each violation of this subsection (c). A notice of
21 each such violation and the penalty imposed shall be published
22 on the Gaming Board's Internet website and in the Illinois
23 Register. Payments received by the State pursuant to this
24 subsection (c) shall be deposited into the General Revenue
25 Fund.

26 Any officeholder or declared candidate or any political

1 committee affiliated with any officeholder or declared
2 candidate that has received a contribution in violation of this
3 subsection (c) shall pay an amount equal to the value of the
4 contribution to the State no more than 30 days after notice of
5 the violation concerning the contribution appears in the
6 Illinois Register. Payments received by the State pursuant to
7 this subsection (c) shall be deposited into the General Revenue
8 Fund.

9 (d) The Gaming Board shall post on its Internet website a
10 list of all persons, business entities, and affiliated entities
11 prohibited from making contributions to any officeholder or
12 declared candidate political committee pursuant to subsection
13 (c), which list shall be updated and published, at a minimum,
14 every 6 months.

15 Any person, business entity, or affiliated entity
16 prohibited from making contributions to any officeholder or
17 declared candidate political committee pursuant to subsection
18 (c) shall notify the Gaming Board within 7 days after
19 discovering any necessary change or addition to the information
20 relating to that person, business entity, or affiliated entity
21 contained in the list.

22 An individual who acts in good faith and in reliance on any
23 information contained in the list shall not be subject to any
24 penalties or liability imposed for a violation of this Section.

25 (e) If any provision of this Section is held invalid or its
26 application to any person or circumstance is held invalid, the

1 invalidity of that provision or application does not affect the
2 other provisions or applications of this Section that can be
3 given effect without the invalid application or provision.

4 ARTICLE 90.

5 Section 90-1. Findings. The General Assembly makes all of
6 the following findings:

7 (1) That the cumulative reduction to pre-K through 12
8 education funding since 2009 is approximately
9 \$861,000,000.

10 (2) That during the last 2 years, general state aid to
11 Illinois common schools has been underfunded as a result of
12 budget cuts, resulting in pro-rated payments to school
13 districts that are less than the foundational level of
14 \$6,119 per pupil, which represents the minimum each pupil
15 needs to be educated.

16 (3) That a significant infusion of new revenue is
17 necessary in order to fully fund the foundation level and
18 to maintain and support education in Illinois.

19 (4) That the decline of the Illinois horse racing and
20 breeding program, a \$2.5 billion industry, would be
21 reversed if this amendatory Act of the 98th General
22 Assembly would be enacted.

23 (5) That the Illinois horse racing industry is on the
24 verge of extinction due to fierce competition from fully

1 developed horse racing and gaming operations in other
2 states.

3 (6) That allowing the State's horse racing venues,
4 currently licensed gaming destinations, to maximize their
5 capacities with gaming machines, would generate up to \$120
6 million to \$200 million for the State in the form of extra
7 licensing fees, plus an additional \$100 million to \$300
8 million in recurring annual tax revenue for the State to
9 help ensure that school, road, and other building projects
10 promised under the capital plan occur on schedule.

11 (7) That Illinois agriculture and other businesses
12 that support and supply the horse racing industry, already
13 a sector that employs over 37,000 Illinoisans, also stand
14 to substantially benefit and would be much more likely to
15 create additional jobs should Illinois horse racing once
16 again become competitive with other states.

17 (8) That by keeping these projects on track, the State
18 can be sure that significant job and economic growth will
19 in fact result from the previously enacted legislation.

20 (9) That gaming machines at Illinois horse racing
21 tracks would create an estimated 1,200 to 1,500 permanent
22 jobs, and an estimated capital investment of up to \$200
23 million to \$400 million at these race tracks would prompt
24 additional trade organization jobs necessary to construct
25 new facilities or remodel race tracks to operate electronic
26 gaming.

1 Section 90-3. The State Officials and Employees Ethics Act
2 is amended by changing Sections 5-45 and 20-10 as follows:

3 (5 ILCS 430/5-45)

4 Sec. 5-45. Procurement; revolving door prohibition.

5 (a) No former officer, member, or State employee, or spouse
6 or immediate family member living with such person, shall,
7 within a period of one year immediately after termination of
8 State employment, knowingly accept employment or receive
9 compensation or fees for services from a person or entity if
10 the officer, member, or State employee, during the year
11 immediately preceding termination of State employment,
12 participated personally and substantially in the award of State
13 contracts, or the issuance of State contract change orders,
14 with a cumulative value of \$25,000 or more to the person or
15 entity, or its parent or subsidiary.

16 (b) No former officer of the executive branch or State
17 employee of the executive branch with regulatory or licensing
18 authority, or spouse or immediate family member living with
19 such person, shall, within a period of one year immediately
20 after termination of State employment, knowingly accept
21 employment or receive compensation or fees for services from a
22 person or entity if the officer or State employee, during the
23 year immediately preceding termination of State employment,
24 participated personally and substantially in making a

1 regulatory or licensing decision that directly applied to the
2 person or entity, or its parent or subsidiary.

3 (c) Within 6 months after the effective date of this
4 amendatory Act of the 96th General Assembly, each executive
5 branch constitutional officer and legislative leader, the
6 Auditor General, and the Joint Committee on Legislative Support
7 Services shall adopt a policy delineating which State positions
8 under his or her jurisdiction and control, by the nature of
9 their duties, may have the authority to participate personally
10 and substantially in the award of State contracts or in
11 regulatory or licensing decisions. The Governor shall adopt
12 such a policy for all State employees of the executive branch
13 not under the jurisdiction and control of any other executive
14 branch constitutional officer.

15 The policies required under subsection (c) of this Section
16 shall be filed with the appropriate ethics commission
17 established under this Act or, for the Auditor General, with
18 the Office of the Auditor General.

19 (d) Each Inspector General shall have the authority to
20 determine that additional State positions under his or her
21 jurisdiction, not otherwise subject to the policies required by
22 subsection (c) of this Section, are nonetheless subject to the
23 notification requirement of subsection (f) below due to their
24 involvement in the award of State contracts or in regulatory or
25 licensing decisions.

26 (e) The Joint Committee on Legislative Support Services,

1 the Auditor General, and each of the executive branch
2 constitutional officers and legislative leaders subject to
3 subsection (c) of this Section shall provide written
4 notification to all employees in positions subject to the
5 policies required by subsection (c) or a determination made
6 under subsection (d): (1) upon hiring, promotion, or transfer
7 into the relevant position; and (2) at the time the employee's
8 duties are changed in such a way as to qualify that employee.
9 An employee receiving notification must certify in writing that
10 the person was advised of the prohibition and the requirement
11 to notify the appropriate Inspector General in subsection (f).

12 (f) Any State employee in a position subject to the
13 policies required by subsection (c) or to a determination under
14 subsection (d), but who does not fall within the prohibition of
15 subsection (h) below, who is offered non-State employment
16 during State employment or within a period of one year
17 immediately after termination of State employment shall, prior
18 to accepting such non-State employment, notify the appropriate
19 Inspector General. Within 10 calendar days after receiving
20 notification from an employee in a position subject to the
21 policies required by subsection (c), such Inspector General
22 shall make a determination as to whether the State employee is
23 restricted from accepting such employment by subsection (a) or
24 (b). In making a determination, in addition to any other
25 relevant information, an Inspector General shall assess the
26 effect of the prospective employment or relationship upon

1 decisions referred to in subsections (a) and (b), based on the
2 totality of the participation by the former officer, member, or
3 State employee in those decisions. A determination by an
4 Inspector General must be in writing, signed and dated by the
5 Inspector General, and delivered to the subject of the
6 determination within 10 calendar days or the person is deemed
7 eligible for the employment opportunity. For purposes of this
8 subsection, "appropriate Inspector General" means (i) for
9 members and employees of the legislative branch, the
10 Legislative Inspector General; (ii) for the Auditor General and
11 employees of the Office of the Auditor General, the Inspector
12 General provided for in Section 30-5 of this Act; and (iii) for
13 executive branch officers and employees, the Inspector General
14 having jurisdiction over the officer or employee. Notice of any
15 determination of an Inspector General and of any such appeal
16 shall be given to the ultimate jurisdictional authority, the
17 Attorney General, and the Executive Ethics Commission.

18 (g) An Inspector General's determination regarding
19 restrictions under subsection (a) or (b) may be appealed to the
20 appropriate Ethics Commission by the person subject to the
21 decision or the Attorney General no later than the 10th
22 calendar day after the date of the determination.

23 On appeal, the Ethics Commission or Auditor General shall
24 seek, accept, and consider written public comments regarding a
25 determination. In deciding whether to uphold an Inspector
26 General's determination, the appropriate Ethics Commission or

1 Auditor General shall assess, in addition to any other relevant
2 information, the effect of the prospective employment or
3 relationship upon the decisions referred to in subsections (a)
4 and (b), based on the totality of the participation by the
5 former officer, member, or State employee in those decisions.
6 The Ethics Commission shall decide whether to uphold an
7 Inspector General's determination within 10 calendar days or
8 the person is deemed eligible for the employment opportunity.

9 (h) The following officers, members, or State employees
10 shall not, within a period of one year immediately after
11 termination of office or State employment, knowingly accept
12 employment or receive compensation or fees for services from a
13 person or entity if the person or entity or its parent or
14 subsidiary, during the year immediately preceding termination
15 of State employment, was a party to a State contract or
16 contracts with a cumulative value of \$25,000 or more involving
17 the officer, member, or State employee's State agency, or was
18 the subject of a regulatory or licensing decision involving the
19 officer, member, or State employee's State agency, regardless
20 of whether he or she participated personally and substantially
21 in the award of the State contract or contracts or the making
22 of the regulatory or licensing decision in question:

23 (1) members or officers;

24 (2) members of a commission or board created by the
25 Illinois Constitution;

26 (3) persons whose appointment to office is subject to

1 the advice and consent of the Senate;

2 (4) the head of a department, commission, board,
3 division, bureau, authority, or other administrative unit
4 within the government of this State;

5 (5) chief procurement officers, State purchasing
6 officers, and their designees whose duties are directly
7 related to State procurement; ~~and~~

8 (6) chiefs of staff, deputy chiefs of staff, associate
9 chiefs of staff, assistant chiefs of staff, and deputy
10 governors;~~;~~

11 (7) employees of the Illinois Racing Board; and

12 (8) employees of the Illinois Gaming Board.

13 (i) For the purposes of this Section, with respect to
14 officers or employees of a regional transit board, as defined
15 in this Act, the phrase "person or entity" does not include:

16 (i) the United States government, (ii) the State, (iii)
17 municipalities, as defined under Article VII, Section 1 of the
18 Illinois Constitution, (iv) units of local government, as
19 defined under Article VII, Section 1 of the Illinois
20 Constitution, or (v) school districts.

21 (Source: P.A. 96-555, eff. 8-18-09; 97-653, eff. 1-13-12.)

22 (5 ILCS 430/20-10)

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

24 (a) Six ~~Five~~ independent Offices of the Executive Inspector
25 General are created, one each for the Governor, the Attorney

1 General, the Secretary of State, the Comptroller, and the
2 Treasurer and one for gaming activities. Each Office shall be
3 under the direction and supervision of an Executive Inspector
4 General and shall be a fully independent office with separate
5 appropriations.

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

26 Nothing in this Article precludes the appointment by the

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

11 Each Executive Inspector General shall have the following
12 qualifications:

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

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

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

25 The term of each initial Executive Inspector General shall
26 commence upon qualification and shall run through June 30,

1 2008. The initial appointments shall be made within 60 days
2 after the effective date of this Act.

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

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

12 Terms shall run regardless of whether the position is
13 filled.

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

1 Executive Inspector General appointed by the Treasurer shall
2 have jurisdiction over the Treasurer and all officers and
3 employees of, and vendors and others doing business with, State
4 agencies within the jurisdiction of the Treasurer. The
5 Executive Inspector General appointed by the Governor shall
6 have jurisdiction over (i) the Governor, (ii) the Lieutenant
7 Governor, (iii) all officers and employees of, and vendors and
8 others doing business with, executive branch State agencies
9 under the jurisdiction of the Executive Ethics Commission and
10 not within the jurisdiction of the Attorney General, the
11 Secretary of State, the Comptroller, ~~or~~ the Treasurer, or the
12 Executive Inspector General for gaming activities, and (iv) all
13 board members and employees of the Regional Transit Boards and
14 all vendors and others doing business with the Regional Transit
15 Boards. The Executive Inspector General for gaming activities
16 appointed by the Governor has jurisdiction over the Illinois
17 Gaming Board, all officers and employees of the Illinois Gaming
18 Board, and all activities of the Illinois Gaming Board.

19 The jurisdiction of each Executive Inspector General is to
20 investigate allegations of fraud, waste, abuse, mismanagement,
21 misconduct, nonfeasance, misfeasance, malfeasance, or
22 violations of this Act or violations of other related laws and
23 rules.

24 (d) The compensation for each Executive Inspector General
25 shall be determined by the Executive Ethics Commission and
26 shall be made from appropriations made to the Comptroller for

1 this purpose. Subject to Section 20-45 of this Act, each
2 Executive Inspector General has full authority to organize his
3 or her Office of the Executive Inspector General, including the
4 employment and determination of the compensation of staff, such
5 as deputies, assistants, and other employees, as
6 appropriations permit. A separate appropriation shall be made
7 for each Office of Executive Inspector General.

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

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

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

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

18 (4) advocate for the appointment of another person to
19 an appointed or elected office or position or actively
20 participate in any campaign for any elective office.

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

25 (e-1) No Executive Inspector General or employee of the
26 Office of the Executive Inspector General may, for one year

1 after the termination of his or her appointment or employment:

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

3 (2) hold any elected public office; or

4 (3) hold any appointed State, county, or local judicial
5 office.

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

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

13 (Source: P.A. 96-555, eff. 8-18-09; 96-1528, eff. 7-1-11.)

14 Section 90-5. The Alcoholism and Other Drug Abuse and
15 Dependency Act is amended by changing Section 5-20 as follows:

16 (20 ILCS 301/5-20)

17 Sec. 5-20. Compulsive gambling program.

18 (a) Subject to appropriation, the Department shall
19 establish a program for public education, research, and
20 training regarding problem and compulsive gambling and the
21 treatment and prevention of problem and compulsive gambling.
22 Subject to specific appropriation for these stated purposes,
23 the program must include all of the following:

24 (1) Establishment and maintenance of a toll-free "800"

1 telephone number to provide crisis counseling and referral
2 services to families experiencing difficulty as a result of
3 problem or compulsive gambling.

4 (2) Promotion of public awareness regarding the
5 recognition and prevention of problem and compulsive
6 gambling.

7 (3) Facilitation, through in-service training and
8 other means, of the availability of effective assistance
9 programs for problem and compulsive gamblers.

10 (4) Conducting studies to identify adults and
11 juveniles in this State who are, or who are at risk of
12 becoming, problem or compulsive gamblers.

13 (b) Subject to appropriation, the Department shall either
14 establish and maintain the program or contract with a private
15 or public entity for the establishment and maintenance of the
16 program. Subject to appropriation, either the Department or the
17 private or public entity shall implement the toll-free
18 telephone number, promote public awareness, and conduct
19 in-service training concerning problem and compulsive
20 gambling.

21 (c) Subject to appropriation, the Department shall produce
22 and supply the signs specified in Section 10.7 of the Illinois
23 Lottery Law, Section 34.1 of the Illinois Horse Racing Act of
24 1975, Section 4.3 of the Bingo License and Tax Act, Section 8.1
25 of the Charitable Games Act, and Section 13.1 of the Illinois
26 ~~Riverboat~~ Gambling Act.

1 (Source: P.A. 89-374, eff. 1-1-96; 89-626, eff. 8-9-96.)

2 Section 90-6. The Department of Commerce and Economic
3 Opportunity Law of the Civil Administrative Code of Illinois is
4 amended by adding Sections 605-530 and 605-535 as follows:

5 (20 ILCS 605/605-530 new)

6 Sec. 605-530. The Depressed Communities Economic
7 Development Board.

8 (a) The Depressed Communities Economic Development Board
9 is created as an advisory board within the Department of
10 Commerce and Economic Opportunity. The Board shall consist of
11 the following members:

12 (1) 3 members appointed by the Governor, one of whom
13 shall be appointed to serve an initial term of one year and
14 2 of whom shall be appointed to serve an initial term of 2
15 years;

16 (2) 2 members appointed by the Speaker of the House of
17 Representatives, one of whom shall be appointed to serve an
18 initial term of one year and one of whom shall be appointed
19 to serve an initial term of 2 years;

20 (3) 2 members appointed by the President of the Senate,
21 one of whom shall be appointed to serve an initial term of
22 one year and one of whom shall be appointed to serve an
23 initial term of 2 years;

24 (4) 2 members appointed by the Minority Leader of the

1 House of Representatives, one of whom shall be appointed to
2 serve an initial term of one year and one of whom shall be
3 appointed to serve an initial term of 2 years; and

4 (5) 2 members appointed by the Minority Leader of the
5 Senate, one of whom shall be appointed to serve an initial
6 term of one year and one of whom shall be appointed to
7 serve an initial term of 2 years.

8 The members of the Board shall elect a member to serve as
9 chair of the Board. The members of the Board shall reflect the
10 composition of the Illinois population with regard to ethnic
11 and racial composition.

12 After the initial terms, each member shall be appointed to
13 serve a term of 2 years and until his or her successor has been
14 appointed and assumes office. If a vacancy occurs in the Board
15 membership, then the vacancy shall be filled in the same manner
16 as the initial appointment. No member of the Board shall, at
17 the time of his or her appointment or within 2 years before the
18 appointment, hold elected office or be appointed to a State
19 board, commission, or agency. All Board members are subject to
20 the State Officials and Employees Ethics Act.

21 (b) Board members shall serve without compensation, but may
22 be reimbursed for their reasonable travel expenses from funds
23 available for that purpose. The Department of Commerce and
24 Economic Opportunity shall provide staff and administrative
25 support services to the Board.

26 (c) The Board must make recommendations, which must be

1 approved by a majority of the Board, to the Department of
2 Commerce and Economic Opportunity concerning the award of
3 grants from amounts appropriated to the Department from the
4 Depressed Communities Economic Development Fund, a special
5 fund created in the State treasury. The Department must make
6 grants to public or private entities submitting proposals to
7 the Board to revitalize an Illinois depressed community. Grants
8 may be used by these entities only for those purposes
9 conditioned with the grant. For the purposes of this subsection
10 (c), plans for revitalizing an Illinois depressed community
11 include plans intended to curb high levels of poverty,
12 unemployment, job and population loss, and general distress. An
13 Illinois depressed community is an area where the poverty rate,
14 as determined by using the most recent data released by the
15 United States Census Bureau, is at least 3% greater than the
16 State poverty rate as determined by using the most recent data
17 released by the United States Census Bureau.

18 (20 ILCS 605/605-535 new)

19 Sec. 605-535. The Commission on the Future of Economic
20 Development of the Latino Community.

21 (a) There is hereby created the Commission on the Future of
22 Economic Development of the Latino Community within the
23 Department. The purpose of the Commission shall be to maintain
24 and develop the economy of Latinos and to provide opportunities
25 for this community, which will enhance and expand the quality

1 of their lives.

2 The Commission shall concentrate its major efforts on
3 strategic planning, policy research and analysis, advocacy,
4 evaluation, and promoting coordination and collaboration.

5 During each regular legislative session, the Commission
6 must consult with appropriate legislative committees about the
7 State's economic development needs and opportunities in the
8 Latino community.

9 By October 1st of each even-numbered year, the Commission
10 must submit to the Governor and the General Assembly a biennial
11 comprehensive statewide economic development strategy for the
12 Latino community with a report on progress from the previous
13 comprehensive strategy.

14 The comprehensive statewide economic development strategy
15 may include, but is not limited to:

16 (1) an assessment of the Latino community's economic
17 vitality;

18 (2) recommended goals, objectives, and priorities for
19 the next biennium and the future;

20 (3) a common set of outcomes and benchmarks for the
21 economic development system as a whole for the Latino
22 community;

23 (4) recommendations for removing barriers for Latinos
24 in employment;

25 (5) an inventory of existing relevant programs
26 compiled by the Commission from materials submitted by

1 agencies;

2 (6) recommendations for expanding, discontinuing, or
3 redirecting existing programs or adding new programs to
4 better serve the Latino community; and

5 (7) recommendations of best practices and public and
6 private sector roles in implementing the comprehensive
7 statewide economic development strategy.

8 In developing the biennial statewide economic development
9 strategy, goals, objectives, priorities, and recommendations,
10 the Commission shall consult, collaborate, and coordinate with
11 relevant State agencies, private sector business, nonprofit
12 organizations involved in economic development, trade
13 associations, associate development organizations, and
14 relevant local organizations in order to avoid duplication of
15 effort.

16 State agencies shall cooperate with the Commission and
17 provide information as the Commission may reasonably request.

18 The Commission shall review and make budget
19 recommendations to the Governor's Office of Management and
20 Budget and the General Assembly in areas relating to the
21 economic development in the State's Latino community.

22 The Commission shall evaluate its own performance on a
23 regular basis.

24 The Commission may accept gifts, grants, donations,
25 sponsorships, or contributions from any federal, State, or
26 local governmental agency or program, or any private source,

1 and expend the same for any purpose consistent with this
2 Section.

3 (b) The Commission shall consist of 12 voting members,
4 appointed by the Governor, 4 of whom shall be appointed to
5 serve an initial term of one year, 4 of whom shall be appointed
6 to serve an initial term of 2 years, and 4 of whom shall be
7 appointed to serve an initial term of 3 years. After the
8 initial term, each member shall be appointed to a term of 3
9 years. Members of the Commission shall serve at the pleasure of
10 the Governor for not more than 2 consecutive 3-year terms. In
11 appointing members, the Governor shall appoint individuals
12 from the following private industry sectors:

13 (1) production agriculture;

14 (2) at least 2 individuals from manufacturing, one of
15 whom shall represent a company with no more than 75
16 employees;

17 (3) transportation, construction, and logistics;

18 (4) travel and tourism;

19 (5) financial services and insurance;

20 (6) information technology and communications; and

21 (7) biotechnology.

22 The members of the Commission shall choose a member to
23 serve as chair of the Commission. The members of the Commission
24 shall be representative, to the extent possible, of the various
25 geographic areas of the State. The Director shall serve as an
26 ad hoc nonvoting member of the Commission. Vacancies shall be

1 filled in the same manner as the original appointments. The
2 members of the Commission shall serve without compensation.

3 (c) The Commission shall meet at least 4 times per year,
4 with at least one meeting each calendar quarter, at the call of
5 the director or 4 voting members of the Commission. The staff
6 and support for the Commission shall be provided by the
7 Department.

8 (d) The Commission and Department are encouraged to involve
9 other essential groups in the work of the Commission,
10 including, but not limited to:

11 (1) public universities;

12 (2) community colleges;

13 (3) other educational institutions; and

14 (4) the Department of Labor.

15 (e) The Commission shall make recommendations, which must
16 be approved by a majority of the members of the Commission, to
17 the Department concerning the award of grants from amounts
18 appropriated to the Department from the Latino Community
19 Economic Development Fund, a special fund in the State
20 treasury. The Department shall make grants to public or private
21 entities submitting proposals to the Commission to assist in
22 the economic development of the Latino community. Grants may be
23 used by these entities only for those purposes conditioned with
24 the grant. The Commission shall coordinate with the Department
25 to develop grant criteria.

26 (f) For the purposes of this Section:

1 "Department" means the Department of Commerce and Economic
2 Development.

3 "Director" means the Director of Commerce and Economic
4 Development.

5 "Educational institutions" means nonprofit public and
6 private colleges, community colleges, State colleges, and
7 universities in this State.

8 Section 90-8. The Illinois Lottery Law is amended by
9 changing Section 9.1 as follows:

10 (20 ILCS 1605/9.1)

11 Sec. 9.1. Private manager and management agreement.

12 (a) As used in this Section:

13 "Offeror" means a person or group of persons that responds
14 to a request for qualifications under this Section.

15 "Request for qualifications" means all materials and
16 documents prepared by the Department to solicit the following
17 from offerors:

18 (1) Statements of qualifications.

19 (2) Proposals to enter into a management agreement,
20 including the identity of any prospective vendor or vendors
21 that the offeror intends to initially engage to assist the
22 offeror in performing its obligations under the management
23 agreement.

24 "Final offer" means the last proposal submitted by an

1 offeror in response to the request for qualifications,
2 including the identity of any prospective vendor or vendors
3 that the offeror intends to initially engage to assist the
4 offeror in performing its obligations under the management
5 agreement.

6 "Final offeror" means the offeror ultimately selected by
7 the Governor to be the private manager for the Lottery under
8 subsection (h) of this Section.

9 (b) By September 15, 2010, the Governor shall select a
10 private manager for the total management of the Lottery with
11 integrated functions, such as lottery game design, supply of
12 goods and services, and advertising and as specified in this
13 Section.

14 (c) Pursuant to the terms of this subsection, the
15 Department shall endeavor to expeditiously terminate the
16 existing contracts in support of the Lottery in effect on the
17 effective date of this amendatory Act of the 96th General
18 Assembly in connection with the selection of the private
19 manager. As part of its obligation to terminate these contracts
20 and select the private manager, the Department shall establish
21 a mutually agreeable timetable to transfer the functions of
22 existing contractors to the private manager so that existing
23 Lottery operations are not materially diminished or impaired
24 during the transition. To that end, the Department shall do the
25 following:

26 (1) where such contracts contain a provision

1 authorizing termination upon notice, the Department shall
2 provide notice of termination to occur upon the mutually
3 agreed timetable for transfer of functions;

4 (2) upon the expiration of any initial term or renewal
5 term of the current Lottery contracts, the Department shall
6 not renew such contract for a term extending beyond the
7 mutually agreed timetable for transfer of functions; or

8 (3) in the event any current contract provides for
9 termination of that contract upon the implementation of a
10 contract with the private manager, the Department shall
11 perform all necessary actions to terminate the contract on
12 the date that coincides with the mutually agreed timetable
13 for transfer of functions.

14 If the contracts to support the current operation of the
15 Lottery in effect on the effective date of this amendatory Act
16 of the 96th General Assembly are not subject to termination as
17 provided for in this subsection (c), then the Department may
18 include a provision in the contract with the private manager
19 specifying a mutually agreeable methodology for incorporation.

20 (c-5) The Department shall include provisions in the
21 management agreement whereby the private manager shall, for a
22 fee, and pursuant to a contract negotiated with the Department
23 (the "Employee Use Contract"), utilize the services of current
24 Department employees to assist in the administration and
25 operation of the Lottery. The Department shall be the employer
26 of all such bargaining unit employees assigned to perform such

1 work for the private manager, and such employees shall be State
2 employees, as defined by the Personnel Code. Department
3 employees shall operate under the same employment policies,
4 rules, regulations, and procedures, as other employees of the
5 Department. In addition, neither historical representation
6 rights under the Illinois Public Labor Relations Act, nor
7 existing collective bargaining agreements, shall be disturbed
8 by the management agreement with the private manager for the
9 management of the Lottery.

10 (d) The management agreement with the private manager shall
11 include all of the following:

12 (1) A term not to exceed 10 years, including any
13 renewals.

14 (2) A provision specifying that the Department:

15 (A) shall exercise actual control over all
16 significant business decisions;

17 (A-5) has the authority to direct or countermand
18 operating decisions by the private manager at any time;

19 (B) has ready access at any time to information
20 regarding Lottery operations;

21 (C) has the right to demand and receive information
22 from the private manager concerning any aspect of the
23 Lottery operations at any time; and

24 (D) retains ownership of all trade names,
25 trademarks, and intellectual property associated with
26 the Lottery.

1 (3) A provision imposing an affirmative duty on the
2 private manager to provide the Department with material
3 information and with any information the private manager
4 reasonably believes the Department would want to know to
5 enable the Department to conduct the Lottery.

6 (4) A provision requiring the private manager to
7 provide the Department with advance notice of any operating
8 decision that bears significantly on the public interest,
9 including, but not limited to, decisions on the kinds of
10 games to be offered to the public and decisions affecting
11 the relative risk and reward of the games being offered, so
12 the Department has a reasonable opportunity to evaluate and
13 countermand that decision.

14 (5) A provision providing for compensation of the
15 private manager that may consist of, among other things, a
16 fee for services and a performance based bonus as
17 consideration for managing the Lottery, including terms
18 that may provide the private manager with an increase in
19 compensation if Lottery revenues grow by a specified
20 percentage in a given year.

21 (6) (Blank).

22 (7) A provision requiring the deposit of all Lottery
23 proceeds to be deposited into the State Lottery Fund except
24 as otherwise provided in Section 20 of this Act.

25 (8) A provision requiring the private manager to locate
26 its principal office within the State.

1 (8-5) A provision encouraging that at least 20% of the
2 cost of contracts entered into for goods and services by
3 the private manager in connection with its management of
4 the Lottery, other than contracts with sales agents or
5 technical advisors, be awarded to businesses that are a
6 minority owned business, a female owned business, or a
7 business owned by a person with disability, as those terms
8 are defined in the Business Enterprise for Minorities,
9 Females, and Persons with Disabilities Act.

10 (9) A requirement that so long as the private manager
11 complies with all the conditions of the agreement under the
12 oversight of the Department, the private manager shall have
13 the following duties and obligations with respect to the
14 management of the Lottery:

15 (A) The right to use equipment and other assets
16 used in the operation of the Lottery.

17 (B) The rights and obligations under contracts
18 with retailers and vendors.

19 (C) The implementation of a comprehensive security
20 program by the private manager.

21 (D) The implementation of a comprehensive system
22 of internal audits.

23 (E) The implementation of a program by the private
24 manager to curb compulsive gambling by persons playing
25 the Lottery.

26 (F) A system for determining (i) the type of

1 Lottery games, (ii) the method of selecting winning
2 tickets, (iii) the manner of payment of prizes to
3 holders of winning tickets, (iv) the frequency of
4 drawings of winning tickets, (v) the method to be used
5 in selling tickets, (vi) a system for verifying the
6 validity of tickets claimed to be winning tickets,
7 (vii) the basis upon which retailer commissions are
8 established by the manager, and (viii) minimum
9 payouts.

10 (10) A requirement that advertising and promotion must
11 be consistent with Section 7.8a of this Act.

12 (11) A requirement that the private manager market the
13 Lottery to those residents who are new, infrequent, or
14 lapsed players of the Lottery, especially those who are
15 most likely to make regular purchases on the Internet as
16 permitted by law.

17 (12) A code of ethics for the private manager's
18 officers and employees.

19 (13) A requirement that the Department monitor and
20 oversee the private manager's practices and take action
21 that the Department considers appropriate to ensure that
22 the private manager is in compliance with the terms of the
23 management agreement, while allowing the manager, unless
24 specifically prohibited by law or the management
25 agreement, to negotiate and sign its own contracts with
26 vendors.

1 (14) A provision requiring the private manager to
2 periodically file, at least on an annual basis, appropriate
3 financial statements in a form and manner acceptable to the
4 Department.

5 (15) Cash reserves requirements.

6 (16) Procedural requirements for obtaining the prior
7 approval of the Department when a management agreement or
8 an interest in a management agreement is sold, assigned,
9 transferred, or pledged as collateral to secure financing.

10 (17) Grounds for the termination of the management
11 agreement by the Department or the private manager.

12 (18) Procedures for amendment of the agreement.

13 (19) A provision requiring the private manager to
14 engage in an open and competitive bidding process for any
15 procurement having a cost in excess of \$50,000 that is not
16 a part of the private manager's final offer. The process
17 shall favor the selection of a vendor deemed to have
18 submitted a proposal that provides the Lottery with the
19 best overall value. The process shall not be subject to the
20 provisions of the Illinois Procurement Code, unless
21 specifically required by the management agreement.

22 (20) The transition of rights and obligations,
23 including any associated equipment or other assets used in
24 the operation of the Lottery, from the manager to any
25 successor manager of the lottery, including the
26 Department, following the termination of or foreclosure

1 upon the management agreement.

2 (21) Right of use of copyrights, trademarks, and
3 service marks held by the Department in the name of the
4 State. The agreement must provide that any use of them by
5 the manager shall only be for the purpose of fulfilling its
6 obligations under the management agreement during the term
7 of the agreement.

8 (22) The disclosure of any information requested by the
9 Department to enable it to comply with the reporting
10 requirements and information requests provided for under
11 subsection (p) of this Section.

12 (e) Notwithstanding any other law to the contrary, the
13 Department shall select a private manager through a competitive
14 request for qualifications process consistent with Section
15 20-35 of the Illinois Procurement Code, which shall take into
16 account:

17 (1) the offeror's ability to market the Lottery to
18 those residents who are new, infrequent, or lapsed players
19 of the Lottery, especially those who are most likely to
20 make regular purchases on the Internet;

21 (2) the offeror's ability to address the State's
22 concern with the social effects of gambling on those who
23 can least afford to do so;

24 (3) the offeror's ability to provide the most
25 successful management of the Lottery for the benefit of the
26 people of the State based on current and past business

1 practices or plans of the offeror; and

2 (4) the offeror's poor or inadequate past performance
3 in servicing, equipping, operating or managing a lottery on
4 behalf of Illinois, another State or foreign government and
5 attracting persons who are not currently regular players of
6 a lottery.

7 (f) The Department may retain the services of an advisor or
8 advisors with significant experience in financial services or
9 the management, operation, and procurement of goods, services,
10 and equipment for a government-run lottery to assist in the
11 preparation of the terms of the request for qualifications and
12 selection of the private manager. Any prospective advisor
13 seeking to provide services under this subsection (f) shall
14 disclose any material business or financial relationship
15 during the past 3 years with any potential offeror, or with a
16 contractor or subcontractor presently providing goods,
17 services, or equipment to the Department to support the
18 Lottery. The Department shall evaluate the material business or
19 financial relationship of each prospective advisor. The
20 Department shall not select any prospective advisor with a
21 substantial business or financial relationship that the
22 Department deems to impair the objectivity of the services to
23 be provided by the prospective advisor. During the course of
24 the advisor's engagement by the Department, and for a period of
25 one year thereafter, the advisor shall not enter into any
26 business or financial relationship with any offeror or any

1 vendor identified to assist an offeror in performing its
2 obligations under the management agreement. Any advisor
3 retained by the Department shall be disqualified from being an
4 offeror. The Department shall not include terms in the request
5 for qualifications that provide a material advantage whether
6 directly or indirectly to any potential offeror, or any
7 contractor or subcontractor presently providing goods,
8 services, or equipment to the Department to support the
9 Lottery, including terms contained in previous responses to
10 requests for proposals or qualifications submitted to
11 Illinois, another State or foreign government when those terms
12 are uniquely associated with a particular potential offeror,
13 contractor, or subcontractor. The request for proposals
14 offered by the Department on December 22, 2008 as
15 "LOT08GAMESYS" and reference number "22016176" is declared
16 void.

17 (g) The Department shall select at least 2 offerors as
18 finalists to potentially serve as the private manager no later
19 than August 9, 2010. Upon making preliminary selections, the
20 Department shall schedule a public hearing on the finalists'
21 proposals and provide public notice of the hearing at least 7
22 calendar days before the hearing. The notice must include all
23 of the following:

- 24 (1) The date, time, and place of the hearing.
- 25 (2) The subject matter of the hearing.
- 26 (3) A brief description of the management agreement to

1 be awarded.

2 (4) The identity of the offerors that have been
3 selected as finalists to serve as the private manager.

4 (5) The address and telephone number of the Department.

5 (h) At the public hearing, the Department shall (i) provide
6 sufficient time for each finalist to present and explain its
7 proposal to the Department and the Governor or the Governor's
8 designee, including an opportunity to respond to questions
9 posed by the Department, Governor, or designee and (ii) allow
10 the public and non-selected offerors to comment on the
11 presentations. The Governor or a designee shall attend the
12 public hearing. After the public hearing, the Department shall
13 have 14 calendar days to recommend to the Governor whether a
14 management agreement should be entered into with a particular
15 finalist. After reviewing the Department's recommendation, the
16 Governor may accept or reject the Department's recommendation,
17 and shall select a final offeror as the private manager by
18 publication of a notice in the Illinois Procurement Bulletin on
19 or before September 15, 2010. The Governor shall include in the
20 notice a detailed explanation and the reasons why the final
21 offeror is superior to other offerors and will provide
22 management services in a manner that best achieves the
23 objectives of this Section. The Governor shall also sign the
24 management agreement with the private manager.

25 (i) Any action to contest the private manager selected by
26 the Governor under this Section must be brought within 7

1 calendar days after the publication of the notice of the
2 designation of the private manager as provided in subsection
3 (h) of this Section.

4 (j) The Lottery shall remain, for so long as a private
5 manager manages the Lottery in accordance with provisions of
6 this Act, a Lottery conducted by the State, and the State shall
7 not be authorized to sell or transfer the Lottery to a third
8 party.

9 (k) Any tangible personal property used exclusively in
10 connection with the lottery that is owned by the Department and
11 leased to the private manager shall be owned by the Department
12 in the name of the State and shall be considered to be public
13 property devoted to an essential public and governmental
14 function.

15 (l) The Department may exercise any of its powers under
16 this Section or any other law as necessary or desirable for the
17 execution of the Department's powers under this Section.

18 (m) Neither this Section nor any management agreement
19 entered into under this Section prohibits the General Assembly
20 from authorizing forms of gambling that are not in direct
21 competition with the Lottery. The forms of gambling authorized
22 by this amendatory Act of the 98th General Assembly constitute
23 authorized forms of gambling that are not in direct competition
24 with the Lottery.

25 (n) The private manager shall be subject to a complete
26 investigation in the third, seventh, and tenth years of the

1 agreement (if the agreement is for a 10-year term) by the
2 Department in cooperation with the Auditor General to determine
3 whether the private manager has complied with this Section and
4 the management agreement. The private manager shall bear the
5 cost of an investigation or reinvestigation of the private
6 manager under this subsection.

7 (o) The powers conferred by this Section are in addition
8 and supplemental to the powers conferred by any other law. If
9 any other law or rule is inconsistent with this Section,
10 including, but not limited to, provisions of the Illinois
11 Procurement Code, then this Section controls as to any
12 management agreement entered into under this Section. This
13 Section and any rules adopted under this Section contain full
14 and complete authority for a management agreement between the
15 Department and a private manager. No law, procedure,
16 proceeding, publication, notice, consent, approval, order, or
17 act by the Department or any other officer, Department, agency,
18 or instrumentality of the State or any political subdivision is
19 required for the Department to enter into a management
20 agreement under this Section. This Section contains full and
21 complete authority for the Department to approve any contracts
22 entered into by a private manager with a vendor providing
23 goods, services, or both goods and services to the private
24 manager under the terms of the management agreement, including
25 subcontractors of such vendors.

26 Upon receipt of a written request from the Chief

1 Procurement Officer, the Department shall provide to the Chief
2 Procurement Officer a complete and un-redacted copy of the
3 management agreement or any contract that is subject to the
4 Department's approval authority under this subsection (o). The
5 Department shall provide a copy of the agreement or contract to
6 the Chief Procurement Officer in the time specified by the
7 Chief Procurement Officer in his or her written request, but no
8 later than 5 business days after the request is received by the
9 Department. The Chief Procurement Officer must retain any
10 portions of the management agreement or of any contract
11 designated by the Department as confidential, proprietary, or
12 trade secret information in complete confidence pursuant to
13 subsection (g) of Section 7 of the Freedom of Information Act.
14 The Department shall also provide the Chief Procurement Officer
15 with reasonable advance written notice of any contract that is
16 pending Department approval.

17 Notwithstanding any other provision of this Section to the
18 contrary, the Chief Procurement Officer shall adopt
19 administrative rules, including emergency rules, to establish
20 a procurement process to select a successor private manager if
21 a private management agreement has been terminated. The
22 selection process shall at a minimum take into account the
23 criteria set forth in items (1) through (4) of subsection (e)
24 of this Section and may include provisions consistent with
25 subsections (f), (g), (h), and (i) of this Section. The Chief
26 Procurement Officer shall also implement and administer the

1 adopted selection process upon the termination of a private
2 management agreement. The Department, after the Chief
3 Procurement Officer certifies that the procurement process has
4 been followed in accordance with the rules adopted under this
5 subsection (o), shall select a final offeror as the private
6 manager and sign the management agreement with the private
7 manager.

8 Except as provided in Sections 21.2, 21.5, 21.6, 21.7, and
9 21.8, the Department shall distribute all proceeds of lottery
10 tickets and shares sold in the following priority and manner:

11 (1) The payment of prizes and retailer bonuses.

12 (2) The payment of costs incurred in the operation and
13 administration of the Lottery, including the payment of
14 sums due to the private manager under the management
15 agreement with the Department.

16 (3) On the last day of each month or as soon thereafter
17 as possible, the State Comptroller shall direct and the
18 State Treasurer shall transfer from the State Lottery Fund
19 to the Common School Fund an amount that is equal to the
20 proceeds transferred in the corresponding month of fiscal
21 year 2009, as adjusted for inflation, to the Common School
22 Fund.

23 (4) On or before the last day of each fiscal year,
24 deposit any remaining proceeds, subject to payments under
25 items (1), (2), and (3) into the Capital Projects Fund each
26 fiscal year.

1 (p) The Department shall be subject to the following
2 reporting and information request requirements:

3 (1) the Department shall submit written quarterly
4 reports to the Governor and the General Assembly on the
5 activities and actions of the private manager selected
6 under this Section;

7 (2) upon request of the Chief Procurement Officer, the
8 Department shall promptly produce information related to
9 the procurement activities of the Department and the
10 private manager requested by the Chief Procurement
11 Officer; the Chief Procurement Officer must retain
12 confidential, proprietary, or trade secret information
13 designated by the Department in complete confidence
14 pursuant to subsection (g) of Section 7 of the Freedom of
15 Information Act; and

16 (3) at least 30 days prior to the beginning of the
17 Department's fiscal year, the Department shall prepare an
18 annual written report on the activities of the private
19 manager selected under this Section and deliver that report
20 to the Governor and General Assembly.

21 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-840,
22 eff. 12-23-09; 97-464, eff. 8-19-11; revised 10-17-12.)

23 Section 90-10. The Department of Revenue Law of the Civil
24 Administrative Code of Illinois is amended by changing Section
25 2505-305 as follows:

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

2 Sec. 2505-305. Investigators.

3 (a) The Department has the power to appoint investigators
4 to conduct all investigations, searches, seizures, arrests,
5 and other duties imposed under the provisions of any law
6 administered by the Department. Except as provided in
7 subsection (c), these investigators have and may exercise all
8 the powers of peace officers solely for the purpose of
9 enforcing taxing measures administered by the Department.

10 (b) The Director must authorize to each investigator
11 employed under this Section and to any other employee of the
12 Department exercising the powers of a peace officer a distinct
13 badge that, on its face, (i) clearly states that the badge is
14 authorized by the Department and (ii) contains a unique
15 identifying number. No other badge shall be authorized by the
16 Department.

17 (c) The Department may enter into agreements with the
18 Illinois Gaming Board providing that investigators appointed
19 under this Section shall exercise the peace officer powers set
20 forth in paragraph (20.6) of subsection (c) of Section 5 of the
21 Illinois Riverboat ~~Riverboat~~ Gambling Act.

22 (Source: P.A. 96-37, eff. 7-13-09.)

23 Section 90-12. The Illinois State Auditing Act is amended
24 by changing Section 3-1 as follows:

1 (30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

2 Sec. 3-1. Jurisdiction of Auditor General. The Auditor
3 General has jurisdiction over all State agencies to make post
4 audits and investigations authorized by or under this Act or
5 the Constitution.

6 The Auditor General has jurisdiction over local government
7 agencies and private agencies only:

8 (a) to make such post audits authorized by or under
9 this Act as are necessary and incidental to a post audit of
10 a State agency or of a program administered by a State
11 agency involving public funds of the State, but this
12 jurisdiction does not include any authority to review local
13 governmental agencies in the obligation, receipt,
14 expenditure or use of public funds of the State that are
15 granted without limitation or condition imposed by law,
16 other than the general limitation that such funds be used
17 for public purposes;

18 (b) to make investigations authorized by or under this
19 Act or the Constitution; and

20 (c) to make audits of the records of local government
21 agencies to verify actual costs of state-mandated programs
22 when directed to do so by the Legislative Audit Commission
23 at the request of the State Board of Appeals under the
24 State Mandates Act.

25 In addition to the foregoing, the Auditor General may

1 conduct an audit of the Metropolitan Pier and Exposition
2 Authority, the Regional Transportation Authority, the Suburban
3 Bus Division, the Commuter Rail Division and the Chicago
4 Transit Authority and any other subsidized carrier when
5 authorized by the Legislative Audit Commission. Such audit may
6 be a financial, management or program audit, or any combination
7 thereof.

8 The audit shall determine whether they are operating in
9 accordance with all applicable laws and regulations. Subject to
10 the limitations of this Act, the Legislative Audit Commission
11 may by resolution specify additional determinations to be
12 included in the scope of the audit.

13 In addition to the foregoing, the Auditor General must also
14 conduct a financial audit of the Illinois Sports Facilities
15 Authority's expenditures of public funds in connection with the
16 reconstruction, renovation, remodeling, extension, or
17 improvement of all or substantially all of any existing
18 "facility", as that term is defined in the Illinois Sports
19 Facilities Authority Act.

20 The Auditor General may also conduct an audit, when
21 authorized by the Legislative Audit Commission, of any hospital
22 which receives 10% or more of its gross revenues from payments
23 from the State of Illinois, Department of Healthcare and Family
24 Services (formerly Department of Public Aid), Medical
25 Assistance Program.

26 The Auditor General is authorized to conduct financial and

1 compliance audits of the Illinois Distance Learning Foundation
2 and the Illinois Conservation Foundation.

3 As soon as practical after the effective date of this
4 amendatory Act of 1995, the Auditor General shall conduct a
5 compliance and management audit of the City of Chicago and any
6 other entity with regard to the operation of Chicago O'Hare
7 International Airport, Chicago Midway Airport and Merrill C.
8 Meigs Field. The audit shall include, but not be limited to, an
9 examination of revenues, expenses, and transfers of funds;
10 purchasing and contracting policies and practices; staffing
11 levels; and hiring practices and procedures. When completed,
12 the audit required by this paragraph shall be distributed in
13 accordance with Section 3-14.

14 The Auditor General shall conduct a financial and
15 compliance and program audit of distributions from the
16 Municipal Economic Development Fund during the immediately
17 preceding calendar year pursuant to Section 8-403.1 of the
18 Public Utilities Act at no cost to the city, village, or
19 incorporated town that received the distributions.

20 The Auditor General must conduct an audit of the Health
21 Facilities and Services Review Board pursuant to Section 19.5
22 of the Illinois Health Facilities Planning Act.

23 The Auditor General must conduct an audit of the Chicago
24 Casino Development Authority pursuant to Section 1-60 of the
25 Chicago Casino Development Authority Act.

26 The Auditor General of the State of Illinois shall annually

1 conduct or cause to be conducted a financial and compliance
2 audit of the books and records of any county water commission
3 organized pursuant to the Water Commission Act of 1985 and
4 shall file a copy of the report of that audit with the Governor
5 and the Legislative Audit Commission. The filed audit shall be
6 open to the public for inspection. The cost of the audit shall
7 be charged to the county water commission in accordance with
8 Section 6z-27 of the State Finance Act. The county water
9 commission shall make available to the Auditor General its
10 books and records and any other documentation, whether in the
11 possession of its trustees or other parties, necessary to
12 conduct the audit required. These audit requirements apply only
13 through July 1, 2007.

14 The Auditor General must conduct audits of the Rend Lake
15 Conservancy District as provided in Section 25.5 of the River
16 Conservancy Districts Act.

17 The Auditor General must conduct financial audits of the
18 Southeastern Illinois Economic Development Authority as
19 provided in Section 70 of the Southeastern Illinois Economic
20 Development Authority Act.

21 The Auditor General shall conduct a compliance audit in
22 accordance with subsections (d) and (f) of Section 30 of the
23 Innovation Development and Economy Act.

24 (Source: P.A. 95-331, eff. 8-21-07; 96-31, eff. 6-30-09;
25 96-939, eff. 6-24-10.)

1 Section 90-15. The State Finance Act is amended by adding
2 Sections 5.826, 5.829, 5.830, 5.831, 6z-98, and 6z-99 as
3 follows:

4 (30 ILCS 105/5.826 new)

5 Sec. 5.826. The Gaming Facilities Fee Revenue Fund.

6 (30 ILCS 105/5.829 new)

7 Sec. 5.829. The State Fairgrounds Capital Improvement
8 Fund.

9 (30 ILCS 105/5.830 new)

10 Sec. 5.830. The Depressed Communities Economic Development
11 Fund.

12 (30 ILCS 105/5.831 new)

13 Sec. 5.831. The Latino Community Economic Development
14 Fund.

15 (30 ILCS 105/6z-98 new)

16 Sec. 6z-98. The Gaming Facilities Fee Revenue Fund.

17 (a) The Gaming Facilities Fee Revenue Fund is created as a
18 special fund in the State treasury.

19 (b) The revenues in the Fund shall be used, subject to
20 appropriation, by the Comptroller for the purpose of (i)
21 providing appropriations to the Illinois Gaming Board for the

1 administration and enforcement of the Illinois Gambling Act and
2 the applicable provisions of the Chicago Casino Development
3 Authority Act and (ii) payment of vouchers that are outstanding
4 for more than 60 days. Whenever practical, the Comptroller must
5 prioritize voucher payments for expenses related to medical
6 assistance under the Illinois Public Aid Code, the Children's
7 Health Insurance Program Act, the Covering ALL KIDS Health
8 Insurance Act, and the Senior Citizens and Disabled Persons
9 Property Tax Relief and Pharmaceutical Assistance Act.

10 (c) The Fund shall consist of fee revenues received
11 pursuant to subsection (e) of Section 1-45 of the Chicago
12 Casino Development Authority Act and pursuant to subsections
13 (e-10), (e-15), (e-25), and (h-5) of Section 7 and subsections
14 (b), (c), (d), and (k) of Section 7.6 of the Illinois Gambling
15 Act. All interest earned on moneys in the Fund shall be
16 deposited into the Fund.

17 (d) The Fund shall not be subject to administrative charges
18 or chargebacks, including, but not limited to, those authorized
19 under subsection (h) of Section 8 of this Act.

20 (30 ILCS 105/6z-99 new)

21 Sec. 6z-99. The State Fairgrounds Capital Improvement
22 Fund. There is created the State Fairgrounds Capital
23 Improvement Fund, a special fund in the State treasury. Moneys
24 in the Fund may be used by the Department of Agriculture,
25 subject to appropriation, solely for infrastructure

1 improvements to the Illinois State Fairgrounds in Sangamon
2 County, including, but not limited to, track surfaces (main
3 track and practice track), grandstands, audio and visual
4 systems, paddocks and barns and associated surface areas,
5 restroom facilities on the backstretch, and roadway surfaces
6 around the racing facility. In addition, no more than 5% of the
7 moneys annually transferred into the Fund may be used by the
8 Department for all costs associated with fire protection and
9 fire protection services for the Illinois State Fairgrounds.
10 The State Fairgrounds Capital Improvement Fund is not subject
11 to administrative chargebacks, including, but not limited to,
12 those authorized under Section 8h of the State Finance Act.

13 Section 90-20. The Illinois Income Tax Act is amended by
14 changing Sections 201, 303, 304 and 710 as follows:

15 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

16 Sec. 201. Tax Imposed.

17 (a) In general. A tax measured by net income is hereby
18 imposed on every individual, corporation, trust and estate for
19 each taxable year ending after July 31, 1969 on the privilege
20 of earning or receiving income in or as a resident of this
21 State. Such tax shall be in addition to all other occupation or
22 privilege taxes imposed by this State or by any municipal
23 corporation or political subdivision thereof.

24 (b) Rates. The tax imposed by subsection (a) of this

1 Section shall be determined as follows, except as adjusted by
2 subsection (d-1):

3 (1) In the case of an individual, trust or estate, for
4 taxable years ending prior to July 1, 1989, an amount equal
5 to 2 1/2% of the taxpayer's net income for the taxable
6 year.

7 (2) In the case of an individual, trust or estate, for
8 taxable years beginning prior to July 1, 1989 and ending
9 after June 30, 1989, an amount equal to the sum of (i) 2
10 1/2% of the taxpayer's net income for the period prior to
11 July 1, 1989, as calculated under Section 202.3, and (ii)
12 3% of the taxpayer's net income for the period after June
13 30, 1989, as calculated under Section 202.3.

14 (3) In the case of an individual, trust or estate, for
15 taxable years beginning after June 30, 1989, and ending
16 prior to January 1, 2011, an amount equal to 3% of the
17 taxpayer's net income for the taxable year.

18 (4) In the case of an individual, trust, or estate, for
19 taxable years beginning prior to January 1, 2011, and
20 ending after December 31, 2010, an amount equal to the sum
21 of (i) 3% of the taxpayer's net income for the period prior
22 to January 1, 2011, as calculated under Section 202.5, and
23 (ii) 5% of the taxpayer's net income for the period after
24 December 31, 2010, as calculated under Section 202.5.

25 (5) In the case of an individual, trust, or estate, for
26 taxable years beginning on or after January 1, 2011, and

1 ending prior to January 1, 2015, an amount equal to 5% of
2 the taxpayer's net income for the taxable year.

3 (5.1) In the case of an individual, trust, or estate,
4 for taxable years beginning prior to January 1, 2015, and
5 ending after December 31, 2014, an amount equal to the sum
6 of (i) 5% of the taxpayer's net income for the period prior
7 to January 1, 2015, as calculated under Section 202.5, and
8 (ii) 3.75% of the taxpayer's net income for the period
9 after December 31, 2014, as calculated under Section 202.5.

10 (5.2) In the case of an individual, trust, or estate,
11 for taxable years beginning on or after January 1, 2015,
12 and ending prior to January 1, 2025, an amount equal to
13 3.75% of the taxpayer's net income for the taxable year.

14 (5.3) In the case of an individual, trust, or estate,
15 for taxable years beginning prior to January 1, 2025, and
16 ending after December 31, 2024, an amount equal to the sum
17 of (i) 3.75% of the taxpayer's net income for the period
18 prior to January 1, 2025, as calculated under Section
19 202.5, and (ii) 3.25% of the taxpayer's net income for the
20 period after December 31, 2024, as calculated under Section
21 202.5.

22 (5.4) In the case of an individual, trust, or estate,
23 for taxable years beginning on or after January 1, 2025, an
24 amount equal to 3.25% of the taxpayer's net income for the
25 taxable year.

26 (6) In the case of a corporation, for taxable years

1 ending prior to July 1, 1989, an amount equal to 4% of the
2 taxpayer's net income for the taxable year.

3 (7) In the case of a corporation, for taxable years
4 beginning prior to July 1, 1989 and ending after June 30,
5 1989, an amount equal to the sum of (i) 4% of the
6 taxpayer's net income for the period prior to July 1, 1989,
7 as calculated under Section 202.3, and (ii) 4.8% of the
8 taxpayer's net income for the period after June 30, 1989,
9 as calculated under Section 202.3.

10 (8) In the case of a corporation, for taxable years
11 beginning after June 30, 1989, and ending prior to January
12 1, 2011, an amount equal to 4.8% of the taxpayer's net
13 income for the taxable year.

14 (9) In the case of a corporation, for taxable years
15 beginning prior to January 1, 2011, and ending after
16 December 31, 2010, an amount equal to the sum of (i) 4.8%
17 of the taxpayer's net income for the period prior to
18 January 1, 2011, as calculated under Section 202.5, and
19 (ii) 7% of the taxpayer's net income for the period after
20 December 31, 2010, as calculated under Section 202.5.

21 (10) In the case of a corporation, for taxable years
22 beginning on or after January 1, 2011, and ending prior to
23 January 1, 2015, an amount equal to 7% of the taxpayer's
24 net income for the taxable year.

25 (11) In the case of a corporation, for taxable years
26 beginning prior to January 1, 2015, and ending after

1 December 31, 2014, an amount equal to the sum of (i) 7% of
2 the taxpayer's net income for the period prior to January
3 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
4 of the taxpayer's net income for the period after December
5 31, 2014, as calculated under Section 202.5.

6 (12) In the case of a corporation, for taxable years
7 beginning on or after January 1, 2015, and ending prior to
8 January 1, 2025, an amount equal to 5.25% of the taxpayer's
9 net income for the taxable year.

10 (13) In the case of a corporation, for taxable years
11 beginning prior to January 1, 2025, and ending after
12 December 31, 2024, an amount equal to the sum of (i) 5.25%
13 of the taxpayer's net income for the period prior to
14 January 1, 2025, as calculated under Section 202.5, and
15 (ii) 4.8% of the taxpayer's net income for the period after
16 December 31, 2024, as calculated under Section 202.5.

17 (14) In the case of a corporation, for taxable years
18 beginning on or after January 1, 2025, an amount equal to
19 4.8% of the taxpayer's net income for the taxable year.

20 The rates under this subsection (b) are subject to the
21 provisions of Section 201.5.

22 (b-5) Surcharge; sale or exchange of assets, properties,
23 and intangibles of electronic gaming licensees. For each of
24 taxable years 2013 through 2021, a surcharge is imposed on all
25 taxpayers on income arising from the sale or exchange of
26 capital assets, depreciable business property, real property

1 used in the trade or business, and Section 197 intangibles (i)
2 of an organization licensee under the Illinois Horse Racing Act
3 of 1975 and (ii) of an electronic gaming licensee under the
4 Illinois Gambling Act. The amount of the surcharge is equal to
5 the amount of federal income tax liability for the taxable year
6 attributable to those sales and exchanges. The surcharge
7 imposed shall not apply if:

8 (1) the electronic gaming license, organization
9 license, or race track property is transferred as a result
10 of any of the following:

11 (A) bankruptcy, a receivership, or a debt
12 adjustment initiated by or against the initial
13 licensee or the substantial owners of the initial
14 licensee;

15 (B) cancellation, revocation, or termination of
16 any such license by the Illinois Gaming Board or the
17 Illinois Racing Board;

18 (C) a determination by the Illinois Gaming Board
19 that transfer of the license is in the best interests
20 of Illinois gaming;

21 (D) the death of an owner of the equity interest in
22 a licensee;

23 (E) the acquisition of a controlling interest in
24 the stock or substantially all of the assets of a
25 publicly traded company;

26 (F) a transfer by a parent company to a wholly

1 owned subsidiary; or

2 (G) the transfer or sale to or by one person to
3 another person where both persons were initial owners
4 of the license when the license was issued; or

5 (2) the controlling interest in the electronic gaming
6 license, organization license, or race track property is
7 transferred in a transaction to lineal descendants in which
8 no gain or loss is recognized or as a result of a
9 transaction in accordance with Section 351 of the Internal
10 Revenue Code in which no gain or loss is recognized; or

11 (3) live horse racing was not conducted in 2011 under a
12 license issued pursuant to the Illinois Horse Racing Act of
13 1975.

14 The transfer of an electronic gaming license, organization
15 license, or race track property by a person other than the
16 initial licensee to receive the electronic gaming license is
17 not subject to a surcharge. The Department shall adopt rules
18 necessary to implement and administer this subsection.

19 (c) Personal Property Tax Replacement Income Tax.
20 Beginning on July 1, 1979 and thereafter, in addition to such
21 income tax, there is also hereby imposed the Personal Property
22 Tax Replacement Income Tax measured by net income on every
23 corporation (including Subchapter S corporations), partnership
24 and trust, for each taxable year ending after June 30, 1979.
25 Such taxes are imposed on the privilege of earning or receiving
26 income in or as a resident of this State. The Personal Property

1 Tax Replacement Income Tax shall be in addition to the income
2 tax imposed by subsections (a) and (b) of this Section and in
3 addition to all other occupation or privilege taxes imposed by
4 this State or by any municipal corporation or political
5 subdivision thereof.

6 (d) Additional Personal Property Tax Replacement Income
7 Tax Rates. The personal property tax replacement income tax
8 imposed by this subsection and subsection (c) of this Section
9 in the case of a corporation, other than a Subchapter S
10 corporation and except as adjusted by subsection (d-1), shall
11 be an additional amount equal to 2.85% of such taxpayer's net
12 income for the taxable year, except that beginning on January
13 1, 1981, and thereafter, the rate of 2.85% specified in this
14 subsection shall be reduced to 2.5%, and in the case of a
15 partnership, trust or a Subchapter S corporation shall be an
16 additional amount equal to 1.5% of such taxpayer's net income
17 for the taxable year.

18 (d-1) Rate reduction for certain foreign insurers. In the
19 case of a foreign insurer, as defined by Section 35A-5 of the
20 Illinois Insurance Code, whose state or country of domicile
21 imposes on insurers domiciled in Illinois a retaliatory tax
22 (excluding any insurer whose premiums from reinsurance assumed
23 are 50% or more of its total insurance premiums as determined
24 under paragraph (2) of subsection (b) of Section 304, except
25 that for purposes of this determination premiums from
26 reinsurance do not include premiums from inter-affiliate

1 reinsurance arrangements), beginning with taxable years ending
2 on or after December 31, 1999, the sum of the rates of tax
3 imposed by subsections (b) and (d) shall be reduced (but not
4 increased) to the rate at which the total amount of tax imposed
5 under this Act, net of all credits allowed under this Act,
6 shall equal (i) the total amount of tax that would be imposed
7 on the foreign insurer's net income allocable to Illinois for
8 the taxable year by such foreign insurer's state or country of
9 domicile if that net income were subject to all income taxes
10 and taxes measured by net income imposed by such foreign
11 insurer's state or country of domicile, net of all credits
12 allowed or (ii) a rate of zero if no such tax is imposed on such
13 income by the foreign insurer's state of domicile. For the
14 purposes of this subsection (d-1), an inter-affiliate includes
15 a mutual insurer under common management.

16 (1) For the purposes of subsection (d-1), in no event
17 shall the sum of the rates of tax imposed by subsections
18 (b) and (d) be reduced below the rate at which the sum of:

19 (A) the total amount of tax imposed on such foreign
20 insurer under this Act for a taxable year, net of all
21 credits allowed under this Act, plus

22 (B) the privilege tax imposed by Section 409 of the
23 Illinois Insurance Code, the fire insurance company
24 tax imposed by Section 12 of the Fire Investigation
25 Act, and the fire department taxes imposed under
26 Section 11-10-1 of the Illinois Municipal Code,

1 equals 1.25% for taxable years ending prior to December 31,
2 2003, or 1.75% for taxable years ending on or after
3 December 31, 2003, of the net taxable premiums written for
4 the taxable year, as described by subsection (1) of Section
5 409 of the Illinois Insurance Code. This paragraph will in
6 no event increase the rates imposed under subsections (b)
7 and (d).

8 (2) Any reduction in the rates of tax imposed by this
9 subsection shall be applied first against the rates imposed
10 by subsection (b) and only after the tax imposed by
11 subsection (a) net of all credits allowed under this
12 Section other than the credit allowed under subsection (i)
13 has been reduced to zero, against the rates imposed by
14 subsection (d).

15 This subsection (d-1) is exempt from the provisions of
16 Section 250.

17 (e) Investment credit. A taxpayer shall be allowed a credit
18 against the Personal Property Tax Replacement Income Tax for
19 investment in qualified property.

20 (1) A taxpayer shall be allowed a credit equal to .5%
21 of the basis of qualified property placed in service during
22 the taxable year, provided such property is placed in
23 service on or after July 1, 1984. There shall be allowed an
24 additional credit equal to .5% of the basis of qualified
25 property placed in service during the taxable year,
26 provided such property is placed in service on or after

1 July 1, 1986, and the taxpayer's base employment within
2 Illinois has increased by 1% or more over the preceding
3 year as determined by the taxpayer's employment records
4 filed with the Illinois Department of Employment Security.
5 Taxpayers who are new to Illinois shall be deemed to have
6 met the 1% growth in base employment for the first year in
7 which they file employment records with the Illinois
8 Department of Employment Security. The provisions added to
9 this Section by Public Act 85-1200 (and restored by Public
10 Act 87-895) shall be construed as declaratory of existing
11 law and not as a new enactment. If, in any year, the
12 increase in base employment within Illinois over the
13 preceding year is less than 1%, the additional credit shall
14 be limited to that percentage times a fraction, the
15 numerator of which is .5% and the denominator of which is
16 1%, but shall not exceed .5%. The investment credit shall
17 not be allowed to the extent that it would reduce a
18 taxpayer's liability in any tax year below zero, nor may
19 any credit for qualified property be allowed for any year
20 other than the year in which the property was placed in
21 service in Illinois. For tax years ending on or after
22 December 31, 1987, and on or before December 31, 1988, the
23 credit shall be allowed for the tax year in which the
24 property is placed in service, or, if the amount of the
25 credit exceeds the tax liability for that year, whether it
26 exceeds the original liability or the liability as later

1 amended, such excess may be carried forward and applied to
2 the tax liability of the 5 taxable years following the
3 excess credit years if the taxpayer (i) makes investments
4 which cause the creation of a minimum of 2,000 full-time
5 equivalent jobs in Illinois, (ii) is located in an
6 enterprise zone established pursuant to the Illinois
7 Enterprise Zone Act and (iii) is certified by the
8 Department of Commerce and Community Affairs (now
9 Department of Commerce and Economic Opportunity) as
10 complying with the requirements specified in clause (i) and
11 (ii) by July 1, 1986. The Department of Commerce and
12 Community Affairs (now Department of Commerce and Economic
13 Opportunity) shall notify the Department of Revenue of all
14 such certifications immediately. For tax years ending
15 after December 31, 1988, the credit shall be allowed for
16 the tax year in which the property is placed in service,
17 or, if the amount of the credit exceeds the tax liability
18 for that year, whether it exceeds the original liability or
19 the liability as later amended, such excess may be carried
20 forward and applied to the tax liability of the 5 taxable
21 years following the excess credit years. The credit shall
22 be applied to the earliest year for which there is a
23 liability. If there is credit from more than one tax year
24 that is available to offset a liability, earlier credit
25 shall be applied first.

26 (2) The term "qualified property" means property

1 which:

2 (A) is tangible, whether new or used, including
3 buildings and structural components of buildings and
4 signs that are real property, but not including land or
5 improvements to real property that are not a structural
6 component of a building such as landscaping, sewer
7 lines, local access roads, fencing, parking lots, and
8 other appurtenances;

9 (B) is depreciable pursuant to Section 167 of the
10 Internal Revenue Code, except that "3-year property"
11 as defined in Section 168(c)(2)(A) of that Code is not
12 eligible for the credit provided by this subsection
13 (e);

14 (C) is acquired by purchase as defined in Section
15 179(d) of the Internal Revenue Code;

16 (D) is used in Illinois by a taxpayer who is
17 primarily engaged in manufacturing, or in mining coal
18 or fluorite, or in retailing, or was placed in service
19 on or after July 1, 2006 in a River Edge Redevelopment
20 Zone established pursuant to the River Edge
21 Redevelopment Zone Act; and

22 (E) has not previously been used in Illinois in
23 such a manner and by such a person as would qualify for
24 the credit provided by this subsection (e) or
25 subsection (f).

26 (3) For purposes of this subsection (e),

1 "manufacturing" means the material staging and production
2 of tangible personal property by procedures commonly
3 regarded as manufacturing, processing, fabrication, or
4 assembling which changes some existing material into new
5 shapes, new qualities, or new combinations. For purposes of
6 this subsection (e) the term "mining" shall have the same
7 meaning as the term "mining" in Section 613(c) of the
8 Internal Revenue Code. For purposes of this subsection (e),
9 the term "retailing" means the sale of tangible personal
10 property for use or consumption and not for resale, or
11 services rendered in conjunction with the sale of tangible
12 personal property for use or consumption and not for
13 resale. For purposes of this subsection (e), "tangible
14 personal property" has the same meaning as when that term
15 is used in the Retailers' Occupation Tax Act, and, for
16 taxable years ending after December 31, 2008, does not
17 include the generation, transmission, or distribution of
18 electricity.

19 (4) The basis of qualified property shall be the basis
20 used to compute the depreciation deduction for federal
21 income tax purposes.

22 (5) If the basis of the property for federal income tax
23 depreciation purposes is increased after it has been placed
24 in service in Illinois by the taxpayer, the amount of such
25 increase shall be deemed property placed in service on the
26 date of such increase in basis.

1 (6) The term "placed in service" shall have the same
2 meaning as under Section 46 of the Internal Revenue Code.

3 (7) If during any taxable year, any property ceases to
4 be qualified property in the hands of the taxpayer within
5 48 months after being placed in service, or the situs of
6 any qualified property is moved outside Illinois within 48
7 months after being placed in service, the Personal Property
8 Tax Replacement Income Tax for such taxable year shall be
9 increased. Such increase shall be determined by (i)
10 recomputing the investment credit which would have been
11 allowed for the year in which credit for such property was
12 originally allowed by eliminating such property from such
13 computation and, (ii) subtracting such recomputed credit
14 from the amount of credit previously allowed. For the
15 purposes of this paragraph (7), a reduction of the basis of
16 qualified property resulting from a redetermination of the
17 purchase price shall be deemed a disposition of qualified
18 property to the extent of such reduction.

19 (8) Unless the investment credit is extended by law,
20 the basis of qualified property shall not include costs
21 incurred after December 31, 2018, except for costs incurred
22 pursuant to a binding contract entered into on or before
23 December 31, 2018.

24 (9) Each taxable year ending before December 31, 2000,
25 a partnership may elect to pass through to its partners the
26 credits to which the partnership is entitled under this

1 subsection (e) for the taxable year. A partner may use the
2 credit allocated to him or her under this paragraph only
3 against the tax imposed in subsections (c) and (d) of this
4 Section. If the partnership makes that election, those
5 credits shall be allocated among the partners in the
6 partnership in accordance with the rules set forth in
7 Section 704(b) of the Internal Revenue Code, and the rules
8 promulgated under that Section, and the allocated amount of
9 the credits shall be allowed to the partners for that
10 taxable year. The partnership shall make this election on
11 its Personal Property Tax Replacement Income Tax return for
12 that taxable year. The election to pass through the credits
13 shall be irrevocable.

14 For taxable years ending on or after December 31, 2000,
15 a partner that qualifies its partnership for a subtraction
16 under subparagraph (I) of paragraph (2) of subsection (d)
17 of Section 203 or a shareholder that qualifies a Subchapter
18 S corporation for a subtraction under subparagraph (S) of
19 paragraph (2) of subsection (b) of Section 203 shall be
20 allowed a credit under this subsection (e) equal to its
21 share of the credit earned under this subsection (e) during
22 the taxable year by the partnership or Subchapter S
23 corporation, determined in accordance with the
24 determination of income and distributive share of income
25 under Sections 702 and 704 and Subchapter S of the Internal
26 Revenue Code. This paragraph is exempt from the provisions

1 of Section 250.

2 (f) Investment credit; Enterprise Zone; River Edge
3 Redevelopment Zone.

4 (1) A taxpayer shall be allowed a credit against the
5 tax imposed by subsections (a) and (b) of this Section for
6 investment in qualified property which is placed in service
7 in an Enterprise Zone created pursuant to the Illinois
8 Enterprise Zone Act or, for property placed in service on
9 or after July 1, 2006, a River Edge Redevelopment Zone
10 established pursuant to the River Edge Redevelopment Zone
11 Act. For partners, shareholders of Subchapter S
12 corporations, and owners of limited liability companies,
13 if the liability company is treated as a partnership for
14 purposes of federal and State income taxation, there shall
15 be allowed a credit under this subsection (f) to be
16 determined in accordance with the determination of income
17 and distributive share of income under Sections 702 and 704
18 and Subchapter S of the Internal Revenue Code. The credit
19 shall be .5% of the basis for such property. The credit
20 shall be available only in the taxable year in which the
21 property is placed in service in the Enterprise Zone or
22 River Edge Redevelopment Zone and shall not be allowed to
23 the extent that it would reduce a taxpayer's liability for
24 the tax imposed by subsections (a) and (b) of this Section
25 to below zero. For tax years ending on or after December
26 31, 1985, the credit shall be allowed for the tax year in

1 which the property is placed in service, or, if the amount
2 of the credit exceeds the tax liability for that year,
3 whether it exceeds the original liability or the liability
4 as later amended, such excess may be carried forward and
5 applied to the tax liability of the 5 taxable years
6 following the excess credit year. The credit shall be
7 applied to the earliest year for which there is a
8 liability. If there is credit from more than one tax year
9 that is available to offset a liability, the credit
10 accruing first in time shall be applied first.

11 (2) The term qualified property means property which:

12 (A) is tangible, whether new or used, including
13 buildings and structural components of buildings;

14 (B) is depreciable pursuant to Section 167 of the
15 Internal Revenue Code, except that "3-year property"
16 as defined in Section 168(c)(2)(A) of that Code is not
17 eligible for the credit provided by this subsection
18 (f);

19 (C) is acquired by purchase as defined in Section
20 179(d) of the Internal Revenue Code;

21 (D) is used in the Enterprise Zone or River Edge
22 Redevelopment Zone by the taxpayer; and

23 (E) has not been previously used in Illinois in
24 such a manner and by such a person as would qualify for
25 the credit provided by this subsection (f) or
26 subsection (e).

1 (3) The basis of qualified property shall be the basis
2 used to compute the depreciation deduction for federal
3 income tax purposes.

4 (4) If the basis of the property for federal income tax
5 depreciation purposes is increased after it has been placed
6 in service in the Enterprise Zone or River Edge
7 Redevelopment Zone by the taxpayer, the amount of such
8 increase shall be deemed property placed in service on the
9 date of such increase in basis.

10 (5) The term "placed in service" shall have the same
11 meaning as under Section 46 of the Internal Revenue Code.

12 (6) If during any taxable year, any property ceases to
13 be qualified property in the hands of the taxpayer within
14 48 months after being placed in service, or the situs of
15 any qualified property is moved outside the Enterprise Zone
16 or River Edge Redevelopment Zone within 48 months after
17 being placed in service, the tax imposed under subsections
18 (a) and (b) of this Section for such taxable year shall be
19 increased. Such increase shall be determined by (i)
20 recomputing the investment credit which would have been
21 allowed for the year in which credit for such property was
22 originally allowed by eliminating such property from such
23 computation, and (ii) subtracting such recomputed credit
24 from the amount of credit previously allowed. For the
25 purposes of this paragraph (6), a reduction of the basis of
26 qualified property resulting from a redetermination of the

1 purchase price shall be deemed a disposition of qualified
2 property to the extent of such reduction.

3 (7) There shall be allowed an additional credit equal
4 to 0.5% of the basis of qualified property placed in
5 service during the taxable year in a River Edge
6 Redevelopment Zone, provided such property is placed in
7 service on or after July 1, 2006, and the taxpayer's base
8 employment within Illinois has increased by 1% or more over
9 the preceding year as determined by the taxpayer's
10 employment records filed with the Illinois Department of
11 Employment Security. Taxpayers who are new to Illinois
12 shall be deemed to have met the 1% growth in base
13 employment for the first year in which they file employment
14 records with the Illinois Department of Employment
15 Security. If, in any year, the increase in base employment
16 within Illinois over the preceding year is less than 1%,
17 the additional credit shall be limited to that percentage
18 times a fraction, the numerator of which is 0.5% and the
19 denominator of which is 1%, but shall not exceed 0.5%.

20 (g) Jobs Tax Credit; River Edge Redevelopment Zone and
21 Foreign Trade Zone or Sub-Zone.

22 (1) A taxpayer conducting a trade or business, for
23 taxable years ending on or after December 31, 2006, in a
24 River Edge Redevelopment Zone or conducting a trade or
25 business in a federally designated Foreign Trade Zone or
26 Sub-Zone shall be allowed a credit against the tax imposed

1 by subsections (a) and (b) of this Section in the amount of
2 \$500 per eligible employee hired to work in the zone during
3 the taxable year.

4 (2) To qualify for the credit:

5 (A) the taxpayer must hire 5 or more eligible
6 employees to work in a River Edge Redevelopment Zone or
7 federally designated Foreign Trade Zone or Sub-Zone
8 during the taxable year;

9 (B) the taxpayer's total employment within the
10 River Edge Redevelopment Zone or federally designated
11 Foreign Trade Zone or Sub-Zone must increase by 5 or
12 more full-time employees beyond the total employed in
13 that zone at the end of the previous tax year for which
14 a jobs tax credit under this Section was taken, or
15 beyond the total employed by the taxpayer as of
16 December 31, 1985, whichever is later; and

17 (C) the eligible employees must be employed 180
18 consecutive days in order to be deemed hired for
19 purposes of this subsection.

20 (3) An "eligible employee" means an employee who is:

21 (A) Certified by the Department of Commerce and
22 Economic Opportunity as "eligible for services"
23 pursuant to regulations promulgated in accordance with
24 Title II of the Job Training Partnership Act, Training
25 Services for the Disadvantaged or Title III of the Job
26 Training Partnership Act, Employment and Training

1 Assistance for Dislocated Workers Program.

2 (B) Hired after the River Edge Redevelopment Zone
3 or federally designated Foreign Trade Zone or Sub-Zone
4 was designated or the trade or business was located in
5 that zone, whichever is later.

6 (C) Employed in the River Edge Redevelopment Zone
7 or Foreign Trade Zone or Sub-Zone. An employee is
8 employed in a federally designated Foreign Trade Zone
9 or Sub-Zone if his services are rendered there or it is
10 the base of operations for the services performed.

11 (D) A full-time employee working 30 or more hours
12 per week.

13 (4) For tax years ending on or after December 31, 1985
14 and prior to December 31, 1988, the credit shall be allowed
15 for the tax year in which the eligible employees are hired.
16 For tax years ending on or after December 31, 1988, the
17 credit shall be allowed for the tax year immediately
18 following the tax year in which the eligible employees are
19 hired. If the amount of the credit exceeds the tax
20 liability for that year, whether it exceeds the original
21 liability or the liability as later amended, such excess
22 may be carried forward and applied to the tax liability of
23 the 5 taxable years following the excess credit year. The
24 credit shall be applied to the earliest year for which
25 there is a liability. If there is credit from more than one
26 tax year that is available to offset a liability, earlier

1 credit shall be applied first.

2 (5) The Department of Revenue shall promulgate such
3 rules and regulations as may be deemed necessary to carry
4 out the purposes of this subsection (g).

5 (6) The credit shall be available for eligible
6 employees hired on or after January 1, 1986.

7 (h) Investment credit; High Impact Business.

8 (1) Subject to subsections (b) and (b-5) of Section 5.5
9 of the Illinois Enterprise Zone Act, a taxpayer shall be
10 allowed a credit against the tax imposed by subsections (a)
11 and (b) of this Section for investment in qualified
12 property which is placed in service by a Department of
13 Commerce and Economic Opportunity designated High Impact
14 Business. The credit shall be .5% of the basis for such
15 property. The credit shall not be available (i) until the
16 minimum investments in qualified property set forth in
17 subdivision (a)(3)(A) of Section 5.5 of the Illinois
18 Enterprise Zone Act have been satisfied or (ii) until the
19 time authorized in subsection (b-5) of the Illinois
20 Enterprise Zone Act for entities designated as High Impact
21 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
22 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
23 Act, and shall not be allowed to the extent that it would
24 reduce a taxpayer's liability for the tax imposed by
25 subsections (a) and (b) of this Section to below zero. The
26 credit applicable to such investments shall be taken in the

1 taxable year in which such investments have been completed.
2 The credit for additional investments beyond the minimum
3 investment by a designated high impact business authorized
4 under subdivision (a) (3) (A) of Section 5.5 of the Illinois
5 Enterprise Zone Act shall be available only in the taxable
6 year in which the property is placed in service and shall
7 not be allowed to the extent that it would reduce a
8 taxpayer's liability for the tax imposed by subsections (a)
9 and (b) of this Section to below zero. For tax years ending
10 on or after December 31, 1987, the credit shall be allowed
11 for the tax year in which the property is placed in
12 service, or, if the amount of the credit exceeds the tax
13 liability for that year, whether it exceeds the original
14 liability or the liability as later amended, such excess
15 may be carried forward and applied to the tax liability of
16 the 5 taxable years following the excess credit year. The
17 credit shall be applied to the earliest year for which
18 there is a liability. If there is credit from more than one
19 tax year that is available to offset a liability, the
20 credit accruing first in time shall be applied first.

21 Changes made in this subdivision (h) (1) by Public Act
22 88-670 restore changes made by Public Act 85-1182 and
23 reflect existing law.

24 (2) The term qualified property means property which:

25 (A) is tangible, whether new or used, including
26 buildings and structural components of buildings;

1 (B) is depreciable pursuant to Section 167 of the
2 Internal Revenue Code, except that "3-year property"
3 as defined in Section 168(c)(2)(A) of that Code is not
4 eligible for the credit provided by this subsection
5 (h);

6 (C) is acquired by purchase as defined in Section
7 179(d) of the Internal Revenue Code; and

8 (D) is not eligible for the Enterprise Zone
9 Investment Credit provided by subsection (f) of this
10 Section.

11 (3) The basis of qualified property shall be the basis
12 used to compute the depreciation deduction for federal
13 income tax purposes.

14 (4) If the basis of the property for federal income tax
15 depreciation purposes is increased after it has been placed
16 in service in a federally designated Foreign Trade Zone or
17 Sub-Zone located in Illinois by the taxpayer, the amount of
18 such increase shall be deemed property placed in service on
19 the date of such increase in basis.

20 (5) The term "placed in service" shall have the same
21 meaning as under Section 46 of the Internal Revenue Code.

22 (6) If during any taxable year ending on or before
23 December 31, 1996, any property ceases to be qualified
24 property in the hands of the taxpayer within 48 months
25 after being placed in service, or the situs of any
26 qualified property is moved outside Illinois within 48

1 months after being placed in service, the tax imposed under
2 subsections (a) and (b) of this Section for such taxable
3 year shall be increased. Such increase shall be determined
4 by (i) recomputing the investment credit which would have
5 been allowed for the year in which credit for such property
6 was originally allowed by eliminating such property from
7 such computation, and (ii) subtracting such recomputed
8 credit from the amount of credit previously allowed. For
9 the purposes of this paragraph (6), a reduction of the
10 basis of qualified property resulting from a
11 redetermination of the purchase price shall be deemed a
12 disposition of qualified property to the extent of such
13 reduction.

14 (7) Beginning with tax years ending after December 31,
15 1996, if a taxpayer qualifies for the credit under this
16 subsection (h) and thereby is granted a tax abatement and
17 the taxpayer relocates its entire facility in violation of
18 the explicit terms and length of the contract under Section
19 18-183 of the Property Tax Code, the tax imposed under
20 subsections (a) and (b) of this Section shall be increased
21 for the taxable year in which the taxpayer relocated its
22 facility by an amount equal to the amount of credit
23 received by the taxpayer under this subsection (h).

24 (i) Credit for Personal Property Tax Replacement Income
25 Tax. For tax years ending prior to December 31, 2003, a credit
26 shall be allowed against the tax imposed by subsections (a) and

1 (b) of this Section for the tax imposed by subsections (c) and
2 (d) of this Section. This credit shall be computed by
3 multiplying the tax imposed by subsections (c) and (d) of this
4 Section by a fraction, the numerator of which is base income
5 allocable to Illinois and the denominator of which is Illinois
6 base income, and further multiplying the product by the tax
7 rate imposed by subsections (a) and (b) of this Section.

8 Any credit earned on or after December 31, 1986 under this
9 subsection which is unused in the year the credit is computed
10 because it exceeds the tax liability imposed by subsections (a)
11 and (b) for that year (whether it exceeds the original
12 liability or the liability as later amended) may be carried
13 forward and applied to the tax liability imposed by subsections
14 (a) and (b) of the 5 taxable years following the excess credit
15 year, provided that no credit may be carried forward to any
16 year ending on or after December 31, 2003. This credit shall be
17 applied first to the earliest year for which there is a
18 liability. If there is a credit under this subsection from more
19 than one tax year that is available to offset a liability the
20 earliest credit arising under this subsection shall be applied
21 first.

22 If, during any taxable year ending on or after December 31,
23 1986, the tax imposed by subsections (c) and (d) of this
24 Section for which a taxpayer has claimed a credit under this
25 subsection (i) is reduced, the amount of credit for such tax
26 shall also be reduced. Such reduction shall be determined by

1 recomputing the credit to take into account the reduced tax
2 imposed by subsections (c) and (d). If any portion of the
3 reduced amount of credit has been carried to a different
4 taxable year, an amended return shall be filed for such taxable
5 year to reduce the amount of credit claimed.

6 (j) Training expense credit. Beginning with tax years
7 ending on or after December 31, 1986 and prior to December 31,
8 2003, a taxpayer shall be allowed a credit against the tax
9 imposed by subsections (a) and (b) under this Section for all
10 amounts paid or accrued, on behalf of all persons employed by
11 the taxpayer in Illinois or Illinois residents employed outside
12 of Illinois by a taxpayer, for educational or vocational
13 training in semi-technical or technical fields or semi-skilled
14 or skilled fields, which were deducted from gross income in the
15 computation of taxable income. The credit against the tax
16 imposed by subsections (a) and (b) shall be 1.6% of such
17 training expenses. For partners, shareholders of subchapter S
18 corporations, and owners of limited liability companies, if the
19 liability company is treated as a partnership for purposes of
20 federal and State income taxation, there shall be allowed a
21 credit under this subsection (j) to be determined in accordance
22 with the determination of income and distributive share of
23 income under Sections 702 and 704 and subchapter S of the
24 Internal Revenue Code.

25 Any credit allowed under this subsection which is unused in
26 the year the credit is earned may be carried forward to each of

1 the 5 taxable years following the year for which the credit is
2 first computed until it is used. This credit shall be applied
3 first to the earliest year for which there is a liability. If
4 there is a credit under this subsection from more than one tax
5 year that is available to offset a liability the earliest
6 credit arising under this subsection shall be applied first. No
7 carryforward credit may be claimed in any tax year ending on or
8 after December 31, 2003.

9 (k) Research and development credit. For tax years ending
10 after July 1, 1990 and prior to December 31, 2003, and
11 beginning again for tax years ending on or after December 31,
12 2004, and ending prior to January 1, 2016, a taxpayer shall be
13 allowed a credit against the tax imposed by subsections (a) and
14 (b) of this Section for increasing research activities in this
15 State. The credit allowed against the tax imposed by
16 subsections (a) and (b) shall be equal to 6 1/2% of the
17 qualifying expenditures for increasing research activities in
18 this State. For partners, shareholders of subchapter S
19 corporations, and owners of limited liability companies, if the
20 liability company is treated as a partnership for purposes of
21 federal and State income taxation, there shall be allowed a
22 credit under this subsection to be determined in accordance
23 with the determination of income and distributive share of
24 income under Sections 702 and 704 and subchapter S of the
25 Internal Revenue Code.

26 For purposes of this subsection, "qualifying expenditures"

1 means the qualifying expenditures as defined for the federal
2 credit for increasing research activities which would be
3 allowable under Section 41 of the Internal Revenue Code and
4 which are conducted in this State, "qualifying expenditures for
5 increasing research activities in this State" means the excess
6 of qualifying expenditures for the taxable year in which
7 incurred over qualifying expenditures for the base period,
8 "qualifying expenditures for the base period" means the average
9 of the qualifying expenditures for each year in the base
10 period, and "base period" means the 3 taxable years immediately
11 preceding the taxable year for which the determination is being
12 made.

13 Any credit in excess of the tax liability for the taxable
14 year may be carried forward. A taxpayer may elect to have the
15 unused credit shown on its final completed return carried over
16 as a credit against the tax liability for the following 5
17 taxable years or until it has been fully used, whichever occurs
18 first; provided that no credit earned in a tax year ending
19 prior to December 31, 2003 may be carried forward to any year
20 ending on or after December 31, 2003.

21 If an unused credit is carried forward to a given year from
22 2 or more earlier years, that credit arising in the earliest
23 year will be applied first against the tax liability for the
24 given year. If a tax liability for the given year still
25 remains, the credit from the next earliest year will then be
26 applied, and so on, until all credits have been used or no tax

1 liability for the given year remains. Any remaining unused
2 credit or credits then will be carried forward to the next
3 following year in which a tax liability is incurred, except
4 that no credit can be carried forward to a year which is more
5 than 5 years after the year in which the expense for which the
6 credit is given was incurred.

7 No inference shall be drawn from this amendatory Act of the
8 91st General Assembly in construing this Section for taxable
9 years beginning before January 1, 1999.

10 (1) Environmental Remediation Tax Credit.

11 (i) For tax years ending after December 31, 1997 and on
12 or before December 31, 2001, a taxpayer shall be allowed a
13 credit against the tax imposed by subsections (a) and (b)
14 of this Section for certain amounts paid for unreimbursed
15 eligible remediation costs, as specified in this
16 subsection. For purposes of this Section, "unreimbursed
17 eligible remediation costs" means costs approved by the
18 Illinois Environmental Protection Agency ("Agency") under
19 Section 58.14 of the Environmental Protection Act that were
20 paid in performing environmental remediation at a site for
21 which a No Further Remediation Letter was issued by the
22 Agency and recorded under Section 58.10 of the
23 Environmental Protection Act. The credit must be claimed
24 for the taxable year in which Agency approval of the
25 eligible remediation costs is granted. The credit is not
26 available to any taxpayer if the taxpayer or any related

1 party caused or contributed to, in any material respect, a
2 release of regulated substances on, in, or under the site
3 that was identified and addressed by the remedial action
4 pursuant to the Site Remediation Program of the
5 Environmental Protection Act. After the Pollution Control
6 Board rules are adopted pursuant to the Illinois
7 Administrative Procedure Act for the administration and
8 enforcement of Section 58.9 of the Environmental
9 Protection Act, determinations as to credit availability
10 for purposes of this Section shall be made consistent with
11 those rules. For purposes of this Section, "taxpayer"
12 includes a person whose tax attributes the taxpayer has
13 succeeded to under Section 381 of the Internal Revenue Code
14 and "related party" includes the persons disallowed a
15 deduction for losses by paragraphs (b), (c), and (f)(1) of
16 Section 267 of the Internal Revenue Code by virtue of being
17 a related taxpayer, as well as any of its partners. The
18 credit allowed against the tax imposed by subsections (a)
19 and (b) shall be equal to 25% of the unreimbursed eligible
20 remediation costs in excess of \$100,000 per site, except
21 that the \$100,000 threshold shall not apply to any site
22 contained in an enterprise zone as determined by the
23 Department of Commerce and Community Affairs (now
24 Department of Commerce and Economic Opportunity). The
25 total credit allowed shall not exceed \$40,000 per year with
26 a maximum total of \$150,000 per site. For partners and

1 shareholders of subchapter S corporations, there shall be
2 allowed a credit under this subsection to be determined in
3 accordance with the determination of income and
4 distributive share of income under Sections 702 and 704 and
5 subchapter S of the Internal Revenue Code.

6 (ii) A credit allowed under this subsection that is
7 unused in the year the credit is earned may be carried
8 forward to each of the 5 taxable years following the year
9 for which the credit is first earned until it is used. The
10 term "unused credit" does not include any amounts of
11 unreimbursed eligible remediation costs in excess of the
12 maximum credit per site authorized under paragraph (i).
13 This credit shall be applied first to the earliest year for
14 which there is a liability. If there is a credit under this
15 subsection from more than one tax year that is available to
16 offset a liability, the earliest credit arising under this
17 subsection shall be applied first. A credit allowed under
18 this subsection may be sold to a buyer as part of a sale of
19 all or part of the remediation site for which the credit
20 was granted. The purchaser of a remediation site and the
21 tax credit shall succeed to the unused credit and remaining
22 carry-forward period of the seller. To perfect the
23 transfer, the assignor shall record the transfer in the
24 chain of title for the site and provide written notice to
25 the Director of the Illinois Department of Revenue of the
26 assignor's intent to sell the remediation site and the

1 amount of the tax credit to be transferred as a portion of
2 the sale. In no event may a credit be transferred to any
3 taxpayer if the taxpayer or a related party would not be
4 eligible under the provisions of subsection (i).

5 (iii) For purposes of this Section, the term "site"
6 shall have the same meaning as under Section 58.2 of the
7 Environmental Protection Act.

8 (m) Education expense credit. Beginning with tax years
9 ending after December 31, 1999, a taxpayer who is the custodian
10 of one or more qualifying pupils shall be allowed a credit
11 against the tax imposed by subsections (a) and (b) of this
12 Section for qualified education expenses incurred on behalf of
13 the qualifying pupils. The credit shall be equal to 25% of
14 qualified education expenses, but in no event may the total
15 credit under this subsection claimed by a family that is the
16 custodian of qualifying pupils exceed \$500. In no event shall a
17 credit under this subsection reduce the taxpayer's liability
18 under this Act to less than zero. This subsection is exempt
19 from the provisions of Section 250 of this Act.

20 For purposes of this subsection:

21 "Qualifying pupils" means individuals who (i) are
22 residents of the State of Illinois, (ii) are under the age of
23 21 at the close of the school year for which a credit is
24 sought, and (iii) during the school year for which a credit is
25 sought were full-time pupils enrolled in a kindergarten through
26 twelfth grade education program at any school, as defined in

1 this subsection.

2 "Qualified education expense" means the amount incurred on
3 behalf of a qualifying pupil in excess of \$250 for tuition,
4 book fees, and lab fees at the school in which the pupil is
5 enrolled during the regular school year.

6 "School" means any public or nonpublic elementary or
7 secondary school in Illinois that is in compliance with Title
8 VI of the Civil Rights Act of 1964 and attendance at which
9 satisfies the requirements of Section 26-1 of the School Code,
10 except that nothing shall be construed to require a child to
11 attend any particular public or nonpublic school to qualify for
12 the credit under this Section.

13 "Custodian" means, with respect to qualifying pupils, an
14 Illinois resident who is a parent, the parents, a legal
15 guardian, or the legal guardians of the qualifying pupils.

16 (n) River Edge Redevelopment Zone site remediation tax
17 credit.

18 (i) For tax years ending on or after December 31, 2006,
19 a taxpayer shall be allowed a credit against the tax
20 imposed by subsections (a) and (b) of this Section for
21 certain amounts paid for unreimbursed eligible remediation
22 costs, as specified in this subsection. For purposes of
23 this Section, "unreimbursed eligible remediation costs"
24 means costs approved by the Illinois Environmental
25 Protection Agency ("Agency") under Section 58.14a of the
26 Environmental Protection Act that were paid in performing

1 environmental remediation at a site within a River Edge
2 Redevelopment Zone for which a No Further Remediation
3 Letter was issued by the Agency and recorded under Section
4 58.10 of the Environmental Protection Act. The credit must
5 be claimed for the taxable year in which Agency approval of
6 the eligible remediation costs is granted. The credit is
7 not available to any taxpayer if the taxpayer or any
8 related party caused or contributed to, in any material
9 respect, a release of regulated substances on, in, or under
10 the site that was identified and addressed by the remedial
11 action pursuant to the Site Remediation Program of the
12 Environmental Protection Act. Determinations as to credit
13 availability for purposes of this Section shall be made
14 consistent with rules adopted by the Pollution Control
15 Board pursuant to the Illinois Administrative Procedure
16 Act for the administration and enforcement of Section 58.9
17 of the Environmental Protection Act. For purposes of this
18 Section, "taxpayer" includes a person whose tax attributes
19 the taxpayer has succeeded to under Section 381 of the
20 Internal Revenue Code and "related party" includes the
21 persons disallowed a deduction for losses by paragraphs
22 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
23 Code by virtue of being a related taxpayer, as well as any
24 of its partners. The credit allowed against the tax imposed
25 by subsections (a) and (b) shall be equal to 25% of the
26 unreimbursed eligible remediation costs in excess of

1 \$100,000 per site.

2 (ii) A credit allowed under this subsection that is
3 unused in the year the credit is earned may be carried
4 forward to each of the 5 taxable years following the year
5 for which the credit is first earned until it is used. This
6 credit shall be applied first to the earliest year for
7 which there is a liability. If there is a credit under this
8 subsection from more than one tax year that is available to
9 offset a liability, the earliest credit arising under this
10 subsection shall be applied first. A credit allowed under
11 this subsection may be sold to a buyer as part of a sale of
12 all or part of the remediation site for which the credit
13 was granted. The purchaser of a remediation site and the
14 tax credit shall succeed to the unused credit and remaining
15 carry-forward period of the seller. To perfect the
16 transfer, the assignor shall record the transfer in the
17 chain of title for the site and provide written notice to
18 the Director of the Illinois Department of Revenue of the
19 assignor's intent to sell the remediation site and the
20 amount of the tax credit to be transferred as a portion of
21 the sale. In no event may a credit be transferred to any
22 taxpayer if the taxpayer or a related party would not be
23 eligible under the provisions of subsection (i).

24 (iii) For purposes of this Section, the term "site"
25 shall have the same meaning as under Section 58.2 of the
26 Environmental Protection Act.

1 (Source: P.A. 96-115, eff. 7-31-09; 96-116, eff. 7-31-09;
2 96-937, eff. 6-23-10; 96-1000, eff. 7-2-10; 96-1496, eff.
3 1-13-11; 97-2, eff. 5-6-11; 97-636, eff. 6-1-12; 97-905, eff.
4 8-7-12.)

5 (35 ILCS 5/303) (from Ch. 120, par. 3-303)

6 Sec. 303. (a) In general. Any item of capital gain or loss,
7 and any item of income from rents or royalties from real or
8 tangible personal property, interest, dividends, and patent or
9 copyright royalties, and prizes awarded under the Illinois
10 Lottery Law, and, for taxable years ending on or after December
11 31, 2013, wagering and gambling winnings from Illinois sources
12 as set forth in subsection (e-1) of this Section, to the extent
13 such item constitutes nonbusiness income, together with any
14 item of deduction directly allocable thereto, shall be
15 allocated by any person other than a resident as provided in
16 this Section.

17 (b) Capital gains and losses.

18 (1) Real property. Capital gains and losses from sales
19 or exchanges of real property are allocable to this State
20 if the property is located in this State.

21 (2) Tangible personal property. Capital gains and
22 losses from sales or exchanges of tangible personal
23 property are allocable to this State if, at the time of
24 such sale or exchange:

25 (A) The property had its situs in this State; or

1 (B) The taxpayer had its commercial domicile in
2 this State and was not taxable in the state in which
3 the property had its situs.

4 (3) Intangibles. Capital gains and losses from sales or
5 exchanges of intangible personal property are allocable to
6 this State if the taxpayer had its commercial domicile in
7 this State at the time of such sale or exchange.

8 (c) Rents and royalties.

9 (1) Real property. Rents and royalties from real
10 property are allocable to this State if the property is
11 located in this State.

12 (2) Tangible personal property. Rents and royalties
13 from tangible personal property are allocable to this
14 State:

15 (A) If and to the extent that the property is
16 utilized in this State; or

17 (B) In their entirety if, at the time such rents or
18 royalties were paid or accrued, the taxpayer had its
19 commercial domicile in this State and was not organized
20 under the laws of or taxable with respect to such rents
21 or royalties in the state in which the property was
22 utilized. The extent of utilization of tangible
23 personal property in a state is determined by
24 multiplying the rents or royalties derived from such
25 property by a fraction, the numerator of which is the
26 number of days of physical location of the property in

1 the state during the rental or royalty period in the
2 taxable year and the denominator of which is the number
3 of days of physical location of the property everywhere
4 during all rental or royalty periods in the taxable
5 year. If the physical location of the property during
6 the rental or royalty period is unknown or
7 unascertainable by the taxpayer, tangible personal
8 property is utilized in the state in which the property
9 was located at the time the rental or royalty payer
10 obtained possession.

11 (d) Patent and copyright royalties.

12 (1) Allocation. Patent and copyright royalties are
13 allocable to this State:

14 (A) If and to the extent that the patent or
15 copyright is utilized by the payer in this State; or

16 (B) If and to the extent that the patent or
17 copyright is utilized by the payer in a state in which
18 the taxpayer is not taxable with respect to such
19 royalties and, at the time such royalties were paid or
20 accrued, the taxpayer had its commercial domicile in
21 this State.

22 (2) Utilization.

23 (A) A patent is utilized in a state to the extent
24 that it is employed in production, fabrication,
25 manufacturing or other processing in the state or to
26 the extent that a patented product is produced in the

1 state. If the basis of receipts from patent royalties
2 does not permit allocation to states or if the
3 accounting procedures do not reflect states of
4 utilization, the patent is utilized in this State if
5 the taxpayer has its commercial domicile in this State.

6 (B) A copyright is utilized in a state to the
7 extent that printing or other publication originates
8 in the state. If the basis of receipts from copyright
9 royalties does not permit allocation to states or if
10 the accounting procedures do not reflect states of
11 utilization, the copyright is utilized in this State if
12 the taxpayer has its commercial domicile in this State.

13 (e) Illinois lottery prizes. Prizes awarded under the
14 "Illinois Lottery Law", approved December 14, 1973, are
15 allocable to this State.

16 (e-1) Wagering and gambling winnings. Payments received in
17 taxable years ending on or after December 31, 2013 of winnings
18 from pari-mutuel wagering conducted at a wagering facility
19 licensed under the Illinois Horse Racing Act of 1975 and from
20 gambling games conducted on a riverboat or in a casino or
21 electronic gaming facility licensed under the Illinois
22 Gambling Act are allocable to this State.

23 (e-5) Unemployment benefits. Unemployment benefits paid by
24 the Illinois Department of Employment Security are allocable to
25 this State.

26 (f) Taxability in other state. For purposes of allocation

1 of income pursuant to this Section, a taxpayer is taxable in
2 another state if:

3 (1) In that state he is subject to a net income tax, a
4 franchise tax measured by net income, a franchise tax for
5 the privilege of doing business, or a corporate stock tax;
6 or

7 (2) That state has jurisdiction to subject the taxpayer
8 to a net income tax regardless of whether, in fact, the
9 state does or does not.

10 (g) Cross references.

11 (1) For allocation of interest and dividends by persons
12 other than residents, see Section 301(c) (2).

13 (2) For allocation of nonbusiness income by residents,
14 see Section 301(a).

15 (Source: P.A. 97-709, eff. 7-1-12.)

16 (35 ILCS 5/304) (from Ch. 120, par. 3-304)

17 Sec. 304. Business income of persons other than residents.

18 (a) In general. The business income of a person other than
19 a resident shall be allocated to this State if such person's
20 business income is derived solely from this State. If a person
21 other than a resident derives business income from this State
22 and one or more other states, then, for tax years ending on or
23 before December 30, 1998, and except as otherwise provided by
24 this Section, such person's business income shall be
25 apportioned to this State by multiplying the income by a

1 fraction, the numerator of which is the sum of the property
2 factor (if any), the payroll factor (if any) and 200% of the
3 sales factor (if any), and the denominator of which is 4
4 reduced by the number of factors other than the sales factor
5 which have a denominator of zero and by an additional 2 if the
6 sales factor has a denominator of zero. For tax years ending on
7 or after December 31, 1998, and except as otherwise provided by
8 this Section, persons other than residents who derive business
9 income from this State and one or more other states shall
10 compute their apportionment factor by weighting their
11 property, payroll, and sales factors as provided in subsection
12 (h) of this Section.

13 (1) Property factor.

14 (A) The property factor is a fraction, the numerator of
15 which is the average value of the person's real and
16 tangible personal property owned or rented and used in the
17 trade or business in this State during the taxable year and
18 the denominator of which is the average value of all the
19 person's real and tangible personal property owned or
20 rented and used in the trade or business during the taxable
21 year.

22 (B) Property owned by the person is valued at its
23 original cost. Property rented by the person is valued at 8
24 times the net annual rental rate. Net annual rental rate is
25 the annual rental rate paid by the person less any annual
26 rental rate received by the person from sub-rentals.

1 (C) The average value of property shall be determined
2 by averaging the values at the beginning and ending of the
3 taxable year but the Director may require the averaging of
4 monthly values during the taxable year if reasonably
5 required to reflect properly the average value of the
6 person's property.

7 (2) Payroll factor.

8 (A) The payroll factor is a fraction, the numerator of
9 which is the total amount paid in this State during the
10 taxable year by the person for compensation, and the
11 denominator of which is the total compensation paid
12 everywhere during the taxable year.

13 (B) Compensation is paid in this State if:

14 (i) The individual's service is performed entirely
15 within this State;

16 (ii) The individual's service is performed both
17 within and without this State, but the service
18 performed without this State is incidental to the
19 individual's service performed within this State; or

20 (iii) Some of the service is performed within this
21 State and either the base of operations, or if there is
22 no base of operations, the place from which the service
23 is directed or controlled is within this State, or the
24 base of operations or the place from which the service
25 is directed or controlled is not in any state in which
26 some part of the service is performed, but the

1 individual's residence is in this State.

2 (iv) Compensation paid to nonresident professional
3 athletes.

4 (a) General. The Illinois source income of a
5 nonresident individual who is a member of a
6 professional athletic team includes the portion of the
7 individual's total compensation for services performed
8 as a member of a professional athletic team during the
9 taxable year which the number of duty days spent within
10 this State performing services for the team in any
11 manner during the taxable year bears to the total
12 number of duty days spent both within and without this
13 State during the taxable year.

14 (b) Travel days. Travel days that do not involve
15 either a game, practice, team meeting, or other similar
16 team event are not considered duty days spent in this
17 State. However, such travel days are considered in the
18 total duty days spent both within and without this
19 State.

20 (c) Definitions. For purposes of this subpart
21 (iv):

22 (1) The term "professional athletic team"
23 includes, but is not limited to, any professional
24 baseball, basketball, football, soccer, or hockey
25 team.

26 (2) The term "member of a professional

1 athletic team" includes those employees who are
2 active players, players on the disabled list, and
3 any other persons required to travel and who travel
4 with and perform services on behalf of a
5 professional athletic team on a regular basis.
6 This includes, but is not limited to, coaches,
7 managers, and trainers.

8 (3) Except as provided in items (C) and (D) of
9 this subpart (3), the term "duty days" means all
10 days during the taxable year from the beginning of
11 the professional athletic team's official
12 pre-season training period through the last game
13 in which the team competes or is scheduled to
14 compete. Duty days shall be counted for the year in
15 which they occur, including where a team's
16 official pre-season training period through the
17 last game in which the team competes or is
18 scheduled to compete, occurs during more than one
19 tax year.

20 (A) Duty days shall also include days on
21 which a member of a professional athletic team
22 performs service for a team on a date that does
23 not fall within the foregoing period (e.g.,
24 participation in instructional leagues, the
25 "All Star Game", or promotional "caravans").
26 Performing a service for a professional

1 athletic team includes conducting training and
2 rehabilitation activities, when such
3 activities are conducted at team facilities.

4 (B) Also included in duty days are game
5 days, practice days, days spent at team
6 meetings, promotional caravans, preseason
7 training camps, and days served with the team
8 through all post-season games in which the team
9 competes or is scheduled to compete.

10 (C) Duty days for any person who joins a
11 team during the period from the beginning of
12 the professional athletic team's official
13 pre-season training period through the last
14 game in which the team competes, or is
15 scheduled to compete, shall begin on the day
16 that person joins the team. Conversely, duty
17 days for any person who leaves a team during
18 this period shall end on the day that person
19 leaves the team. Where a person switches teams
20 during a taxable year, a separate duty-day
21 calculation shall be made for the period the
22 person was with each team.

23 (D) Days for which a member of a
24 professional athletic team is not compensated
25 and is not performing services for the team in
26 any manner, including days when such member of

1 a professional athletic team has been
2 suspended without pay and prohibited from
3 performing any services for the team, shall not
4 be treated as duty days.

5 (E) Days for which a member of a
6 professional athletic team is on the disabled
7 list and does not conduct rehabilitation
8 activities at facilities of the team, and is
9 not otherwise performing services for the team
10 in Illinois, shall not be considered duty days
11 spent in this State. All days on the disabled
12 list, however, are considered to be included in
13 total duty days spent both within and without
14 this State.

15 (4) The term "total compensation for services
16 performed as a member of a professional athletic
17 team" means the total compensation received during
18 the taxable year for services performed:

19 (A) from the beginning of the official
20 pre-season training period through the last
21 game in which the team competes or is scheduled
22 to compete during that taxable year; and

23 (B) during the taxable year on a date which
24 does not fall within the foregoing period
25 (e.g., participation in instructional leagues,
26 the "All Star Game", or promotional caravans).

1 This compensation shall include, but is not
2 limited to, salaries, wages, bonuses as described
3 in this subpart, and any other type of compensation
4 paid during the taxable year to a member of a
5 professional athletic team for services performed
6 in that year. This compensation does not include
7 strike benefits, severance pay, termination pay,
8 contract or option year buy-out payments,
9 expansion or relocation payments, or any other
10 payments not related to services performed for the
11 team.

12 For purposes of this subparagraph, "bonuses"
13 included in "total compensation for services
14 performed as a member of a professional athletic
15 team" subject to the allocation described in
16 Section 302(c)(1) are: bonuses earned as a result
17 of play (i.e., performance bonuses) during the
18 season, including bonuses paid for championship,
19 playoff or "bowl" games played by a team, or for
20 selection to all-star league or other honorary
21 positions; and bonuses paid for signing a
22 contract, unless the payment of the signing bonus
23 is not conditional upon the signee playing any
24 games for the team or performing any subsequent
25 services for the team or even making the team, the
26 signing bonus is payable separately from the

1 salary and any other compensation, and the signing
2 bonus is nonrefundable.

3 (3) Sales factor.

4 (A) The sales factor is a fraction, the numerator of
5 which is the total sales of the person in this State during
6 the taxable year, and the denominator of which is the total
7 sales of the person everywhere during the taxable year.

8 (B) Sales of tangible personal property are in this
9 State if:

10 (i) The property is delivered or shipped to a
11 purchaser, other than the United States government,
12 within this State regardless of the f. o. b. point or
13 other conditions of the sale; or

14 (ii) The property is shipped from an office, store,
15 warehouse, factory or other place of storage in this
16 State and either the purchaser is the United States
17 government or the person is not taxable in the state of
18 the purchaser; provided, however, that premises owned
19 or leased by a person who has independently contracted
20 with the seller for the printing of newspapers,
21 periodicals or books shall not be deemed to be an
22 office, store, warehouse, factory or other place of
23 storage for purposes of this Section. Sales of tangible
24 personal property are not in this State if the seller
25 and purchaser would be members of the same unitary
26 business group but for the fact that either the seller

1 or purchaser is a person with 80% or more of total
2 business activity outside of the United States and the
3 property is purchased for resale.

4 (B-1) Patents, copyrights, trademarks, and similar
5 items of intangible personal property.

6 (i) Gross receipts from the licensing, sale, or
7 other disposition of a patent, copyright, trademark,
8 or similar item of intangible personal property, other
9 than gross receipts governed by paragraph (B-7) of this
10 item (3), are in this State to the extent the item is
11 utilized in this State during the year the gross
12 receipts are included in gross income.

13 (ii) Place of utilization.

14 (I) A patent is utilized in a state to the
15 extent that it is employed in production,
16 fabrication, manufacturing, or other processing in
17 the state or to the extent that a patented product
18 is produced in the state. If a patent is utilized
19 in more than one state, the extent to which it is
20 utilized in any one state shall be a fraction equal
21 to the gross receipts of the licensee or purchaser
22 from sales or leases of items produced,
23 fabricated, manufactured, or processed within that
24 state using the patent and of patented items
25 produced within that state, divided by the total of
26 such gross receipts for all states in which the

1 patent is utilized.

2 (II) A copyright is utilized in a state to the
3 extent that printing or other publication
4 originates in the state. If a copyright is utilized
5 in more than one state, the extent to which it is
6 utilized in any one state shall be a fraction equal
7 to the gross receipts from sales or licenses of
8 materials printed or published in that state
9 divided by the total of such gross receipts for all
10 states in which the copyright is utilized.

11 (III) Trademarks and other items of intangible
12 personal property governed by this paragraph (B-1)
13 are utilized in the state in which the commercial
14 domicile of the licensee or purchaser is located.

15 (iii) If the state of utilization of an item of
16 property governed by this paragraph (B-1) cannot be
17 determined from the taxpayer's books and records or
18 from the books and records of any person related to the
19 taxpayer within the meaning of Section 267(b) of the
20 Internal Revenue Code, 26 U.S.C. 267, the gross
21 receipts attributable to that item shall be excluded
22 from both the numerator and the denominator of the
23 sales factor.

24 (B-2) Gross receipts from the license, sale, or other
25 disposition of patents, copyrights, trademarks, and
26 similar items of intangible personal property, other than

1 gross receipts governed by paragraph (B-7) of this item
2 (3), may be included in the numerator or denominator of the
3 sales factor only if gross receipts from licenses, sales,
4 or other disposition of such items comprise more than 50%
5 of the taxpayer's total gross receipts included in gross
6 income during the tax year and during each of the 2
7 immediately preceding tax years; provided that, when a
8 taxpayer is a member of a unitary business group, such
9 determination shall be made on the basis of the gross
10 receipts of the entire unitary business group.

11 (B-5) For taxable years ending on or after December 31,
12 2008, except as provided in subsections (ii) through (vii),
13 receipts from the sale of telecommunications service or
14 mobile telecommunications service are in this State if the
15 customer's service address is in this State.

16 (i) For purposes of this subparagraph (B-5), the
17 following terms have the following meanings:

18 "Ancillary services" means services that are
19 associated with or incidental to the provision of
20 "telecommunications services", including but not
21 limited to "detailed telecommunications billing",
22 "directory assistance", "vertical service", and "voice
23 mail services".

24 "Air-to-Ground Radiotelephone service" means a
25 radio service, as that term is defined in 47 CFR 22.99,
26 in which common carriers are authorized to offer and

1 provide radio telecommunications service for hire to
2 subscribers in aircraft.

3 "Call-by-call Basis" means any method of charging
4 for telecommunications services where the price is
5 measured by individual calls.

6 "Communications Channel" means a physical or
7 virtual path of communications over which signals are
8 transmitted between or among customer channel
9 termination points.

10 "Conference bridging service" means an "ancillary
11 service" that links two or more participants of an
12 audio or video conference call and may include the
13 provision of a telephone number. "Conference bridging
14 service" does not include the "telecommunications
15 services" used to reach the conference bridge.

16 "Customer Channel Termination Point" means the
17 location where the customer either inputs or receives
18 the communications.

19 "Detailed telecommunications billing service"
20 means an "ancillary service" of separately stating
21 information pertaining to individual calls on a
22 customer's billing statement.

23 "Directory assistance" means an "ancillary
24 service" of providing telephone number information,
25 and/or address information.

26 "Home service provider" means the facilities based

1 carrier or reseller with which the customer contracts
2 for the provision of mobile telecommunications
3 services.

4 "Mobile telecommunications service" means
5 commercial mobile radio service, as defined in Section
6 20.3 of Title 47 of the Code of Federal Regulations as
7 in effect on June 1, 1999.

8 "Place of primary use" means the street address
9 representative of where the customer's use of the
10 telecommunications service primarily occurs, which
11 must be the residential street address or the primary
12 business street address of the customer. In the case of
13 mobile telecommunications services, "place of primary
14 use" must be within the licensed service area of the
15 home service provider.

16 "Post-paid telecommunication service" means the
17 telecommunications service obtained by making a
18 payment on a call-by-call basis either through the use
19 of a credit card or payment mechanism such as a bank
20 card, travel card, credit card, or debit card, or by
21 charge made to a telephone number which is not
22 associated with the origination or termination of the
23 telecommunications service. A post-paid calling
24 service includes telecommunications service, except a
25 prepaid wireless calling service, that would be a
26 prepaid calling service except it is not exclusively a

1 telecommunication service.

2 "Prepaid telecommunication service" means the
3 right to access exclusively telecommunications
4 services, which must be paid for in advance and which
5 enables the origination of calls using an access number
6 or authorization code, whether manually or
7 electronically dialed, and that is sold in
8 predetermined units or dollars of which the number
9 declines with use in a known amount.

10 "Prepaid Mobile telecommunication service" means a
11 telecommunications service that provides the right to
12 utilize mobile wireless service as well as other
13 non-telecommunication services, including but not
14 limited to ancillary services, which must be paid for
15 in advance that is sold in predetermined units or
16 dollars of which the number declines with use in a
17 known amount.

18 "Private communication service" means a
19 telecommunication service that entitles the customer
20 to exclusive or priority use of a communications
21 channel or group of channels between or among
22 termination points, regardless of the manner in which
23 such channel or channels are connected, and includes
24 switching capacity, extension lines, stations, and any
25 other associated services that are provided in
26 connection with the use of such channel or channels.

1 "Service address" means:

2 (a) The location of the telecommunications
3 equipment to which a customer's call is charged and
4 from which the call originates or terminates,
5 regardless of where the call is billed or paid;

6 (b) If the location in line (a) is not known,
7 service address means the origination point of the
8 signal of the telecommunications services first
9 identified by either the seller's
10 telecommunications system or in information
11 received by the seller from its service provider
12 where the system used to transport such signals is
13 not that of the seller; and

14 (c) If the locations in line (a) and line (b)
15 are not known, the service address means the
16 location of the customer's place of primary use.

17 "Telecommunications service" means the electronic
18 transmission, conveyance, or routing of voice, data,
19 audio, video, or any other information or signals to a
20 point, or between or among points. The term
21 "telecommunications service" includes such
22 transmission, conveyance, or routing in which computer
23 processing applications are used to act on the form,
24 code or protocol of the content for purposes of
25 transmission, conveyance or routing without regard to
26 whether such service is referred to as voice over

1 Internet protocol services or is classified by the
2 Federal Communications Commission as enhanced or value
3 added. "Telecommunications service" does not include:

4 (a) Data processing and information services
5 that allow data to be generated, acquired, stored,
6 processed, or retrieved and delivered by an
7 electronic transmission to a purchaser when such
8 purchaser's primary purpose for the underlying
9 transaction is the processed data or information;

10 (b) Installation or maintenance of wiring or
11 equipment on a customer's premises;

12 (c) Tangible personal property;

13 (d) Advertising, including but not limited to
14 directory advertising.

15 (e) Billing and collection services provided
16 to third parties;

17 (f) Internet access service;

18 (g) Radio and television audio and video
19 programming services, regardless of the medium,
20 including the furnishing of transmission,
21 conveyance and routing of such services by the
22 programming service provider. Radio and television
23 audio and video programming services shall include
24 but not be limited to cable service as defined in
25 47 USC 522(6) and audio and video programming
26 services delivered by commercial mobile radio

1 service providers, as defined in 47 CFR 20.3;

2 (h) "Ancillary services"; or

3 (i) Digital products "delivered
4 electronically", including but not limited to
5 software, music, video, reading materials or ring
6 tones.

7 "Vertical service" means an "ancillary service"
8 that is offered in connection with one or more
9 "telecommunications services", which offers advanced
10 calling features that allow customers to identify
11 callers and to manage multiple calls and call
12 connections, including "conference bridging services".

13 "Voice mail service" means an "ancillary service"
14 that enables the customer to store, send or receive
15 recorded messages. "Voice mail service" does not
16 include any "vertical services" that the customer may
17 be required to have in order to utilize the "voice mail
18 service".

19 (ii) Receipts from the sale of telecommunications
20 service sold on an individual call-by-call basis are in
21 this State if either of the following applies:

22 (a) The call both originates and terminates in
23 this State.

24 (b) The call either originates or terminates
25 in this State and the service address is located in
26 this State.

1 (iii) Receipts from the sale of postpaid
2 telecommunications service at retail are in this State
3 if the origination point of the telecommunication
4 signal, as first identified by the service provider's
5 telecommunication system or as identified by
6 information received by the seller from its service
7 provider if the system used to transport
8 telecommunication signals is not the seller's, is
9 located in this State.

10 (iv) Receipts from the sale of prepaid
11 telecommunications service or prepaid mobile
12 telecommunications service at retail are in this State
13 if the purchaser obtains the prepaid card or similar
14 means of conveyance at a location in this State.
15 Receipts from recharging a prepaid telecommunications
16 service or mobile telecommunications service is in
17 this State if the purchaser's billing information
18 indicates a location in this State.

19 (v) Receipts from the sale of private
20 communication services are in this State as follows:

21 (a) 100% of receipts from charges imposed at
22 each channel termination point in this State.

23 (b) 100% of receipts from charges for the total
24 channel mileage between each channel termination
25 point in this State.

26 (c) 50% of the total receipts from charges for

1 service segments when those segments are between 2
2 customer channel termination points, 1 of which is
3 located in this State and the other is located
4 outside of this State, which segments are
5 separately charged.

6 (d) The receipts from charges for service
7 segments with a channel termination point located
8 in this State and in two or more other states, and
9 which segments are not separately billed, are in
10 this State based on a percentage determined by
11 dividing the number of customer channel
12 termination points in this State by the total
13 number of customer channel termination points.

14 (vi) Receipts from charges for ancillary services
15 for telecommunications service sold to customers at
16 retail are in this State if the customer's primary
17 place of use of telecommunications services associated
18 with those ancillary services is in this State. If the
19 seller of those ancillary services cannot determine
20 where the associated telecommunications are located,
21 then the ancillary services shall be based on the
22 location of the purchaser.

23 (vii) Receipts to access a carrier's network or
24 from the sale of telecommunication services or
25 ancillary services for resale are in this State as
26 follows:

1 (a) 100% of the receipts from access fees
2 attributable to intrastate telecommunications
3 service that both originates and terminates in
4 this State.

5 (b) 50% of the receipts from access fees
6 attributable to interstate telecommunications
7 service if the interstate call either originates
8 or terminates in this State.

9 (c) 100% of the receipts from interstate end
10 user access line charges, if the customer's
11 service address is in this State. As used in this
12 subdivision, "interstate end user access line
13 charges" includes, but is not limited to, the
14 surcharge approved by the federal communications
15 commission and levied pursuant to 47 CFR 69.

16 (d) Gross receipts from sales of
17 telecommunication services or from ancillary
18 services for telecommunications services sold to
19 other telecommunication service providers for
20 resale shall be sourced to this State using the
21 apportionment concepts used for non-resale
22 receipts of telecommunications services if the
23 information is readily available to make that
24 determination. If the information is not readily
25 available, then the taxpayer may use any other
26 reasonable and consistent method.

1 (B-7) For taxable years ending on or after December 31,
2 2008, receipts from the sale of broadcasting services are
3 in this State if the broadcasting services are received in
4 this State. For purposes of this paragraph (B-7), the
5 following terms have the following meanings:

6 "Advertising revenue" means consideration received
7 by the taxpayer in exchange for broadcasting services
8 or allowing the broadcasting of commercials or
9 announcements in connection with the broadcasting of
10 film or radio programming, from sponsorships of the
11 programming, or from product placements in the
12 programming.

13 "Audience factor" means the ratio that the
14 audience or subscribers located in this State of a
15 station, a network, or a cable system bears to the
16 total audience or total subscribers for that station,
17 network, or cable system. The audience factor for film
18 or radio programming shall be determined by reference
19 to the books and records of the taxpayer or by
20 reference to published rating statistics provided the
21 method used by the taxpayer is consistently used from
22 year to year for this purpose and fairly represents the
23 taxpayer's activity in this State.

24 "Broadcast" or "broadcasting" or "broadcasting
25 services" means the transmission or provision of film
26 or radio programming, whether through the public

1 airwaves, by cable, by direct or indirect satellite
2 transmission, or by any other means of communication,
3 either through a station, a network, or a cable system.

4 "Film" or "film programming" means the broadcast
5 on television of any and all performances, events, or
6 productions, including but not limited to news,
7 sporting events, plays, stories, or other literary,
8 commercial, educational, or artistic works, either
9 live or through the use of video tape, disc, or any
10 other type of format or medium. Each episode of a
11 series of films produced for television shall
12 constitute separate "film" notwithstanding that the
13 series relates to the same principal subject and is
14 produced during one or more tax periods.

15 "Radio" or "radio programming" means the broadcast
16 on radio of any and all performances, events, or
17 productions, including but not limited to news,
18 sporting events, plays, stories, or other literary,
19 commercial, educational, or artistic works, either
20 live or through the use of an audio tape, disc, or any
21 other format or medium. Each episode in a series of
22 radio programming produced for radio broadcast shall
23 constitute a separate "radio programming"
24 notwithstanding that the series relates to the same
25 principal subject and is produced during one or more
26 tax periods.

1 (i) In the case of advertising revenue from
2 broadcasting, the customer is the advertiser and
3 the service is received in this State if the
4 commercial domicile of the advertiser is in this
5 State.

6 (ii) In the case where film or radio
7 programming is broadcast by a station, a network,
8 or a cable system for a fee or other remuneration
9 received from the recipient of the broadcast, the
10 portion of the service that is received in this
11 State is measured by the portion of the recipients
12 of the broadcast located in this State.
13 Accordingly, the fee or other remuneration for
14 such service that is included in the Illinois
15 numerator of the sales factor is the total of those
16 fees or other remuneration received from
17 recipients in Illinois. For purposes of this
18 paragraph, a taxpayer may determine the location
19 of the recipients of its broadcast using the
20 address of the recipient shown in its contracts
21 with the recipient or using the billing address of
22 the recipient in the taxpayer's records.

23 (iii) In the case where film or radio
24 programming is broadcast by a station, a network,
25 or a cable system for a fee or other remuneration
26 from the person providing the programming, the

1 portion of the broadcast service that is received
2 by such station, network, or cable system in this
3 State is measured by the portion of recipients of
4 the broadcast located in this State. Accordingly,
5 the amount of revenue related to such an
6 arrangement that is included in the Illinois
7 numerator of the sales factor is the total fee or
8 other total remuneration from the person providing
9 the programming related to that broadcast
10 multiplied by the Illinois audience factor for
11 that broadcast.

12 (iv) In the case where film or radio
13 programming is provided by a taxpayer that is a
14 network or station to a customer for broadcast in
15 exchange for a fee or other remuneration from that
16 customer the broadcasting service is received at
17 the location of the office of the customer from
18 which the services were ordered in the regular
19 course of the customer's trade or business.
20 Accordingly, in such a case the revenue derived by
21 the taxpayer that is included in the taxpayer's
22 Illinois numerator of the sales factor is the
23 revenue from such customers who receive the
24 broadcasting service in Illinois.

25 (v) In the case where film or radio programming
26 is provided by a taxpayer that is not a network or

1 station to another person for broadcasting in
2 exchange for a fee or other remuneration from that
3 person, the broadcasting service is received at
4 the location of the office of the customer from
5 which the services were ordered in the regular
6 course of the customer's trade or business.
7 Accordingly, in such a case the revenue derived by
8 the taxpayer that is included in the taxpayer's
9 Illinois numerator of the sales factor is the
10 revenue from such customers who receive the
11 broadcasting service in Illinois.

12 (B-8) For taxable years ending on or after December 31,
13 2013, gross receipts from winnings from pari-mutuel
14 wagering conducted at a wagering facility licensed under
15 the Illinois Horse Racing Act of 1975 or from winnings from
16 gambling games conducted on a riverboat or in a casino or
17 electronic gaming facility licensed under the Illinois
18 Gambling Act are in this State.

19 (C) For taxable years ending before December 31, 2008,
20 sales, other than sales governed by paragraphs (B), (B-1),
21 and (B-2), are in this State if:

22 (i) The income-producing activity is performed in
23 this State; or

24 (ii) The income-producing activity is performed
25 both within and without this State and a greater
26 proportion of the income-producing activity is

1 performed within this State than without this State,
2 based on performance costs.

3 (C-5) For taxable years ending on or after December 31,
4 2008, sales, other than sales governed by paragraphs (B),
5 (B-1), (B-2), (B-5), and (B-7), are in this State if any of
6 the following criteria are met:

7 (i) Sales from the sale or lease of real property
8 are in this State if the property is located in this
9 State.

10 (ii) Sales from the lease or rental of tangible
11 personal property are in this State if the property is
12 located in this State during the rental period. Sales
13 from the lease or rental of tangible personal property
14 that is characteristically moving property, including,
15 but not limited to, motor vehicles, rolling stock,
16 aircraft, vessels, or mobile equipment are in this
17 State to the extent that the property is used in this
18 State.

19 (iii) In the case of interest, net gains (but not
20 less than zero) and other items of income from
21 intangible personal property, the sale is in this State
22 if:

23 (a) in the case of a taxpayer who is a dealer
24 in the item of intangible personal property within
25 the meaning of Section 475 of the Internal Revenue
26 Code, the income or gain is received from a

1 customer in this State. For purposes of this
2 subparagraph, a customer is in this State if the
3 customer is an individual, trust or estate who is a
4 resident of this State and, for all other
5 customers, if the customer's commercial domicile
6 is in this State. Unless the dealer has actual
7 knowledge of the residence or commercial domicile
8 of a customer during a taxable year, the customer
9 shall be deemed to be a customer in this State if
10 the billing address of the customer, as shown in
11 the records of the dealer, is in this State; or

12 (b) in all other cases, if the
13 income-producing activity of the taxpayer is
14 performed in this State or, if the
15 income-producing activity of the taxpayer is
16 performed both within and without this State, if a
17 greater proportion of the income-producing
18 activity of the taxpayer is performed within this
19 State than in any other state, based on performance
20 costs.

21 (iv) Sales of services are in this State if the
22 services are received in this State. For the purposes
23 of this section, gross receipts from the performance of
24 services provided to a corporation, partnership, or
25 trust may only be attributed to a state where that
26 corporation, partnership, or trust has a fixed place of

1 business. If the state where the services are received
2 is not readily determinable or is a state where the
3 corporation, partnership, or trust receiving the
4 service does not have a fixed place of business, the
5 services shall be deemed to be received at the location
6 of the office of the customer from which the services
7 were ordered in the regular course of the customer's
8 trade or business. If the ordering office cannot be
9 determined, the services shall be deemed to be received
10 at the office of the customer to which the services are
11 billed. If the taxpayer is not taxable in the state in
12 which the services are received, the sale must be
13 excluded from both the numerator and the denominator of
14 the sales factor. The Department shall adopt rules
15 prescribing where specific types of service are
16 received, including, but not limited to, publishing,
17 and utility service.

18 (D) For taxable years ending on or after December 31,
19 1995, the following items of income shall not be included
20 in the numerator or denominator of the sales factor:
21 dividends; amounts included under Section 78 of the
22 Internal Revenue Code; and Subpart F income as defined in
23 Section 952 of the Internal Revenue Code. No inference
24 shall be drawn from the enactment of this paragraph (D) in
25 construing this Section for taxable years ending before
26 December 31, 1995.

1 (E) Paragraphs (B-1) and (B-2) shall apply to tax years
2 ending on or after December 31, 1999, provided that a
3 taxpayer may elect to apply the provisions of these
4 paragraphs to prior tax years. Such election shall be made
5 in the form and manner prescribed by the Department, shall
6 be irrevocable, and shall apply to all tax years; provided
7 that, if a taxpayer's Illinois income tax liability for any
8 tax year, as assessed under Section 903 prior to January 1,
9 1999, was computed in a manner contrary to the provisions
10 of paragraphs (B-1) or (B-2), no refund shall be payable to
11 the taxpayer for that tax year to the extent such refund is
12 the result of applying the provisions of paragraph (B-1) or
13 (B-2) retroactively. In the case of a unitary business
14 group, such election shall apply to all members of such
15 group for every tax year such group is in existence, but
16 shall not apply to any taxpayer for any period during which
17 that taxpayer is not a member of such group.

18 (b) Insurance companies.

19 (1) In general. Except as otherwise provided by
20 paragraph (2), business income of an insurance company for
21 a taxable year shall be apportioned to this State by
22 multiplying such income by a fraction, the numerator of
23 which is the direct premiums written for insurance upon
24 property or risk in this State, and the denominator of
25 which is the direct premiums written for insurance upon
26 property or risk everywhere. For purposes of this

1 subsection, the term "direct premiums written" means the
2 total amount of direct premiums written, assessments and
3 annuity considerations as reported for the taxable year on
4 the annual statement filed by the company with the Illinois
5 Director of Insurance in the form approved by the National
6 Convention of Insurance Commissioners or such other form as
7 may be prescribed in lieu thereof.

8 (2) Reinsurance. If the principal source of premiums
9 written by an insurance company consists of premiums for
10 reinsurance accepted by it, the business income of such
11 company shall be apportioned to this State by multiplying
12 such income by a fraction, the numerator of which is the
13 sum of (i) direct premiums written for insurance upon
14 property or risk in this State, plus (ii) premiums written
15 for reinsurance accepted in respect of property or risk in
16 this State, and the denominator of which is the sum of
17 (iii) direct premiums written for insurance upon property
18 or risk everywhere, plus (iv) premiums written for
19 reinsurance accepted in respect of property or risk
20 everywhere. For purposes of this paragraph, premiums
21 written for reinsurance accepted in respect of property or
22 risk in this State, whether or not otherwise determinable,
23 may, at the election of the company, be determined on the
24 basis of the proportion which premiums written for
25 reinsurance accepted from companies commercially domiciled
26 in Illinois bears to premiums written for reinsurance

1 accepted from all sources, or, alternatively, in the
2 proportion which the sum of the direct premiums written for
3 insurance upon property or risk in this State by each
4 ceding company from which reinsurance is accepted bears to
5 the sum of the total direct premiums written by each such
6 ceding company for the taxable year. The election made by a
7 company under this paragraph for its first taxable year
8 ending on or after December 31, 2011, shall be binding for
9 that company for that taxable year and for all subsequent
10 taxable years, and may be altered only with the written
11 permission of the Department, which shall not be
12 unreasonably withheld.

13 (c) Financial organizations.

14 (1) In general. For taxable years ending before
15 December 31, 2008, business income of a financial
16 organization shall be apportioned to this State by
17 multiplying such income by a fraction, the numerator of
18 which is its business income from sources within this
19 State, and the denominator of which is its business income
20 from all sources. For the purposes of this subsection, the
21 business income of a financial organization from sources
22 within this State is the sum of the amounts referred to in
23 subparagraphs (A) through (E) following, but excluding the
24 adjusted income of an international banking facility as
25 determined in paragraph (2):

26 (A) Fees, commissions or other compensation for

1 financial services rendered within this State;

2 (B) Gross profits from trading in stocks, bonds or
3 other securities managed within this State;

4 (C) Dividends, and interest from Illinois
5 customers, which are received within this State;

6 (D) Interest charged to customers at places of
7 business maintained within this State for carrying
8 debit balances of margin accounts, without deduction
9 of any costs incurred in carrying such accounts; and

10 (E) Any other gross income resulting from the
11 operation as a financial organization within this
12 State. In computing the amounts referred to in
13 paragraphs (A) through (E) of this subsection, any
14 amount received by a member of an affiliated group
15 (determined under Section 1504(a) of the Internal
16 Revenue Code but without reference to whether any such
17 corporation is an "includible corporation" under
18 Section 1504(b) of the Internal Revenue Code) from
19 another member of such group shall be included only to
20 the extent such amount exceeds expenses of the
21 recipient directly related thereto.

22 (2) International Banking Facility. For taxable years
23 ending before December 31, 2008:

24 (A) Adjusted Income. The adjusted income of an
25 international banking facility is its income reduced
26 by the amount of the floor amount.

1 (B) Floor Amount. The floor amount shall be the
2 amount, if any, determined by multiplying the income of
3 the international banking facility by a fraction, not
4 greater than one, which is determined as follows:

5 (i) The numerator shall be:

6 The average aggregate, determined on a
7 quarterly basis, of the financial organization's
8 loans to banks in foreign countries, to foreign
9 domiciled borrowers (except where secured
10 primarily by real estate) and to foreign
11 governments and other foreign official
12 institutions, as reported for its branches,
13 agencies and offices within the state on its
14 "Consolidated Report of Condition", Schedule A,
15 Lines 2.c., 5.b., and 7.a., which was filed with
16 the Federal Deposit Insurance Corporation and
17 other regulatory authorities, for the year 1980,
18 minus

19 The average aggregate, determined on a
20 quarterly basis, of such loans (other than loans of
21 an international banking facility), as reported by
22 the financial institution for its branches,
23 agencies and offices within the state, on the
24 corresponding Schedule and lines of the
25 Consolidated Report of Condition for the current
26 taxable year, provided, however, that in no case

1 shall the amount determined in this clause (the
2 subtrahend) exceed the amount determined in the
3 preceding clause (the minuend); and

4 (ii) the denominator shall be the average
5 aggregate, determined on a quarterly basis, of the
6 international banking facility's loans to banks in
7 foreign countries, to foreign domiciled borrowers
8 (except where secured primarily by real estate)
9 and to foreign governments and other foreign
10 official institutions, which were recorded in its
11 financial accounts for the current taxable year.

12 (C) Change to Consolidated Report of Condition and
13 in Qualification. In the event the Consolidated Report
14 of Condition which is filed with the Federal Deposit
15 Insurance Corporation and other regulatory authorities
16 is altered so that the information required for
17 determining the floor amount is not found on Schedule
18 A, lines 2.c., 5.b. and 7.a., the financial institution
19 shall notify the Department and the Department may, by
20 regulations or otherwise, prescribe or authorize the
21 use of an alternative source for such information. The
22 financial institution shall also notify the Department
23 should its international banking facility fail to
24 qualify as such, in whole or in part, or should there
25 be any amendment or change to the Consolidated Report
26 of Condition, as originally filed, to the extent such

1 amendment or change alters the information used in
2 determining the floor amount.

3 (3) For taxable years ending on or after December 31,
4 2008, the business income of a financial organization shall
5 be apportioned to this State by multiplying such income by
6 a fraction, the numerator of which is its gross receipts
7 from sources in this State or otherwise attributable to
8 this State's marketplace and the denominator of which is
9 its gross receipts everywhere during the taxable year.
10 "Gross receipts" for purposes of this subparagraph (3)
11 means gross income, including net taxable gain on
12 disposition of assets, including securities and money
13 market instruments, when derived from transactions and
14 activities in the regular course of the financial
15 organization's trade or business. The following examples
16 are illustrative:

17 (i) Receipts from the lease or rental of real or
18 tangible personal property are in this State if the
19 property is located in this State during the rental
20 period. Receipts from the lease or rental of tangible
21 personal property that is characteristically moving
22 property, including, but not limited to, motor
23 vehicles, rolling stock, aircraft, vessels, or mobile
24 equipment are from sources in this State to the extent
25 that the property is used in this State.

26 (ii) Interest income, commissions, fees, gains on

1 disposition, and other receipts from assets in the
2 nature of loans that are secured primarily by real
3 estate or tangible personal property are from sources
4 in this State if the security is located in this State.

5 (iii) Interest income, commissions, fees, gains on
6 disposition, and other receipts from consumer loans
7 that are not secured by real or tangible personal
8 property are from sources in this State if the debtor
9 is a resident of this State.

10 (iv) Interest income, commissions, fees, gains on
11 disposition, and other receipts from commercial loans
12 and installment obligations that are not secured by
13 real or tangible personal property are from sources in
14 this State if the proceeds of the loan are to be
15 applied in this State. If it cannot be determined where
16 the funds are to be applied, the income and receipts
17 are from sources in this State if the office of the
18 borrower from which the loan was negotiated in the
19 regular course of business is located in this State. If
20 the location of this office cannot be determined, the
21 income and receipts shall be excluded from the
22 numerator and denominator of the sales factor.

23 (v) Interest income, fees, gains on disposition,
24 service charges, merchant discount income, and other
25 receipts from credit card receivables are from sources
26 in this State if the card charges are regularly billed

1 to a customer in this State.

2 (vi) Receipts from the performance of services,
3 including, but not limited to, fiduciary, advisory,
4 and brokerage services, are in this State if the
5 services are received in this State within the meaning
6 of subparagraph (a) (3) (C-5) (iv) of this Section.

7 (vii) Receipts from the issuance of travelers
8 checks and money orders are from sources in this State
9 if the checks and money orders are issued from a
10 location within this State.

11 (viii) Receipts from investment assets and
12 activities and trading assets and activities are
13 included in the receipts factor as follows:

14 (1) Interest, dividends, net gains (but not
15 less than zero) and other income from investment
16 assets and activities from trading assets and
17 activities shall be included in the receipts
18 factor. Investment assets and activities and
19 trading assets and activities include but are not
20 limited to: investment securities; trading account
21 assets; federal funds; securities purchased and
22 sold under agreements to resell or repurchase;
23 options; futures contracts; forward contracts;
24 notional principal contracts such as swaps;
25 equities; and foreign currency transactions. With
26 respect to the investment and trading assets and

1 activities described in subparagraphs (A) and (B)
2 of this paragraph, the receipts factor shall
3 include the amounts described in such
4 subparagraphs.

5 (A) The receipts factor shall include the
6 amount by which interest from federal funds
7 sold and securities purchased under resale
8 agreements exceeds interest expense on federal
9 funds purchased and securities sold under
10 repurchase agreements.

11 (B) The receipts factor shall include the
12 amount by which interest, dividends, gains and
13 other income from trading assets and
14 activities, including but not limited to
15 assets and activities in the matched book, in
16 the arbitrage book, and foreign currency
17 transactions, exceed amounts paid in lieu of
18 interest, amounts paid in lieu of dividends,
19 and losses from such assets and activities.

20 (2) The numerator of the receipts factor
21 includes interest, dividends, net gains (but not
22 less than zero), and other income from investment
23 assets and activities and from trading assets and
24 activities described in paragraph (1) of this
25 subsection that are attributable to this State.

26 (A) The amount of interest, dividends, net

1 gains (but not less than zero), and other
2 income from investment assets and activities
3 in the investment account to be attributed to
4 this State and included in the numerator is
5 determined by multiplying all such income from
6 such assets and activities by a fraction, the
7 numerator of which is the gross income from
8 such assets and activities which are properly
9 assigned to a fixed place of business of the
10 taxpayer within this State and the denominator
11 of which is the gross income from all such
12 assets and activities.

13 (B) The amount of interest from federal
14 funds sold and purchased and from securities
15 purchased under resale agreements and
16 securities sold under repurchase agreements
17 attributable to this State and included in the
18 numerator is determined by multiplying the
19 amount described in subparagraph (A) of
20 paragraph (1) of this subsection from such
21 funds and such securities by a fraction, the
22 numerator of which is the gross income from
23 such funds and such securities which are
24 properly assigned to a fixed place of business
25 of the taxpayer within this State and the
26 denominator of which is the gross income from

1 all such funds and such securities.

2 (C) The amount of interest, dividends,
3 gains, and other income from trading assets and
4 activities, including but not limited to
5 assets and activities in the matched book, in
6 the arbitrage book and foreign currency
7 transactions (but excluding amounts described
8 in subparagraphs (A) or (B) of this paragraph),
9 attributable to this State and included in the
10 numerator is determined by multiplying the
11 amount described in subparagraph (B) of
12 paragraph (1) of this subsection by a fraction,
13 the numerator of which is the gross income from
14 such trading assets and activities which are
15 properly assigned to a fixed place of business
16 of the taxpayer within this State and the
17 denominator of which is the gross income from
18 all such assets and activities.

19 (D) Properly assigned, for purposes of
20 this paragraph (2) of this subsection, means
21 the investment or trading asset or activity is
22 assigned to the fixed place of business with
23 which it has a preponderance of substantive
24 contacts. An investment or trading asset or
25 activity assigned by the taxpayer to a fixed
26 place of business without the State shall be

1 presumed to have been properly assigned if:

2 (i) the taxpayer has assigned, in the
3 regular course of its business, such asset
4 or activity on its records to a fixed place
5 of business consistent with federal or
6 state regulatory requirements;

7 (ii) such assignment on its records is
8 based upon substantive contacts of the
9 asset or activity to such fixed place of
10 business; and

11 (iii) the taxpayer uses such records
12 reflecting assignment of such assets or
13 activities for the filing of all state and
14 local tax returns for which an assignment
15 of such assets or activities to a fixed
16 place of business is required.

17 (E) The presumption of proper assignment
18 of an investment or trading asset or activity
19 provided in subparagraph (D) of paragraph (2)
20 of this subsection may be rebutted upon a
21 showing by the Department, supported by a
22 preponderance of the evidence, that the
23 preponderance of substantive contacts
24 regarding such asset or activity did not occur
25 at the fixed place of business to which it was
26 assigned on the taxpayer's records. If the

1 fixed place of business that has a
2 preponderance of substantive contacts cannot
3 be determined for an investment or trading
4 asset or activity to which the presumption in
5 subparagraph (D) of paragraph (2) of this
6 subsection does not apply or with respect to
7 which that presumption has been rebutted, that
8 asset or activity is properly assigned to the
9 state in which the taxpayer's commercial
10 domicile is located. For purposes of this
11 subparagraph (E), it shall be presumed,
12 subject to rebuttal, that taxpayer's
13 commercial domicile is in the state of the
14 United States or the District of Columbia to
15 which the greatest number of employees are
16 regularly connected with the management of the
17 investment or trading income or out of which
18 they are working, irrespective of where the
19 services of such employees are performed, as of
20 the last day of the taxable year.

21 (4) (Blank).

22 (5) (Blank).

23 (c-1) Federally regulated exchanges. For taxable years
24 ending on or after December 31, 2012, business income of a
25 federally regulated exchange shall, at the option of the
26 federally regulated exchange, be apportioned to this State by

1 multiplying such income by a fraction, the numerator of which
2 is its business income from sources within this State, and the
3 denominator of which is its business income from all sources.
4 For purposes of this subsection, the business income within
5 this State of a federally regulated exchange is the sum of the
6 following:

7 (1) Receipts attributable to transactions executed on
8 a physical trading floor if that physical trading floor is
9 located in this State.

10 (2) Receipts attributable to all other matching,
11 execution, or clearing transactions, including without
12 limitation receipts from the provision of matching,
13 execution, or clearing services to another entity,
14 multiplied by (i) for taxable years ending on or after
15 December 31, 2012 but before December 31, 2013, 63.77%; and
16 (ii) for taxable years ending on or after December 31,
17 2013, 27.54%.

18 (3) All other receipts not governed by subparagraphs
19 (1) or (2) of this subsection (c-1), to the extent the
20 receipts would be characterized as "sales in this State"
21 under item (3) of subsection (a) of this Section.

22 "Federally regulated exchange" means (i) a "registered
23 entity" within the meaning of 7 U.S.C. Section 1a(40)(A), (B),
24 or (C), (ii) an "exchange" or "clearing agency" within the
25 meaning of 15 U.S.C. Section 78c (a) (1) or (23), (iii) any such
26 entities regulated under any successor regulatory structure to

1 the foregoing, and (iv) all taxpayers who are members of the
2 same unitary business group as a federally regulated exchange,
3 determined without regard to the prohibition in Section
4 1501(a)(27) of this Act against including in a unitary business
5 group taxpayers who are ordinarily required to apportion
6 business income under different subsections of this Section;
7 provided that this subparagraph (iv) shall apply only if 50% or
8 more of the business receipts of the unitary business group
9 determined by application of this subparagraph (iv) for the
10 taxable year are attributable to the matching, execution, or
11 clearing of transactions conducted by an entity described in
12 subparagraph (i), (ii), or (iii) of this paragraph.

13 In no event shall the Illinois apportionment percentage
14 computed in accordance with this subsection (c-1) for any
15 taxpayer for any tax year be less than the Illinois
16 apportionment percentage computed under this subsection (c-1)
17 for that taxpayer for the first full tax year ending on or
18 after December 31, 2013 for which this subsection (c-1) applied
19 to the taxpayer.

20 (d) Transportation services. For taxable years ending
21 before December 31, 2008, business income derived from
22 furnishing transportation services shall be apportioned to
23 this State in accordance with paragraphs (1) and (2):

24 (1) Such business income (other than that derived from
25 transportation by pipeline) shall be apportioned to this
26 State by multiplying such income by a fraction, the

1 numerator of which is the revenue miles of the person in
2 this State, and the denominator of which is the revenue
3 miles of the person everywhere. For purposes of this
4 paragraph, a revenue mile is the transportation of 1
5 passenger or 1 net ton of freight the distance of 1 mile
6 for a consideration. Where a person is engaged in the
7 transportation of both passengers and freight, the
8 fraction above referred to shall be determined by means of
9 an average of the passenger revenue mile fraction and the
10 freight revenue mile fraction, weighted to reflect the
11 person's

12 (A) relative railway operating income from total
13 passenger and total freight service, as reported to the
14 Interstate Commerce Commission, in the case of
15 transportation by railroad, and

16 (B) relative gross receipts from passenger and
17 freight transportation, in case of transportation
18 other than by railroad.

19 (2) Such business income derived from transportation
20 by pipeline shall be apportioned to this State by
21 multiplying such income by a fraction, the numerator of
22 which is the revenue miles of the person in this State, and
23 the denominator of which is the revenue miles of the person
24 everywhere. For the purposes of this paragraph, a revenue
25 mile is the transportation by pipeline of 1 barrel of oil,
26 1,000 cubic feet of gas, or of any specified quantity of

1 any other substance, the distance of 1 mile for a
2 consideration.

3 (3) For taxable years ending on or after December 31,
4 2008, business income derived from providing
5 transportation services other than airline services shall
6 be apportioned to this State by using a fraction, (a) the
7 numerator of which shall be (i) all receipts from any
8 movement or shipment of people, goods, mail, oil, gas, or
9 any other substance (other than by airline) that both
10 originates and terminates in this State, plus (ii) that
11 portion of the person's gross receipts from movements or
12 shipments of people, goods, mail, oil, gas, or any other
13 substance (other than by airline) that originates in one
14 state or jurisdiction and terminates in another state or
15 jurisdiction, that is determined by the ratio that the
16 miles traveled in this State bears to total miles
17 everywhere and (b) the denominator of which shall be all
18 revenue derived from the movement or shipment of people,
19 goods, mail, oil, gas, or any other substance (other than
20 by airline). Where a taxpayer is engaged in the
21 transportation of both passengers and freight, the
22 fraction above referred to shall first be determined
23 separately for passenger miles and freight miles. Then an
24 average of the passenger miles fraction and the freight
25 miles fraction shall be weighted to reflect the taxpayer's:

26 (A) relative railway operating income from total

1 passenger and total freight service, as reported to the
2 Surface Transportation Board, in the case of
3 transportation by railroad; and

4 (B) relative gross receipts from passenger and
5 freight transportation, in case of transportation
6 other than by railroad.

7 (4) For taxable years ending on or after December 31,
8 2008, business income derived from furnishing airline
9 transportation services shall be apportioned to this State
10 by multiplying such income by a fraction, the numerator of
11 which is the revenue miles of the person in this State, and
12 the denominator of which is the revenue miles of the person
13 everywhere. For purposes of this paragraph, a revenue mile
14 is the transportation of one passenger or one net ton of
15 freight the distance of one mile for a consideration. If a
16 person is engaged in the transportation of both passengers
17 and freight, the fraction above referred to shall be
18 determined by means of an average of the passenger revenue
19 mile fraction and the freight revenue mile fraction,
20 weighted to reflect the person's relative gross receipts
21 from passenger and freight airline transportation.

22 (e) Combined apportionment. Where 2 or more persons are
23 engaged in a unitary business as described in subsection
24 (a) (27) of Section 1501, a part of which is conducted in this
25 State by one or more members of the group, the business income
26 attributable to this State by any such member or members shall

1 be apportioned by means of the combined apportionment method.

2 (f) Alternative allocation. If the allocation and
3 apportionment provisions of subsections (a) through (e) and of
4 subsection (h) do not fairly represent the extent of a person's
5 business activity in this State, the person may petition for,
6 or the Director may, without a petition, permit or require, in
7 respect of all or any part of the person's business activity,
8 if reasonable:

9 (1) Separate accounting;

10 (2) The exclusion of any one or more factors;

11 (3) The inclusion of one or more additional factors
12 which will fairly represent the person's business
13 activities in this State; or

14 (4) The employment of any other method to effectuate an
15 equitable allocation and apportionment of the person's
16 business income.

17 (g) Cross reference. For allocation of business income by
18 residents, see Section 301(a).

19 (h) For tax years ending on or after December 31, 1998, the
20 apportionment factor of persons who apportion their business
21 income to this State under subsection (a) shall be equal to:

22 (1) for tax years ending on or after December 31, 1998
23 and before December 31, 1999, $16 \frac{2}{3}\%$ of the property
24 factor plus $16 \frac{2}{3}\%$ of the payroll factor plus $66 \frac{2}{3}\%$ of
25 the sales factor;

26 (2) for tax years ending on or after December 31, 1999

1 and before December 31, 2000, 8 1/3% of the property factor
2 plus 8 1/3% of the payroll factor plus 83 1/3% of the sales
3 factor;

4 (3) for tax years ending on or after December 31, 2000,
5 the sales factor.

6 If, in any tax year ending on or after December 31, 1998 and
7 before December 31, 2000, the denominator of the payroll,
8 property, or sales factor is zero, the apportionment factor
9 computed in paragraph (1) or (2) of this subsection for that
10 year shall be divided by an amount equal to 100% minus the
11 percentage weight given to each factor whose denominator is
12 equal to zero.

13 (Source: P.A. 96-763, eff. 8-25-09; 97-507, eff. 8-23-11;
14 97-636, eff. 6-1-12.)

15 (35 ILCS 5/710) (from Ch. 120, par. 7-710)

16 Sec. 710. Withholding from lottery winnings.

17 (a) In General.

18 (1) Any person making a payment to a resident or
19 nonresident of winnings under the Illinois Lottery Law and
20 not required to withhold Illinois income tax from such
21 payment under Subsection (b) of Section 701 of this Act
22 because those winnings are not subject to Federal income
23 tax withholding, must withhold Illinois income tax from
24 such payment at a rate equal to the percentage tax rate for
25 individuals provided in subsection (b) of Section 201,

1 provided that withholding is not required if such payment
2 of winnings is less than \$1,000.

3 (2) Any person making a payment after December 31, 2013
4 to a resident or nonresident of winnings from pari-mutuel
5 wagering conducted at a wagering facility licensed under
6 the Illinois Horse Racing Act of 1975 or from gambling
7 games conducted on a riverboat or in a casino or electronic
8 gaming facility licensed under the Illinois Gambling Act
9 must withhold Illinois income tax from such payment at a
10 rate equal to the percentage tax rate for individuals
11 provided in subsection (b) of Section 201, provided that
12 the person making the payment is required to withhold under
13 Section 3402(g) of the Internal Revenue Code.

14 (b) Credit for taxes withheld. Any amount withheld under
15 Subsection (a) shall be a credit against the Illinois income
16 tax liability of the person to whom the payment of winnings was
17 made for the taxable year in which that person incurred an
18 Illinois income tax liability with respect to those winnings.

19 (Source: P.A. 85-731.)

20 Section 90-23. The Property Tax Code is amended by adding
21 Section 15-144 as follows:

22 (35 ILCS 200/15-144 new)

23 Sec. 15-144. Chicago Casino Development Authority. All
24 property owned by the Chicago Casino Development Authority is

1 exempt. Any property owned by the Chicago Casino Development
2 Authority and leased to any other entity is not exempt.

3 Section 90-24. The Illinois Municipal Code is amended by
4 adding Section 8-10-2.6 as follows:

5 (65 ILCS 5/8-10-2.6 new)

6 Sec. 8-10-2.6. Chicago Casino Development Authority.
7 Except as otherwise provided in the Chicago Casino Development
8 Authority Act, this Division 10 applies to purchase orders and
9 contracts relating to the Chicago Casino Development
10 Authority.

11 Section 90-25. The Joliet Regional Port District Act is
12 amended by changing Section 5.1 as follows:

13 (70 ILCS 1825/5.1) (from Ch. 19, par. 255.1)

14 Sec. 5.1. Riverboat and casino gambling. Notwithstanding
15 any other provision of this Act, the District may not regulate
16 the operation, conduct, or navigation of any riverboat gambling
17 casino licensed under the Illinois Riverboat Gambling Act, and
18 the District may not license, tax, or otherwise levy any
19 assessment of any kind on any riverboat gambling casino
20 licensed under the Illinois Riverboat Gambling Act. The General
21 Assembly declares that the powers to regulate the operation,
22 conduct, and navigation of riverboat gambling casinos and to

1 license, tax, and levy assessments upon riverboat gambling
2 casinos are exclusive powers of the State of Illinois and the
3 Illinois Gaming Board as provided in the Illinois Riverboat
4 Gambling Act.

5 (Source: P.A. 87-1175.)

6 Section 90-30. The Consumer Installment Loan Act is amended
7 by changing Section 12.5 as follows:

8 (205 ILCS 670/12.5)

9 Sec. 12.5. Limited purpose branch.

10 (a) Upon the written approval of the Director, a licensee
11 may maintain a limited purpose branch for the sole purpose of
12 making loans as permitted by this Act. A limited purpose branch
13 may include an automatic loan machine. No other activity shall
14 be conducted at the site, including but not limited to,
15 accepting payments, servicing the accounts, or collections.

16 (b) The licensee must submit an application for a limited
17 purpose branch to the Director on forms prescribed by the
18 Director with an application fee of \$300. The approval for the
19 limited purpose branch must be renewed concurrently with the
20 renewal of the licensee's license along with a renewal fee of
21 \$300 for the limited purpose branch.

22 (c) The books, accounts, records, and files of the limited
23 purpose branch's transactions shall be maintained at the
24 licensee's licensed location. The licensee shall notify the

1 Director of the licensed location at which the books, accounts,
2 records, and files shall be maintained.

3 (d) The licensee shall prominently display at the limited
4 purpose branch the address and telephone number of the
5 licensee's licensed location.

6 (e) No other business shall be conducted at the site of the
7 limited purpose branch unless authorized by the Director.

8 (f) The Director shall make and enforce reasonable rules
9 for the conduct of a limited purpose branch.

10 (g) A limited purpose branch may not be located within
11 1,000 feet of a facility operated by an inter-track wagering
12 licensee or an organization licensee subject to the Illinois
13 Horse Racing Act of 1975, on a riverboat or in a casino subject
14 to the Illinois Riverboat Gambling Act, or within 1,000 feet of
15 the location at which the riverboat docks or within 1,000 feet
16 of a casino.

17 (Source: P.A. 90-437, eff. 1-1-98.)

18 Section 90-35. The Illinois Horse Racing Act of 1975 is
19 amended by changing Sections 1.2, 3.11, 3.12, 6, 9, 15, 18, 19,
20 20, 21, 24, 25, 26, 27, 30, 30.5, 31, 31.1, 32.1, 36, 40, and
21 54.75 and by adding Sections 3.31, 3.32, 3.33, 3.35, 3.36,
22 34.3, 39.2, and 56 as follows:

23 (230 ILCS 5/1.2)

24 Sec. 1.2. Legislative intent. This Act is intended to

1 benefit the people of the State of Illinois by encouraging the
2 breeding and production of race horses, assisting economic
3 development and promoting Illinois tourism. The General
4 Assembly finds and declares it to be the public policy of the
5 State of Illinois to:

6 (a) support and enhance Illinois' horse racing industry,
7 which is a significant component within the agribusiness
8 industry;

9 (b) ensure that Illinois' horse racing industry remains
10 competitive with neighboring states;

11 (c) stimulate growth within Illinois' horse racing
12 industry, thereby encouraging new investment and development
13 to produce additional tax revenues and to create additional
14 jobs;

15 (d) promote the further growth of tourism;

16 (e) encourage the breeding of thoroughbred and
17 standardbred horses in this State; and

18 (f) ensure that public confidence and trust in the
19 credibility and integrity of racing operations and the
20 regulatory process is maintained.

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

22 (230 ILCS 5/3.11) (from Ch. 8, par. 37-3.11)

23 Sec. 3.11. "Organization Licensee" means any person
24 receiving an organization license from the Board to conduct a
25 race meeting or meetings. With respect only to electronic

1 gaming, "organization licensee" includes the authorization for
2 an electronic gaming license under subsection (a) of Section 56
3 of this Act.

4 (Source: P.A. 79-1185.)

5 (230 ILCS 5/3.12) (from Ch. 8, par. 37-3.12)

6 Sec. 3.12. Pari-mutuel system of wagering. "Pari-mutuel
7 system of wagering" means a form of wagering on the outcome of
8 horse races in which wagers are made in various denominations
9 on a horse or horses and all wagers for each race are pooled
10 and held by a licensee for distribution in a manner approved by
11 the Board. "Pari-mutuel system of wagering" shall not include
12 wagering on historic races. Wagers may be placed via any method
13 or at any location authorized under this Act.

14 (Source: P.A. 96-762, eff. 8-25-09.)

15 (230 ILCS 5/3.31 new)

16 Sec. 3.31. Adjusted gross receipts. "Adjusted gross
17 receipts" means the gross receipts less winnings paid to
18 wagerers.

19 (230 ILCS 5/3.32 new)

20 Sec. 3.32. Gross receipts. "Gross receipts" means the total
21 amount of money exchanged for the purchase of chips, tokens, or
22 electronic cards by riverboat or casino patrons or electronic
23 gaming patrons.

1 (230 ILCS 5/3.33 new)

2 Sec. 3.33. Electronic gaming. "Electronic gaming" means
3 slot machine gambling, video game of chance gambling, or
4 gambling with electronic gambling games as defined in the
5 Illinois Gambling Act or defined by the Illinois Gaming Board
6 that is conducted at a race track pursuant to an electronic
7 gaming license.

8 (230 ILCS 5/3.35 new)

9 Sec. 3.35. Electronic gaming license. "Electronic gaming
10 license" means a license issued by the Illinois Gaming Board
11 under Section 7.6 of the Illinois Gambling Act authorizing
12 electronic gaming at an electronic gaming facility.

13 (230 ILCS 5/3.36 new)

14 Sec. 3.36. Electronic gaming facility. "Electronic gaming
15 facility" means that portion of an organization licensee's race
16 track facility at which electronic gaming is conducted.

17 (230 ILCS 5/6) (from Ch. 8, par. 37-6)

18 Sec. 6. Restrictions on Board members.

19 (a) No person shall be appointed a member of the Board or
20 continue to be a member of the Board if the person or any
21 member of their immediate family is a member of the Board of
22 Directors, employee, or financially interested in any of the

1 following: (i) any licensee or other person who has applied for
2 racing dates to the Board, or the operations thereof including,
3 but not limited to, concessions, data processing, track
4 maintenance, track security, and pari-mutuel operations,
5 located, scheduled or doing business within the State of
6 Illinois, (ii) any race horse competing at a meeting under the
7 Board's jurisdiction, or (iii) any licensee under the Illinois
8 Gambling Act. No person shall be appointed a member of the
9 Board or continue to be a member of the Board who is (or any
10 member of whose family is) a member of the Board of Directors
11 of, or who is a person financially interested in, any licensee
12 or other person who has applied for racing dates to the Board,
13 or the operations thereof including, but not limited to,
14 concessions, data processing, track maintenance, track
15 security and pari-mutuel operations, located, scheduled or
16 doing business within the State of Illinois, or in any race
17 horse competing at a meeting under the Board's jurisdiction. No
18 Board member shall hold any other public office for which he
19 shall receive compensation other than necessary travel or other
20 incidental expenses.

21 (b) No person shall be a member of the Board who is not of
22 good moral character or who has been convicted of, or is under
23 indictment for, a felony under the laws of Illinois or any
24 other state, or the United States.

25 (c) No member of the Board or employee shall engage in any
26 political activity.

1 For the purposes of this subsection (c):

2 "Political" means any activity in support of or in
3 connection with any campaign for State or local elective office
4 or any political organization, but does not include activities
5 (i) relating to the support or opposition of any executive,
6 legislative, or administrative action (as those terms are
7 defined in Section 2 of the Lobbyist Registration Act), (ii)
8 relating to collective bargaining, or (iii) that are otherwise
9 in furtherance of the person's official State duties or
10 governmental and public service functions.

11 "Political organization" means a party, committee,
12 association, fund, or other organization (whether or not
13 incorporated) that is required to file a statement of
14 organization with the State Board of Elections or county clerk
15 under Section 9-3 of the Election Code, but only with regard to
16 those activities that require filing with the State Board of
17 Elections or county clerk.

18 (d) Board members and employees may not engage in
19 communications or any activity that may cause or have the
20 appearance of causing a conflict of interest. A conflict of
21 interest exists if a situation influences or creates the
22 appearance that it may influence judgment or performance of
23 regulatory duties and responsibilities. This prohibition shall
24 extend to any act identified by Board action that, in the
25 judgment of the Board, could represent the potential for or the
26 appearance of a conflict of interest.

1 (e) Board members and employees may not accept any gift,
2 gratuity, service, compensation, travel, lodging, or thing of
3 value, with the exception of unsolicited items of an incidental
4 nature, from any person, corporation, limited liability
5 company, or entity doing business with the Board.

6 (f) A Board member or employee shall not use or attempt to
7 use his or her official position to secure, or attempt to
8 secure, any privilege, advantage, favor, or influence for
9 himself or herself or others. No Board member or employee,
10 within a period of one year immediately preceding nomination by
11 the Governor or employment, shall have been employed or
12 received compensation or fees for services from a person or
13 entity, or its parent or affiliate, that has engaged in
14 business with the Board, a licensee or a licensee under the
15 Illinois Gambling Act. In addition, all Board members and
16 employees are subject to the restrictions set forth in Section
17 5-45 of the State Officials and Employees Ethics Act.

18 (Source: P.A. 89-16, eff. 5-30-95.)

19 (230 ILCS 5/9) (from Ch. 8, par. 37-9)

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

23 (a) The Board is vested with jurisdiction and supervision
24 over all race meetings in this State, over all licensees doing
25 business in this State, over all occupation licensees, and over

1 all persons on the facilities of any licensee. Such
2 jurisdiction shall include the power to issue licenses to the
3 Illinois Department of Agriculture authorizing the pari-mutuel
4 system of wagering on harness and Quarter Horse races held (1)
5 at the Illinois State Fair in Sangamon County, and (2) at the
6 DuQuoin State Fair in Perry County. The jurisdiction of the
7 Board shall also include the power to issue licenses to county
8 fairs which are eligible to receive funds pursuant to the
9 Agricultural Fair Act, as now or hereafter amended, or their
10 agents, authorizing the pari-mutuel system of wagering on horse
11 races conducted at the county fairs receiving such licenses.
12 Such licenses shall be governed by subsection (n) of this
13 Section.

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

1 Notwithstanding any provision of law to the contrary, it
2 shall be lawful for any licensee to operate pari-mutuel
3 wagering or contract with the Department of Agriculture to
4 operate pari-mutuel wagering at the DuQuoin State Fairgrounds
5 or for the Department to enter into contracts with a licensee,
6 employ its owners, employees or agents and employ such other
7 occupation licensees as the Department deems necessary in
8 connection with race meetings and wagerings.

9 (b) The Board is vested with the full power to promulgate
10 reasonable rules and regulations for the purpose of
11 administering the provisions of this Act and to prescribe
12 reasonable rules, regulations and conditions under which all
13 horse race meetings or wagering in the State shall be
14 conducted. Such reasonable rules and regulations are to provide
15 for the prevention of practices detrimental to the public
16 interest and to promote the best interests of horse racing and
17 to impose penalties for violations thereof.

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

23 (d) The Board, and any person or persons to whom it
24 delegates this power, is vested with the authority to
25 investigate alleged violations of the provisions of this Act,
26 its reasonable rules and regulations, orders and final

1 decisions; the Board shall take appropriate disciplinary
2 action against any licensee or occupation licensee for
3 violation thereof or institute appropriate legal action for the
4 enforcement thereof.

5 (e) The Board, and any person or persons to whom it
6 delegates this power, may eject or exclude from any race
7 meeting or the facilities of any licensee, or any part thereof,
8 any occupation licensee or any other individual whose conduct
9 or reputation is such that his presence on those facilities
10 may, in the opinion of the Board, call into question the
11 honesty and integrity of horse racing or wagering or interfere
12 with the orderly conduct of horse racing or wagering; provided,
13 however, that no person shall be excluded or ejected from the
14 facilities of any licensee solely on the grounds of race,
15 color, creed, national origin, ancestry, or sex. The power to
16 eject or exclude an occupation licensee or other individual may
17 be exercised for just cause by the licensee or the Board,
18 subject to subsequent hearing by the Board as to the propriety
19 of said exclusion.

20 (f) The Board is vested with the power to acquire,
21 establish, maintain and operate (or provide by contract to
22 maintain and operate) testing laboratories and related
23 facilities, for the purpose of conducting saliva, blood, urine
24 and other tests on the horses run or to be run in any horse race
25 meeting, including races run at county fairs, and to purchase
26 all equipment and supplies deemed necessary or desirable in

1 connection with any such testing laboratories and related
2 facilities and all such tests.

3 (g) The Board may require that the records, including
4 financial or other statements of any licensee or any person
5 affiliated with the licensee who is involved directly or
6 indirectly in the activities of any licensee as regulated under
7 this Act to the extent that those financial or other statements
8 relate to such activities be kept in such manner as prescribed
9 by the Board, and that Board employees shall have access to
10 those records during reasonable business hours. Within 120 days
11 of the end of its fiscal year, each licensee shall transmit to
12 the Board an audit of the financial transactions and condition
13 of the licensee's total operations. All audits shall be
14 conducted by certified public accountants. Each certified
15 public accountant must be registered in the State of Illinois
16 under the Illinois Public Accounting Act. The compensation for
17 each certified public accountant shall be paid directly by the
18 licensee to the certified public accountant. A licensee shall
19 also submit any other financial or related information the
20 Board deems necessary to effectively administer this Act and
21 all rules, regulations, and final decisions promulgated under
22 this Act.

23 (h) The Board shall name and appoint in the manner provided
24 by the rules and regulations of the Board: an Executive
25 Director; a State director of mutuels; State veterinarians and
26 representatives to take saliva, blood, urine and other tests on

1 horses; licensing personnel; revenue inspectors; and State
2 seasonal employees (excluding admission ticket sellers and
3 mutuel clerks). All of those named and appointed as provided in
4 this subsection shall serve during the pleasure of the Board;
5 their compensation shall be determined by the Board and be paid
6 in the same manner as other employees of the Board under this
7 Act.

8 (i) The Board shall require that there shall be 3 stewards
9 at each horse race meeting, at least 2 of whom shall be named
10 and appointed by the Board. Stewards appointed or approved by
11 the Board, while performing duties required by this Act or by
12 the Board, shall be entitled to the same rights and immunities
13 as granted to Board members and Board employees in Section 10
14 of this Act.

15 (j) The Board may discharge any Board employee who fails or
16 refuses for any reason to comply with the rules and regulations
17 of the Board, or who, in the opinion of the Board, is guilty of
18 fraud, dishonesty or who is proven to be incompetent. The Board
19 shall have no right or power to determine who shall be
20 officers, directors or employees of any licensee, or their
21 salaries except the Board may, by rule, require that all or any
22 officials or employees in charge of or whose duties relate to
23 the actual running of races be approved by the Board.

24 (k) The Board is vested with the power to appoint delegates
25 to execute any of the powers granted to it under this Section
26 for the purpose of administering this Act and any rules or

1 regulations promulgated in accordance with this Act.

2 (l) The Board is vested with the power to impose civil
3 penalties of up to \$5,000 against an individual and up to
4 \$10,000 against a licensee for each violation of any provision
5 of this Act, any rules adopted by the Board, any order of the
6 Board or any other action which, in the Board's discretion, is
7 a detriment or impediment to horse racing or wagering.
8 Beginning on the date when any organization licensee begins
9 conducting electronic gaming pursuant to an electronic gaming
10 license issued under the Illinois Gambling Act, the power
11 granted to the Board pursuant to this subsection (l) shall
12 authorize the Board to impose penalties of up to \$10,000
13 against an individual and up to \$25,000 against a licensee. All
14 such civil penalties shall be deposited into the Horse Racing
15 Fund.

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

19 (n) The Board shall have the power to issue a license to
20 any county fair, or its agent, authorizing the conduct of the
21 pari-mutuel system of wagering. The Board is vested with the
22 full power to promulgate reasonable rules, regulations and
23 conditions under which all horse race meetings licensed
24 pursuant to this subsection shall be held and conducted,
25 including rules, regulations and conditions for the conduct of
26 the pari-mutuel system of wagering. The rules, regulations and

1 conditions shall provide for the prevention of practices
2 detrimental to the public interest and for the best interests
3 of horse racing, and shall prescribe penalties for violations
4 thereof. Any authority granted the Board under this Act shall
5 extend to its jurisdiction and supervision over county fairs,
6 or their agents, licensed pursuant to this subsection. However,
7 the Board may waive any provision of this Act or its rules or
8 regulations which would otherwise apply to such county fairs or
9 their agents.

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

19 (p) To insure the convenience, comfort, and wagering
20 accessibility of race track patrons, to provide for the
21 maximization of State revenue, and to generate increases in
22 purse allotments to the horsemen, the Board shall require any
23 licensee to staff the pari-mutuel department with adequate
24 personnel.

25 (Source: P.A. 97-1060, eff. 8-24-12.)

1 (230 ILCS 5/15) (from Ch. 8, par. 37-15)

2 Sec. 15. (a) The Board shall, in its discretion, issue
3 occupation licenses to horse owners, trainers, harness
4 drivers, jockeys, agents, apprentices, grooms, stable foremen,
5 exercise persons, veterinarians, valets, blacksmiths,
6 concessionaires and others designated by the Board whose work,
7 in whole or in part, is conducted upon facilities within the
8 State. Such occupation licenses will be obtained prior to the
9 persons engaging in their vocation upon such facilities. The
10 Board shall not license pari-mutuel clerks, parking
11 attendants, security guards and employees of concessionaires.
12 No occupation license shall be required of any person who works
13 at facilities within this State as a pari-mutuel clerk, parking
14 attendant, security guard or as an employee of a
15 concessionaire. Concessionaires of the Illinois State Fair and
16 DuQuoin State Fair and employees of the Illinois Department of
17 Agriculture shall not be required to obtain an occupation
18 license by the Board.

19 (b) Each application for an occupation license shall be on
20 forms prescribed by the Board. Such license, when issued, shall
21 be for the period ending December 31 of each year, except that
22 the Board in its discretion may grant 3-year licenses. The
23 application shall be accompanied by a fee of not more than \$25
24 per year or, in the case of 3-year occupation license
25 applications, a fee of not more than \$60. Each applicant shall
26 set forth in the application his full name and address, and if

1 he had been issued prior occupation licenses or has been
2 licensed in any other state under any other name, such name,
3 his age, whether or not a permit or license issued to him in
4 any other state has been suspended or revoked and if so whether
5 such suspension or revocation is in effect at the time of the
6 application, and such other information as the Board may
7 require. Fees for registration of stable names shall not exceed
8 \$50.00. Beginning on the date when any organization licensee
9 begins conducting electronic gaming pursuant to an electronic
10 gambling license issued under the Illinois Gambling Act, the
11 fee for registration of stable names shall not exceed \$150, and
12 the application fee for an occupation license shall not exceed
13 \$75, per year or, in the case of a 3-year occupation license
14 application, the fee shall not exceed \$180.

15 (c) The Board may in its discretion refuse an occupation
16 license to any person:

17 (1) who has been convicted of a crime;

18 (2) who is unqualified to perform the duties required
19 of such applicant;

20 (3) who fails to disclose or states falsely any
21 information called for in the application;

22 (4) who has been found guilty of a violation of this
23 Act or of the rules and regulations of the Board; or

24 (5) whose license or permit has been suspended, revoked
25 or denied for just cause in any other state.

26 (d) The Board may suspend or revoke any occupation license:

1 (1) for violation of any of the provisions of this Act;

2 or

3 (2) for violation of any of the rules or regulations of
4 the Board; or

5 (3) for any cause which, if known to the Board, would
6 have justified the Board in refusing to issue such
7 occupation license; or

8 (4) for any other just cause.

9 (e) Each applicant shall submit his or her fingerprints
10 to the Department of State Police in the form and manner
11 prescribed by the Department of State Police. These
12 fingerprints shall be checked against the fingerprint records
13 now and hereafter filed in the Department of State Police and
14 Federal Bureau of Investigation criminal history records
15 databases. The Department of State Police shall charge a fee
16 for conducting the criminal history records check, which shall
17 be deposited in the State Police Services Fund and shall not
18 exceed the actual cost of the records check. The Department of
19 State Police shall furnish, pursuant to positive
20 identification, records of conviction to the Board. Each
21 applicant for licensure shall submit with his occupation
22 license application, on forms provided by the Board, 2 sets of
23 his fingerprints. All such applicants shall appear in person at
24 the location designated by the Board for the purpose of
25 submitting such sets of fingerprints; however, with the prior
26 approval of a State steward, an applicant may have such sets of

1 fingerprints taken by an official law enforcement agency and
2 submitted to the Board.

3 (f) The Board may, in its discretion, issue an occupation
4 license without submission of fingerprints if an applicant has
5 been duly licensed in another recognized racing jurisdiction
6 after submitting fingerprints that were subjected to a Federal
7 Bureau of Investigation criminal history background check in
8 that jurisdiction.

9 (g) Beginning on the date when any organization licensee
10 begins conducting electronic gambling pursuant to an
11 electronic gaming license issued under the Illinois Gambling
12 Act, the Board may charge each applicant a reasonable
13 non-refundable fee to defray the costs associated with the
14 background investigation conducted by the Board. This fee shall
15 be exclusive of any other fee or fees charged in connection
16 with an application for and, if applicable, the issuance of, an
17 electronic gaming license. If the costs of the investigation
18 exceed the amount of the fee charged, the Board shall
19 immediately notify the applicant of the additional amount owed,
20 payment of which must be submitted to the Board within 7 days
21 after such notification. All information, records, interviews,
22 reports, statements, memoranda, or other data supplied to or
23 used by the Board in the course of its review or investigation
24 of an applicant for a license or renewal under this Act shall
25 be privileged, strictly confidential, and shall be used only
26 for the purpose of evaluating an applicant for a license or a

1 renewal. Such information, records, interviews, reports,
2 statements, memoranda, or other data shall not be admissible as
3 evidence, nor discoverable, in any action of any kind in any
4 court or before any tribunal, board, agency, or person, except
5 for any action deemed necessary by the Board.

6 (Source: P.A. 93-418, eff. 1-1-04.)

7 (230 ILCS 5/18) (from Ch. 8, par. 37-18)

8 Sec. 18. (a) Together with its application, each applicant
9 for racing dates shall deliver to the Board a certified check
10 or bank draft payable to the order of the Board for \$1,000. In
11 the event the applicant applies for racing dates in 2 or 3
12 successive calendar years as provided in subsection (b) of
13 Section 21, the fee shall be \$2,000. Filing fees shall not be
14 refunded in the event the application is denied. Beginning on
15 the date when any organization licensee begins conducting
16 electronic gaming pursuant to an electronic gaming license
17 issued under the Illinois Gambling Act, the application fee for
18 racing dates imposed by this subsection (a) shall be \$10,000
19 and the application fee for racing dates in 2 or 3 successive
20 calendar years as provided in subsection (b) of Section 21
21 shall be \$20,000. All filing fees shall be deposited into the
22 Horse Racing Fund.

23 (b) In addition to the filing fee imposed by subsection (a)
24 ~~of \$1000~~ and the fees provided in subsection (j) of Section 20,
25 each organization licensee shall pay a license fee of \$100 for

1 each racing program on which its daily pari-mutuel handle is
2 \$400,000 or more but less than \$700,000, and a license fee of
3 \$200 for each racing program on which its daily pari-mutuel
4 handle is \$700,000 or more. The additional fees required to be
5 paid under this Section by this amendatory Act of 1982 shall be
6 remitted by the organization licensee to the Illinois Racing
7 Board with each day's graduated privilege tax or pari-mutuel
8 tax and breakage as provided under Section 27. Beginning on the
9 date when any organization licensee begins conducting
10 electronic gaming pursuant to an electronic gaming license
11 issued under the Illinois Gambling Act, the license fee imposed
12 by this subsection (b) shall be \$200 for each racing program on
13 which the organization licensee's daily pari-mutuel handle is
14 \$100,000 or more, but less than \$400,000, and the license fee
15 imposed by this subsection (b) shall be \$400 for each racing
16 program on which the organization licensee's daily pari-mutuel
17 handle is \$400,000 or more.

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

21 (Source: P.A. 97-1060, eff. 8-24-12.)

22 (230 ILCS 5/19) (from Ch. 8, par. 37-19)

23 Sec. 19. (a) No organization license may be granted to
24 conduct a horse race meeting:

25 (1) except as provided in subsection (c) of Section 21

1 of this Act, to any person at any place within 35 miles of
2 any other place licensed by the Board to hold a race
3 meeting on the same date during the same hours, the mileage
4 measurement used in this subsection (a) shall be certified
5 to the Board by the Bureau of Systems and Services in the
6 Illinois Department of Transportation as the most commonly
7 used public way of vehicular travel;

8 (2) to any person in default in the payment of any
9 obligation or debt due the State under this Act, provided
10 no applicant shall be deemed in default in the payment of
11 any obligation or debt due to the State under this Act as
12 long as there is pending a hearing of any kind relevant to
13 such matter;

14 (3) to any person who has been convicted of the
15 violation of any law of the United States or any State law
16 which provided as all or part of its penalty imprisonment
17 in any penal institution; to any person against whom there
18 is pending a Federal or State criminal charge; to any
19 person who is or has been connected with or engaged in the
20 operation of any illegal business; to any person who does
21 not enjoy a general reputation in his community of being an
22 honest, upright, law-abiding person; provided that none of
23 the matters set forth in this subparagraph (3) shall make
24 any person ineligible to be granted an organization license
25 if the Board determines, based on circumstances of any such
26 case, that the granting of a license would not be

1 detrimental to the interests of horse racing and of the
2 public;

3 (4) to any person who does not at the time of
4 application for the organization license own or have a
5 contract or lease for the possession of a finished race
6 track suitable for the type of racing intended to be held
7 by the applicant and for the accommodation of the public.

8 (b) ~~(Blank) Horse racing on Sunday shall be prohibited~~
9 ~~unless authorized by ordinance or referendum of the~~
10 ~~municipality in which a race track or any of its appurtenances~~
11 ~~or facilities are located, or utilized.~~

12 (c) If any person is ineligible to receive an organization
13 license because of any of the matters set forth in subsection
14 (a) (2) or subsection (a) (3) of this Section, any other or
15 separate person that either (i) controls, directly or
16 indirectly, such ineligible person or (ii) is controlled,
17 directly or indirectly, by such ineligible person or by a
18 person which controls, directly or indirectly, such ineligible
19 person shall also be ineligible.

20 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)

21 (230 ILCS 5/20) (from Ch. 8, par. 37-20)

22 Sec. 20. (a) Any person desiring to conduct a horse race
23 meeting may apply to the Board for an organization license. The
24 application shall be made on a form prescribed and furnished by
25 the Board. The application shall specify:

1 (1) the dates on which it intends to conduct the horse
2 race meeting, which dates shall be provided under Section
3 21;

4 (2) the hours of each racing day between which it
5 intends to hold or conduct horse racing at such meeting;

6 (3) the location where it proposes to conduct the
7 meeting; and

8 (4) any other information the Board may reasonably
9 require.

10 (b) A separate application for an organization license
11 shall be filed for each horse race meeting which such person
12 proposes to hold. Any such application, if made by an
13 individual, or by any individual as trustee, shall be signed
14 and verified under oath by such individual. If the application
15 is made by individuals, then it shall be signed and verified
16 under oath by at least 2 of the individuals; if the application
17 is made by ~~or a partnership, it shall be signed and verified~~
18 ~~under oath by at least 2 of such individuals or members of such~~
19 ~~partnership as the case may be. If made by an association, a~~
20 ~~corporation, a corporate trustee, a limited liability company,~~
21 or any other entity, it shall be signed by an authorized
22 officer, a partner, a member, or a manager, as the case may be,
23 of the entity ~~the president and attested by the secretary or~~
24 ~~assistant secretary under the seal of such association, trust~~
25 ~~or corporation if it has a seal, and shall also be verified~~
26 ~~under oath by one of the signing officers.~~

1 (c) The application shall specify:

2 (1) the name of the persons, association, trust, or
3 corporation making such application; ~~and~~

4 (2) the principal ~~post office~~ address of the applicant;

5 (3) if the applicant is a trustee, the names and
6 addresses of the beneficiaries; if the applicant is a
7 corporation, the names and ~~post office~~ addresses of all
8 officers, stockholders and directors; or if such
9 stockholders hold stock as a nominee or fiduciary, the
10 names and ~~post office~~ addresses of the parties ~~these~~
11 ~~persons, partnerships, corporations, or trusts~~ who are the
12 beneficial owners thereof or who are beneficially
13 interested therein; ~~and~~ if the applicant is a partnership,
14 the names and ~~post office~~ addresses of all partners,
15 general or limited; if the applicant is a limited liability
16 company, the names and addresses of the manager and
17 members; and if the applicant is any other entity, the
18 names and addresses of all officers or other authorized
19 persons of the entity ~~corporation, the name of the state of~~
20 ~~its incorporation shall be specified.~~

21 (d) The applicant shall execute and file with the Board a
22 good faith affirmative action plan to recruit, train, and
23 upgrade minorities in all classifications within the
24 association.

25 (e) With such application there shall be delivered to the
26 Board a certified check or bank draft payable to the order of

1 the Board for an amount equal to \$1,000. All applications for
2 the issuance of an organization license shall be filed with the
3 Board before August 1 of the year prior to the year for which
4 application is made and shall be acted upon by the Board at a
5 meeting to be held on such date as shall be fixed by the Board
6 during the last 15 days of September of such prior year. At
7 such meeting, the Board shall announce the award of the racing
8 meets, live racing schedule, and designation of host track to
9 the applicants and its approval or disapproval of each
10 application. No announcement shall be considered binding until
11 a formal order is executed by the Board, which shall be
12 executed no later than October 15 of that prior year. Absent
13 the agreement of the affected organization licensees, the Board
14 shall not grant overlapping race meetings to 2 or more tracks
15 that are within 100 miles of each other to conduct the
16 thoroughbred racing.

17 (e-1) In awarding standardbred racing dates for calendar
18 year 2014 and thereafter, the Board shall award at least 310
19 racing days, and each organization licensee shall average at
20 least 12 races for each racing day awarded. The Board shall
21 have the discretion to allocate those racing days among
22 organization licensees requesting standardbred racing dates.
23 Once awarded by the Board, organization licensees awarded
24 standardbred racing dates shall run at least 3,500 races in
25 total during that calendar year. Standardbred racing conducted
26 in Sangamon County shall not be considered races under this

1 subsection (e-1).

2 (e-2) In awarding racing dates for calendar year 2014 and
3 thereafter, the Board shall award thoroughbred racing days to
4 Cook County organization licensees commensurate with these
5 organization licensees' requirement that they shall run at
6 least 1,950 thoroughbred races in the aggregate, so long as 2
7 organization licensees are conducting electronic gaming
8 operations. Additionally, if the organization licensees that
9 run thoroughbred races in Cook County are conducting electronic
10 gaming operations, the Board shall increase the number of
11 thoroughbred races to be run in Cook County in the aggregate to
12 at least the following:

13 (i) 2,050 races in any year following the most recent
14 preceding complete calendar year when the combined
15 adjusted gross receipts of the electronic gaming licensees
16 operating at Cook County race tracks total in excess of
17 \$200,000,000, but do not exceed \$250,000,000;

18 (ii) 2,125 races in any year following the most recent
19 preceding complete calendar year when the combined
20 adjusted gross receipts of the electronic gaming licensees
21 operating at Cook County race tracks total in excess of
22 \$250,000,000, but do not exceed \$300,000,000;

23 (iii) 2,200 races in any year following the most recent
24 preceding complete calendar year when the combined
25 adjusted gross receipts of the electronic gaming licensees
26 operating at Cook County race tracks total in excess of

1 \$300,000,000, but do not exceed \$350,000,000;

2 (iv) 2,300 races in any year following the most recent
3 preceding complete calendar year when the combined
4 adjusted gross receipts of the electronic gaming licensees
5 operating at Cook County race tracks total in excess of
6 \$350,000,000, but do not exceed \$400,000,000;

7 (v) 2,375 races in any year following the most recent
8 preceding complete calendar year when the combined
9 adjusted gross receipts of the electronic gaming licensees
10 operating at Cook County race tracks total in excess of
11 \$400,000,000, but do not exceed \$450,000,000;

12 (vi) 2,450 races in any year following the most recent
13 preceding complete calendar year when the combined
14 adjusted gross receipts of the electronic gaming licensees
15 operating at Cook County race tracks total in excess of
16 \$450,000,000, but do not exceed \$500,000,000;

17 (vii) 2,550 races in any year following the most recent
18 preceding complete calendar year when the combined
19 adjusted gross receipts of the electronic gaming licensees
20 operating at Cook County race tracks exceeds \$500,000,000.

21 In awarding racing dates under this subsection (e-2), the
22 Board shall have the discretion to allocate those thoroughbred
23 racing dates among these Cook County organization licensees.

24 (e-3) In awarding racing dates for calendar year 2014 and
25 thereafter in connection with a race track in Madison County,
26 the Board shall award racing dates and such organization

1 licensee shall run at least 700 thoroughbred races at the race
2 track in Madison County each year.

3 Notwithstanding Section 7.6 of the Illinois Gambling Act or
4 any provision of this Act other than subsection (e-4.5), for
5 each calendar year for which an electronic gaming licensee
6 located in Madison County requests racing dates resulting in
7 less than 700 live thoroughbred races at its race track
8 facility, the electronic gaming licensee may not conduct
9 electronic gaming for the calendar year of such requested live
10 races.

11 (e-4) Notwithstanding the provisions of Section 7.6 of the
12 Illinois Gambling Act or any provision of this Act other than
13 subsections (e-3) and (e-4.5), for each calendar year for which
14 an electronic gaming licensee requests racing dates for a
15 specific horse breed which results in a number of live races
16 for that specific breed under its organization license that is
17 less than the total number of live races for that specific
18 breed which it conducted in 2011 for standardbred racing and in
19 2009 for thoroughbred racing at its race track facility, the
20 electronic gaming licensee may not conduct electronic gaming
21 for the calendar year of such requested live races.

22 (e-4.5) The Board shall ensure that each organization
23 licensee shall individually run a sufficient number of races
24 per year to qualify for an electronic gaming license under this
25 Act. The General Assembly finds that the minimum live racing
26 guarantees contained in subsections (e-1), (e-2), and (e-3) are

1 in the best interest of the sport of horse racing, and that
2 such guarantees may only be reduced in the limited
3 circumstances described in this subsection. The Board may
4 decrease the number of racing days without affecting an
5 organization licensee's ability to conduct electronic gaming
6 only if the Board determines, after notice and hearing, that:

7 (i) a decrease is necessary to maintain a sufficient
8 number of betting interests per race to ensure the
9 integrity of racing;

10 (ii) there are unsafe track conditions due to weather
11 or acts of God;

12 (iii) there is an agreement between an organization
13 licensee and the breed association that is applicable to
14 the involved live racing guarantee, such association
15 representing either the largest number of thoroughbred
16 owners and trainers or the largest number of standardbred
17 owners, trainers and drivers who race horses at the
18 involved organization licensee's racing meeting, so long
19 as the agreement does not compromise the integrity of the
20 sport of horse racing; or

21 (iv) the horse population or purse levels are
22 insufficient to provide the number of racing opportunities
23 otherwise required in this Act.

24 In decreasing the number of racing dates in accordance with
25 this subsection, the Board shall hold a hearing and shall
26 provide the public and all interested parties notice and an

1 opportunity to be heard. The Board shall accept testimony from
2 all interested parties, including any association representing
3 owners, trainers, jockeys, or drivers who will be affected by
4 the decrease in racing dates. The Board shall provide a written
5 explanation of the reasons for the decrease and the Board's
6 findings. The written explanation shall include a listing and
7 content of all communication between any party and any Illinois
8 Racing Board member or staff that does not take place at a
9 public meeting of the Board.

10 (e-5) In reviewing an application for the purpose of
11 granting an organization license consistent with the best
12 interests of the public and the sport of horse racing, the
13 Board shall consider:

14 (1) the character, reputation, experience, and
15 financial integrity of the applicant and of any other
16 separate person that either:

17 (i) controls the applicant, directly or
18 indirectly, or

19 (ii) is controlled, directly or indirectly, by
20 that applicant or by a person who controls, directly or
21 indirectly, that applicant;

22 (2) the applicant's facilities or proposed facilities
23 for conducting horse racing;

24 (3) the total revenue without regard to Section 32.1 to
25 be derived by the State and horsemen from the applicant's
26 conducting a race meeting;

1 (4) the applicant's good faith affirmative action plan
2 to recruit, train, and upgrade minorities in all employment
3 classifications;

4 (5) the applicant's financial ability to purchase and
5 maintain adequate liability and casualty insurance;

6 (6) the applicant's proposed and prior year's
7 promotional and marketing activities and expenditures of
8 the applicant associated with those activities;

9 (7) an agreement, if any, among organization licensees
10 as provided in subsection (b) of Section 21 of this Act;
11 and

12 (8) the extent to which the applicant exceeds or meets
13 other standards for the issuance of an organization license
14 that the Board shall adopt by rule.

15 In granting organization licenses and allocating dates for
16 horse race meetings, the Board shall have discretion to
17 determine an overall schedule, including required simulcasts
18 of Illinois races by host tracks that will, in its judgment, be
19 conducive to the best interests of the public and the sport of
20 horse racing.

21 (e-10) The Illinois Administrative Procedure Act shall
22 apply to administrative procedures of the Board under this Act
23 for the granting of an organization license, except that (1)
24 notwithstanding the provisions of subsection (b) of Section
25 10-40 of the Illinois Administrative Procedure Act regarding
26 cross-examination, the Board may prescribe rules limiting the

1 right of an applicant or participant in any proceeding to award
2 an organization license to conduct cross-examination of
3 witnesses at that proceeding where that cross-examination
4 would unduly obstruct the timely award of an organization
5 license under subsection (e) of Section 20 of this Act; (2) the
6 provisions of Section 10-45 of the Illinois Administrative
7 Procedure Act regarding proposals for decision are excluded
8 under this Act; (3) notwithstanding the provisions of
9 subsection (a) of Section 10-60 of the Illinois Administrative
10 Procedure Act regarding ex parte communications, the Board may
11 prescribe rules allowing ex parte communications with
12 applicants or participants in a proceeding to award an
13 organization license where conducting those communications
14 would be in the best interest of racing, provided all those
15 communications are made part of the record of that proceeding
16 pursuant to subsection (c) of Section 10-60 of the Illinois
17 Administrative Procedure Act; (4) the provisions of Section 14a
18 of this Act and the rules of the Board promulgated under that
19 Section shall apply instead of the provisions of Article 10 of
20 the Illinois Administrative Procedure Act regarding
21 administrative law judges; and (5) the provisions of subsection
22 (d) of Section 10-65 of the Illinois Administrative Procedure
23 Act that prevent summary suspension of a license pending
24 revocation or other action shall not apply.

25 (f) The Board may allot racing dates to an organization
26 licensee for more than one calendar year but for no more than 3

1 successive calendar years in advance, provided that the Board
2 shall review such allotment for more than one calendar year
3 prior to each year for which such allotment has been made. The
4 granting of an organization license to a person constitutes a
5 privilege to conduct a horse race meeting under the provisions
6 of this Act, and no person granted an organization license
7 shall be deemed to have a vested interest, property right, or
8 future expectation to receive an organization license in any
9 subsequent year as a result of the granting of an organization
10 license. Organization licenses shall be subject to revocation
11 if the organization licensee has violated any provision of this
12 Act or the rules and regulations promulgated under this Act or
13 has been convicted of a crime or has failed to disclose or has
14 stated falsely any information called for in the application
15 for an organization license. Any organization license
16 revocation proceeding shall be in accordance with Section 16
17 regarding suspension and revocation of occupation licenses.

18 (f-5) If, (i) an applicant does not file an acceptance of
19 the racing dates awarded by the Board as required under part
20 (1) of subsection (h) of this Section 20, or (ii) an
21 organization licensee has its license suspended or revoked
22 under this Act, the Board, upon conducting an emergency hearing
23 as provided for in this Act, may reaward on an emergency basis
24 pursuant to rules established by the Board, racing dates not
25 accepted or the racing dates associated with any suspension or
26 revocation period to one or more organization licensees, new

1 applicants, or any combination thereof, upon terms and
2 conditions that the Board determines are in the best interest
3 of racing, provided, the organization licensees or new
4 applicants receiving the awarded racing dates file an
5 acceptance of those reawarded racing dates as required under
6 paragraph (1) of subsection (h) of this Section 20 and comply
7 with the other provisions of this Act. The Illinois
8 Administrative Procedure Act shall not apply to the
9 administrative procedures of the Board in conducting the
10 emergency hearing and the reallocation of racing dates on an
11 emergency basis.

12 (g) (Blank).

13 (h) The Board shall send the applicant a copy of its
14 formally executed order by certified mail addressed to the
15 applicant at the address stated in his application, which
16 notice shall be mailed within 5 days of the date the formal
17 order is executed.

18 Each applicant notified shall, within 10 days after receipt
19 of the final executed order of the Board awarding racing dates:

20 (1) file with the Board an acceptance of such award in
21 the form prescribed by the Board;

22 (2) pay to the Board an additional amount equal to \$110
23 for each racing date awarded; and

24 (3) file with the Board the bonds required in Sections
25 21 and 25 at least 20 days prior to the first day of each
26 race meeting.

1 Upon compliance with the provisions of paragraphs (1), (2), and
2 (3) of this subsection (h), the applicant shall be issued an
3 organization license.

4 If any applicant fails to comply with this Section or fails
5 to pay the organization license fees herein provided, no
6 organization license shall be issued to such applicant.

7 (Source: P.A. 97-333, eff. 8-12-11.)

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

9 Sec. 21. (a) Applications for organization licenses must be
10 filed with the Board at a time and place prescribed by the
11 rules and regulations of the Board. The Board shall examine the
12 applications within 21 days after the date allowed for filing
13 with respect to their conformity with this Act and such rules
14 and regulations as may be prescribed by the Board. If any
15 application does not comply with this Act or the rules and
16 regulations prescribed by the Board, such application may be
17 rejected and an organization license refused to the applicant,
18 or the Board may, within 21 days of the receipt of such
19 application, advise the applicant of the deficiencies of the
20 application under the Act or the rules and regulations of the
21 Board, and require the submittal of an amended application
22 within a reasonable time determined by the Board; and upon
23 submittal of the amended application by the applicant, the
24 Board may consider the application consistent with the process
25 described in subsection (e-5) of Section 20 of this Act. If it

1 is found to be in compliance with this Act and the rules and
2 regulations of the Board, the Board may then issue an
3 organization license to such applicant.

4 (b) The Board may exercise discretion in granting racing
5 dates to qualified applicants different from those requested by
6 the applicants in their applications. However, if all eligible
7 applicants for organization licenses whose tracks are located
8 within 100 miles of each other execute and submit to the Board
9 a written agreement among such applicants as to the award of
10 racing dates, including where applicable racing programs, for
11 up to 3 consecutive years, then subject to annual review of
12 each applicant's compliance with Board rules and regulations,
13 provisions of this Act and conditions contained in annual dates
14 orders issued by the Board, the Board may grant such dates and
15 programs to such applicants as so agreed by them if the Board
16 determines that the grant of these racing dates is in the best
17 interests of racing. The Board shall treat any such agreement
18 as the agreement signatories' joint and several application for
19 racing dates during the term of the agreement.

20 (c) Where 2 or more applicants propose to conduct horse
21 race meetings within 35 miles of each other, as certified to
22 the Board under Section 19 (a) (1) of this Act, on conflicting
23 dates, the Board may determine and grant the number of racing
24 days to be awarded to the several applicants in accordance with
25 the provisions of subsection (e-5) of Section 20 of this Act.

26 (d) (Blank).

1 (e) Prior to the issuance of an organization license, the
2 applicant shall file with the Board a bond payable to the State
3 of Illinois in the sum of \$200,000, executed by the applicant
4 and a surety company or companies authorized to do business in
5 this State, and conditioned upon the payment by the
6 organization licensee of all taxes due under Section 27, other
7 monies due and payable under this Act, all purses due and
8 payable, and that the organization licensee will upon
9 presentation of the winning ticket or tickets distribute all
10 sums due to the patrons of pari-mutuel pools. Beginning on the
11 date when any organization licensee begins conducting
12 electronic gaming pursuant to an electronic gaming license
13 issued under the Illinois Gambling Act, the amount of the bond
14 required under this subsection (e) shall be \$500,000.

15 (f) Each organization license shall specify the person to
16 whom it is issued, the dates upon which horse racing is
17 permitted, and the location, place, track, or enclosure where
18 the horse race meeting is to be held.

19 (g) Any person who owns one or more race tracks within the
20 State may seek, in its own name, a separate organization
21 license for each race track.

22 (h) All racing conducted under such organization license is
23 subject to this Act and to the rules and regulations from time
24 to time prescribed by the Board, and every such organization
25 license issued by the Board shall contain a recital to that
26 effect.

1 (i) Each such organization licensee may provide that at
2 least one race per day may be devoted to the racing of quarter
3 horses, appaloosas, arabians, or paints.

4 (j) In acting on applications for organization licenses,
5 the Board shall give weight to an organization license which
6 has implemented a good faith affirmative action effort to
7 recruit, train and upgrade minorities in all classifications
8 within the organization license.

9 (Source: P.A. 90-754, eff. 1-1-99; 91-40, eff. 6-25-99.)

10 (230 ILCS 5/24) (from Ch. 8, par. 37-24)

11 Sec. 24. (a) No license shall be issued to or held by an
12 organization licensee unless all of its officers, directors,
13 and holders of ownership interests of at least 5% are first
14 approved by the Board. The Board shall not give approval of an
15 organization license application to any person who has been
16 convicted of or is under an indictment for a crime of moral
17 turpitude or has violated any provision of the racing law of
18 this State or any rules of the Board.

19 (b) An organization licensee must notify the Board within
20 10 days of any change in the holders of a direct or indirect
21 interest in the ownership of the organization licensee. The
22 Board may, after hearing, revoke the organization license of
23 any person who registers on its books or knowingly permits a
24 direct or indirect interest in the ownership of that person
25 without notifying the Board of the name of the holder in

1 interest within this period.

2 (c) In addition to the provisions of subsection (a) of this
3 Section, no person shall be granted an organization license if
4 any public official of the State or member of his or her family
5 holds any ownership or financial interest, directly or
6 indirectly, in the person.

7 (d) No person which has been granted an organization
8 license to hold a race meeting shall give to any public
9 official or member of his family, directly or indirectly, for
10 or without consideration, any interest in the person. The Board
11 shall, after hearing, revoke the organization license granted
12 to a person which has violated this subsection.

13 (e) (Blank).

14 (f) No organization licensee or concessionaire or officer,
15 director or holder or controller of 5% or more legal or
16 beneficial interest in any organization licensee or concession
17 shall make any sort of gift or contribution that is prohibited
18 under Article 10 of the State Officials and Employees Ethics
19 Act ~~of any kind~~ or pay or give any money or other thing of value
20 to any person who is a public official, or a candidate or
21 nominee for public office if that payment or gift is prohibited
22 under Article 10 of the State Officials and Employees Ethics
23 Act.

24 (Source: P.A. 89-16, eff. 5-30-95.)

25 (230 ILCS 5/25) (from Ch. 8, par. 37-25)

1 Sec. 25. Admission charge; bond; fine.

2 (a) There shall be paid to the Board at such time or times
3 as it shall prescribe, the sum of fifteen cents (15¢) for each
4 person entering the grounds or enclosure of each organization
5 licensee and inter-track wagering licensee upon a ticket of
6 admission except as provided in subsection (g) of Section 27 of
7 this Act. If tickets are issued for more than one day then the
8 sum of fifteen cents (15¢) shall be paid for each person using
9 such ticket on each day that the same shall be used. Provided,
10 however, that no charge shall be made on tickets of admission
11 issued to and in the name of directors, officers, agents or
12 employees of the organization licensee, or inter-track
13 wagering licensee, or to owners, trainers, jockeys, drivers and
14 their employees or to any person or persons entering the
15 grounds or enclosure for the transaction of business in
16 connection with such race meeting. The organization licensee or
17 inter-track wagering licensee may, if it desires, collect such
18 amount from each ticket holder in addition to the amount or
19 amounts charged for such ticket of admission. Beginning on the
20 date when any organization licensee begins conducting
21 electronic gaming pursuant to an electronic gaming license
22 issued under the Illinois Gambling Act, the admission charge
23 imposed by this subsection (a) shall be 40 cents for each
24 person entering the grounds or enclosure of each organization
25 licensee and inter-track wagering licensee upon a ticket of
26 admission, and if such tickets are issued for more than one

1 day, 40 cents shall be paid for each person using such ticket
2 on each day that the same shall be used.

3 (b) Accurate records and books shall at all times be kept
4 and maintained by the organization licensees and inter-track
5 wagering licensees showing the admission tickets issued and
6 used on each racing day and the attendance thereat of each
7 horse racing meeting. The Board or its duly authorized
8 representative or representatives shall at all reasonable
9 times have access to the admission records of any organization
10 licensee and inter-track wagering licensee for the purpose of
11 examining and checking the same and ascertaining whether or not
12 the proper amount has been or is being paid the State of
13 Illinois as herein provided. The Board shall also require,
14 before issuing any license, that the licensee shall execute and
15 deliver to it a bond, payable to the State of Illinois, in such
16 sum as it shall determine, not, however, in excess of fifty
17 thousand dollars (\$50,000), with a surety or sureties to be
18 approved by it, conditioned for the payment of all sums due and
19 payable or collected by it under this Section upon admission
20 fees received for any particular racing meetings. The Board may
21 also from time to time require sworn statements of the number
22 or numbers of such admissions and may prescribe blanks upon
23 which such reports shall be made. Any organization licensee or
24 inter-track wagering licensee failing or refusing to pay the
25 amount found to be due as herein provided, shall be deemed
26 guilty of a business offense and upon conviction shall be

1 punished by a fine of not more than five thousand dollars
2 (\$5,000) in addition to the amount due from such organization
3 licensee or inter-track wagering licensee as herein provided.
4 All fines paid into court by an organization licensee or
5 inter-track wagering licensee found guilty of violating this
6 Section shall be transmitted and paid over by the clerk of the
7 court to the Board. Beginning on the date when any organization
8 licensee begins conducting electronic gaming pursuant to an
9 electronic gaming license issued under the Illinois Gambling
10 Act, any fine imposed pursuant to this subsection (b) shall not
11 exceed \$10,000.

12 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)

13 (230 ILCS 5/26) (from Ch. 8, par. 37-26)

14 Sec. 26. Wagering.

15 (a) Any licensee may conduct and supervise the pari-mutuel
16 system of wagering, as defined in Section 3.12 of this Act, on
17 horse races conducted by an Illinois organization licensee or
18 conducted at a racetrack located in another state or country
19 ~~and televised in Illinois~~ in accordance with subsection (g) of
20 Section 26 of this Act. Subject to the prior consent of the
21 Board, licensees may supplement any pari-mutuel pool in order
22 to guarantee a minimum distribution. Such pari-mutuel method of
23 wagering shall not, under any circumstances if conducted under
24 the provisions of this Act, be held or construed to be
25 unlawful, other statutes of this State to the contrary

1 notwithstanding. Subject to rules for advance wagering
2 promulgated by the Board, any licensee may accept wagers in
3 advance of the day of the race wagered upon occurs.

4 (b) Except for those gaming activities for which a license
5 is obtained and authorized under the Illinois Lottery Act, the
6 Charitable Games Act, the Raffles Act, or the Illinois Gambling
7 Act, no ~~no~~ other method of betting, pool making, wagering or
8 gambling shall be used or permitted by the licensee. Each
9 licensee may retain, subject to the payment of all applicable
10 taxes and purses, an amount not to exceed 17% of all money
11 wagered under subsection (a) of this Section, except as may
12 otherwise be permitted under this Act.

13 (b-5) An individual may place a wager under the pari-mutuel
14 system from any licensed location authorized under this Act
15 provided that wager is electronically recorded in the manner
16 described in Section 3.12 of this Act. Any wager made
17 electronically by an individual while physically on the
18 premises of a licensee shall be deemed to have been made at the
19 premises of that licensee.

20 (c) Until January 1, 2000, the sum held by any licensee for
21 payment of outstanding pari-mutuel tickets, if unclaimed prior
22 to December 31 of the next year, shall be retained by the
23 licensee for payment of such tickets until that date. Within 10
24 days thereafter, the balance of such sum remaining unclaimed,
25 less any uncashed supplements contributed by such licensee for
26 the purpose of guaranteeing minimum distributions of any

1 pari-mutuel pool, shall be paid to the Illinois Veterans'
2 Rehabilitation Fund of the State treasury, except as provided
3 in subsection (g) of Section 27 of this Act.

4 (c-5) Beginning January 1, 2000, the sum held by any
5 licensee for payment of outstanding pari-mutuel tickets, if
6 unclaimed prior to December 31 of the next year, shall be
7 retained by the licensee for payment of such tickets until that
8 date. Within 10 days thereafter, the balance of such sum
9 remaining unclaimed, less any uncashed supplements contributed
10 by such licensee for the purpose of guaranteeing minimum
11 distributions of any pari-mutuel pool, shall be evenly
12 distributed to the purse account of the organization licensee
13 and the organization licensee.

14 (d) A pari-mutuel ticket shall be honored until December 31
15 of the next calendar year, and the licensee shall pay the same
16 and may charge the amount thereof against unpaid money
17 similarly accumulated on account of pari-mutuel tickets not
18 presented for payment.

19 (e) No licensee shall knowingly permit any minor, other
20 than an employee of such licensee or an owner, trainer, jockey,
21 driver, or employee thereof, to be admitted during a racing
22 program unless accompanied by a parent or guardian, or any
23 minor to be a patron of the pari-mutuel system of wagering
24 conducted or supervised by it. The admission of any
25 unaccompanied minor, other than an employee of the licensee or
26 an owner, trainer, jockey, driver, or employee thereof at a

1 race track is a Class C misdemeanor.

2 (f) Notwithstanding the other provisions of this Act, an
3 organization licensee may contract with an entity in another
4 state or country to permit any legal wagering entity in another
5 state or country to accept wagers solely within such other
6 state or country on races conducted by the organization
7 licensee in this State. Beginning January 1, 2000, these wagers
8 shall not be subject to State taxation. Until January 1, 2000,
9 when the out-of-State entity conducts a pari-mutuel pool
10 separate from the organization licensee, a privilege tax equal
11 to 7 1/2% of all monies received by the organization licensee
12 from entities in other states or countries pursuant to such
13 contracts is imposed on the organization licensee, and such
14 privilege tax shall be remitted to the Department of Revenue
15 within 48 hours of receipt of the moneys from the simulcast.
16 When the out-of-State entity conducts a combined pari-mutuel
17 pool with the organization licensee, the tax shall be 10% of
18 all monies received by the organization licensee with 25% of
19 the receipts from this 10% tax to be distributed to the county
20 in which the race was conducted.

21 An organization licensee may permit one or more of its
22 races to be utilized for pari-mutuel wagering at one or more
23 locations in other states and may transmit audio and visual
24 signals of races the organization licensee conducts to one or
25 more locations outside the State or country and may also permit
26 pari-mutuel pools in other states or countries to be combined

1 with its gross or net wagering pools or with wagering pools
2 established by other states.

3 (g) A host track may accept interstate simulcast wagers on
4 horse races conducted in other states or countries and shall
5 control the number of signals and types of breeds of racing in
6 its simulcast program, subject to the disapproval of the Board.
7 The Board may prohibit a simulcast program only if it finds
8 that the simulcast program is clearly adverse to the integrity
9 of racing. The host track simulcast program shall include the
10 signal of live racing of all organization licensees. All
11 non-host licensees and advance deposit wagering licensees
12 shall carry the signal of and accept wagers on live racing of
13 all organization licensees. Advance deposit wagering licensees
14 shall not be permitted to accept out-of-state wagers on any
15 Illinois signal provided pursuant to this Section without the
16 approval and consent of the organization licensee providing the
17 signal. Non-host licensees may carry the host track simulcast
18 program and shall accept wagers on all races included as part
19 of the simulcast program upon which wagering is permitted. All
20 organization licensees shall provide their live signal to all
21 advance deposit wagering licensees for a simulcast commission
22 fee not to exceed 6% of the advance deposit wagering licensee's
23 Illinois handle on the organization licensee's signal without
24 prior approval by the Board. The Board may adopt rules under
25 which it may permit simulcast commission fees in excess of 6%.
26 The Board shall adopt rules limiting the interstate commission

1 fees charged to an advance deposit wagering licensee. The Board
2 shall adopt rules regarding advance deposit wagering on
3 interstate simulcast races that shall reflect, among other
4 things, the General Assembly's desire to maximize revenues to
5 the State, horsemen purses, and organizational licensees.
6 However, organization licensees providing live signals
7 pursuant to the requirements of this subsection (g) may
8 petition the Board to withhold their live signals from an
9 advance deposit wagering licensee if the organization licensee
10 discovers and the Board finds reputable or credible information
11 that the advance deposit wagering licensee is under
12 investigation by another state or federal governmental agency,
13 the advance deposit wagering licensee's license has been
14 suspended in another state, or the advance deposit wagering
15 licensee's license is in revocation proceedings in another
16 state. The organization licensee's provision of their live
17 signal to an advance deposit wagering licensee under this
18 subsection (g) pertains to wagers placed from within Illinois.
19 Advance deposit wagering licensees may place advance deposit
20 wagering terminals at wagering facilities as a convenience to
21 customers. The advance deposit wagering licensee shall not
22 charge or collect any fee from purses for the placement of the
23 advance deposit wagering terminals. The costs and expenses of
24 the host track and non-host licensees associated with
25 interstate simulcast wagering, other than the interstate
26 commission fee, shall be borne by the host track and all

1 non-host licensees incurring these costs. The interstate
2 commission fee shall not exceed 5% of Illinois handle on the
3 interstate simulcast race or races without prior approval of
4 the Board. The Board shall promulgate rules under which it may
5 permit interstate commission fees in excess of 5%. The
6 interstate commission fee and other fees charged by the sending
7 racetrack, including, but not limited to, satellite decoder
8 fees, shall be uniformly applied to the host track and all
9 non-host licensees.

10 Notwithstanding any other provision of this Act, for a
11 period of one year after the effective date of this amendatory
12 Act of the 98th General Assembly until January 1, 2013, an
13 organization licensee may maintain a system whereby advance
14 deposit wagering may take place or an organization licensee,
15 with the consent of the horsemen association representing the
16 largest number of owners, trainers, jockeys, or standardbred
17 drivers who race horses at that organization licensee's racing
18 meeting, may contract with another person to carry out a system
19 of advance deposit wagering. Such consent may not be
20 unreasonably withheld. All advance deposit wagers placed from
21 within Illinois must be placed through a Board-approved advance
22 deposit wagering licensee; no other entity may accept an
23 advance deposit wager from a person within Illinois. All
24 advance deposit wagering is subject to any rules adopted by the
25 Board. The Board may adopt rules necessary to regulate advance
26 deposit wagering through the use of emergency rulemaking in

1 accordance with Section 5-45 of the Illinois Administrative
2 Procedure Act. The General Assembly finds that the adoption of
3 rules to regulate advance deposit wagering is deemed an
4 emergency and necessary for the public interest, safety, and
5 welfare. An advance deposit wagering licensee may retain all
6 moneys as agreed to by contract with an organization licensee.
7 Any moneys retained by the organization licensee from advance
8 deposit wagering, not including moneys retained by the advance
9 deposit wagering licensee, shall be paid 50% to the
10 organization licensee's purse account and 50% to the
11 organization licensee. If more than one breed races at the same
12 race track facility, then the 50% of the moneys to be paid to
13 an organization licensee's purse account shall be allocated
14 among all organization licensees' purse accounts operating at
15 that race track facility proportionately based on the actual
16 number of host days that the Board grants to that breed at that
17 race track facility in the current calendar year. To the extent
18 any fees from advance deposit wagering conducted in Illinois
19 for wagers in Illinois or other states have been placed in
20 escrow or otherwise withheld from wagers pending a
21 determination of the legality of advance deposit wagering, no
22 action shall be brought to declare such wagers or the
23 disbursement of any fees previously escrowed illegal.

24 (1) Between the hours of 6:30 a.m. and 6:30 p.m. an
25 intertrack wagering licensee other than the host track may
26 supplement the host track simulcast program with

1 additional simulcast races or race programs, provided that
2 between January 1 and the third Friday in February of any
3 year, inclusive, if no live thoroughbred racing is
4 occurring in Illinois during this period, only
5 thoroughbred races may be used for supplemental interstate
6 simulcast purposes. The Board shall withhold approval for a
7 supplemental interstate simulcast only if it finds that the
8 simulcast is clearly adverse to the integrity of racing. A
9 supplemental interstate simulcast may be transmitted from
10 an intertrack wagering licensee to its affiliated non-host
11 licensees. The interstate commission fee for a
12 supplemental interstate simulcast shall be paid by the
13 non-host licensee and its affiliated non-host licensees
14 receiving the simulcast.

15 (2) Between the hours of 6:30 p.m. and 6:30 a.m. an
16 intertrack wagering licensee other than the host track may
17 receive supplemental interstate simulcasts only with the
18 consent of the host track, except when the Board finds that
19 the simulcast is clearly adverse to the integrity of
20 racing. Consent granted under this paragraph (2) to any
21 intertrack wagering licensee shall be deemed consent to all
22 non-host licensees. The interstate commission fee for the
23 supplemental interstate simulcast shall be paid by all
24 participating non-host licensees.

25 (3) Each licensee conducting interstate simulcast
26 wagering may retain, subject to the payment of all

1 applicable taxes and the purses, an amount not to exceed
2 17% of all money wagered. If any licensee conducts the
3 pari-mutuel system wagering on races conducted at
4 racetracks in another state or country, each such race or
5 race program shall be considered a separate racing day for
6 the purpose of determining the daily handle and computing
7 the privilege tax of that daily handle as provided in
8 subsection (a) of Section 27. Until January 1, 2000, from
9 the sums permitted to be retained pursuant to this
10 subsection, each intertrack wagering location licensee
11 shall pay 1% of the pari-mutuel handle wagered on simulcast
12 wagering to the Horse Racing Tax Allocation Fund, subject
13 to the provisions of subparagraph (B) of paragraph (11) of
14 subsection (h) of Section 26 of this Act.

15 (4) A licensee who receives an interstate simulcast may
16 combine its gross or net pools with pools at the sending
17 racetracks pursuant to rules established by the Board. All
18 licensees combining their gross pools at a sending
19 racetrack shall adopt the take-out percentages of the
20 sending racetrack. A licensee may also establish a separate
21 pool and takeout structure for wagering purposes on races
22 conducted at race tracks outside of the State of Illinois.
23 The licensee may permit pari-mutuel wagers placed in other
24 states or countries to be combined with its gross or net
25 wagering pools or other wagering pools.

26 (5) After the payment of the interstate commission fee

1 (except for the interstate commission fee on a supplemental
2 interstate simulcast, which shall be paid by the host track
3 and by each non-host licensee through the host-track) and
4 all applicable State and local taxes, except as provided in
5 subsection (g) of Section 27 of this Act, the remainder of
6 moneys retained from simulcast wagering pursuant to this
7 subsection (g), and Section 26.2 shall be divided as
8 follows:

9 (A) For interstate simulcast wagers made at a host
10 track, 50% to the host track and 50% to purses at the
11 host track.

12 (B) For wagers placed on interstate simulcast
13 races, supplemental simulcasts as defined in
14 subparagraphs (1) and (2), and separately pooled races
15 conducted outside of the State of Illinois made at a
16 non-host licensee, 25% to the host track, 25% to the
17 non-host licensee, and 50% to the purses at the host
18 track.

19 (6) Notwithstanding any provision in this Act to the
20 contrary, non-host licensees who derive their licenses
21 from a track located in a county with a population in
22 excess of 230,000 and that borders the Mississippi River
23 may receive supplemental interstate simulcast races at all
24 times subject to Board approval, which shall be withheld
25 only upon a finding that a supplemental interstate
26 simulcast is clearly adverse to the integrity of racing.

1 (7) Notwithstanding any provision of this Act to the
2 contrary, after payment of all applicable State and local
3 taxes and interstate commission fees, non-host licensees
4 who derive their licenses from a track located in a county
5 with a population in excess of 230,000 and that borders the
6 Mississippi River shall retain 50% of the retention from
7 interstate simulcast wagers and shall pay 50% to purses at
8 the track from which the non-host licensee derives its
9 license as follows:

10 (A) Between January 1 and the third Friday in
11 February, inclusive, if no live thoroughbred racing is
12 occurring in Illinois during this period, when the
13 interstate simulcast is a standardbred race, the purse
14 share to its standardbred purse account;

15 (B) Between January 1 and the third Friday in
16 February, inclusive, if no live thoroughbred racing is
17 occurring in Illinois during this period, and the
18 interstate simulcast is a thoroughbred race, the purse
19 share to its interstate simulcast purse pool to be
20 distributed under paragraph (10) of this subsection
21 (g);

22 (C) Between January 1 and the third Friday in
23 February, inclusive, if live thoroughbred racing is
24 occurring in Illinois, between 6:30 a.m. and 6:30 p.m.
25 the purse share from wagers made during this time
26 period to its thoroughbred purse account and between

1 6:30 p.m. and 6:30 a.m. the purse share from wagers
2 made during this time period to its standardbred purse
3 accounts;

4 (D) Between the third Saturday in February and
5 December 31, when the interstate simulcast occurs
6 between the hours of 6:30 a.m. and 6:30 p.m., the purse
7 share to its thoroughbred purse account;

8 (E) Between the third Saturday in February and
9 December 31, when the interstate simulcast occurs
10 between the hours of 6:30 p.m. and 6:30 a.m., the purse
11 share to its standardbred purse account.

12 (7.1) Notwithstanding any other provision of this Act
13 to the contrary, if no standardbred racing is conducted at
14 a racetrack located in Madison County during any calendar
15 year beginning on or after January 1, 2002, all moneys
16 derived by that racetrack from simulcast wagering and
17 inter-track wagering that (1) are to be used for purses and
18 (2) are generated between the hours of 6:30 p.m. and 6:30
19 a.m. during that calendar year shall be paid as follows:

20 (A) If the licensee that conducts horse racing at
21 that racetrack requests from the Board at least as many
22 racing dates as were conducted in calendar year 2000,
23 80% shall be paid to its thoroughbred purse account;
24 and

25 (B) Twenty percent shall be deposited into the
26 Illinois Colt Stakes Purse Distribution Fund and shall

1 be paid to purses for standardbred races for Illinois
2 conceived and foaled horses conducted at any county
3 fairgrounds. The moneys deposited into the Fund
4 pursuant to this subparagraph (B) shall be deposited
5 within 2 weeks after the day they were generated, shall
6 be in addition to and not in lieu of any other moneys
7 paid to standardbred purses under this Act, and shall
8 not be commingled with other moneys paid into that
9 Fund. The moneys deposited pursuant to this
10 subparagraph (B) shall be allocated as provided by the
11 Department of Agriculture, with the advice and
12 assistance of the Illinois Standardbred Breeders Fund
13 Advisory Board.

14 (7.2) Notwithstanding any other provision of this Act
15 to the contrary, if no thoroughbred racing is conducted at
16 a racetrack located in Madison County during any calendar
17 year beginning on or after January 1, 2002, all moneys
18 derived by that racetrack from simulcast wagering and
19 inter-track wagering that (1) are to be used for purses and
20 (2) are generated between the hours of 6:30 a.m. and 6:30
21 p.m. during that calendar year shall be deposited as
22 follows:

23 (A) If the licensee that conducts horse racing at
24 that racetrack requests from the Board at least as many
25 racing dates as were conducted in calendar year 2000,
26 80% shall be deposited into its standardbred purse

1 account; and

2 (B) Twenty percent shall be deposited into the
3 Illinois Colt Stakes Purse Distribution Fund. Moneys
4 deposited into the Illinois Colt Stakes Purse
5 Distribution Fund pursuant to this subparagraph (B)
6 shall be paid to Illinois conceived and foaled
7 thoroughbred breeders' programs and to thoroughbred
8 purses for races conducted at any county fairgrounds
9 for Illinois conceived and foaled horses at the
10 discretion of the Department of Agriculture, with the
11 advice and assistance of the Illinois Thoroughbred
12 Breeders Fund Advisory Board. The moneys deposited
13 into the Illinois Colt Stakes Purse Distribution Fund
14 pursuant to this subparagraph (B) shall be deposited
15 within 2 weeks after the day they were generated, shall
16 be in addition to and not in lieu of any other moneys
17 paid to thoroughbred purses under this Act, and shall
18 not be commingled with other moneys deposited into that
19 Fund.

20 (7.3) If no live standardbred racing is conducted at a
21 racetrack located in Madison County in calendar year 2000
22 or 2001, an organization licensee who is licensed to
23 conduct horse racing at that racetrack shall, before
24 January 1, 2002, pay all moneys derived from simulcast
25 wagering and inter-track wagering in calendar years 2000
26 and 2001 and paid into the licensee's standardbred purse

1 account as follows:

2 (A) Eighty percent to that licensee's thoroughbred
3 purse account to be used for thoroughbred purses; and

4 (B) Twenty percent to the Illinois Colt Stakes
5 Purse Distribution Fund.

6 Failure to make the payment to the Illinois Colt Stakes
7 Purse Distribution Fund before January 1, 2002 shall result
8 in the immediate revocation of the licensee's organization
9 license, inter-track wagering license, and inter-track
10 wagering location license.

11 Moneys paid into the Illinois Colt Stakes Purse
12 Distribution Fund pursuant to this paragraph (7.3) shall be
13 paid to purses for standardbred races for Illinois
14 conceived and foaled horses conducted at any county
15 fairgrounds. Moneys paid into the Illinois Colt Stakes
16 Purse Distribution Fund pursuant to this paragraph (7.3)
17 shall be used as determined by the Department of
18 Agriculture, with the advice and assistance of the Illinois
19 Standardbred Breeders Fund Advisory Board, shall be in
20 addition to and not in lieu of any other moneys paid to
21 standardbred purses under this Act, and shall not be
22 commingled with any other moneys paid into that Fund.

23 (7.4) If live standardbred racing is conducted at a
24 racetrack located in Madison County at any time in calendar
25 year 2001 before the payment required under paragraph (7.3)
26 has been made, the organization licensee who is licensed to

1 conduct racing at that racetrack shall pay all moneys
2 derived by that racetrack from simulcast wagering and
3 inter-track wagering during calendar years 2000 and 2001
4 that (1) are to be used for purses and (2) are generated
5 between the hours of 6:30 p.m. and 6:30 a.m. during 2000 or
6 2001 to the standardbred purse account at that racetrack to
7 be used for standardbred purses.

8 (8) Notwithstanding any provision in this Act to the
9 contrary, an organization licensee from a track located in
10 a county with a population in excess of 230,000 and that
11 borders the Mississippi River and its affiliated non-host
12 licensees shall not be entitled to share in any retention
13 generated on racing, inter-track wagering, or simulcast
14 wagering at any other Illinois wagering facility.

15 (8.1) Notwithstanding any provisions in this Act to the
16 contrary, if 2 organization licensees are conducting
17 standardbred race meetings concurrently between the hours
18 of 6:30 p.m. and 6:30 a.m., after payment of all applicable
19 State and local taxes and interstate commission fees, the
20 remainder of the amount retained from simulcast wagering
21 otherwise attributable to the host track and to host track
22 purses shall be split daily between the 2 organization
23 licensees and the purses at the tracks of the 2
24 organization licensees, respectively, based on each
25 organization licensee's share of the total live handle for
26 that day, provided that this provision shall not apply to

1 any non-host licensee that derives its license from a track
2 located in a county with a population in excess of 230,000
3 and that borders the Mississippi River.

4 (9) (Blank).

5 (10) (Blank).

6 (11) (Blank).

7 (12) The Board shall have authority to compel all host
8 tracks to receive the simulcast of any or all races
9 conducted at the Springfield or DuQuoin State fairgrounds
10 and include all such races as part of their simulcast
11 programs.

12 (13) Notwithstanding any other provision of this Act,
13 in the event that the total Illinois pari-mutuel handle on
14 Illinois horse races at all wagering facilities in any
15 calendar year is less than 75% of the total Illinois
16 pari-mutuel handle on Illinois horse races at all such
17 wagering facilities for calendar year 1994, then each
18 wagering facility that has an annual total Illinois
19 pari-mutuel handle on Illinois horse races that is less
20 than 75% of the total Illinois pari-mutuel handle on
21 Illinois horse races at such wagering facility for calendar
22 year 1994, shall be permitted to receive, from any amount
23 otherwise payable to the purse account at the race track
24 with which the wagering facility is affiliated in the
25 succeeding calendar year, an amount equal to 2% of the
26 differential in total Illinois pari-mutuel handle on

1 Illinois horse races at the wagering facility between that
2 calendar year in question and 1994 provided, however, that
3 a wagering facility shall not be entitled to any such
4 payment until the Board certifies in writing to the
5 wagering facility the amount to which the wagering facility
6 is entitled and a schedule for payment of the amount to the
7 wagering facility, based on: (i) the racing dates awarded
8 to the race track affiliated with the wagering facility
9 during the succeeding year; (ii) the sums available or
10 anticipated to be available in the purse account of the
11 race track affiliated with the wagering facility for purses
12 during the succeeding year; and (iii) the need to ensure
13 reasonable purse levels during the payment period. The
14 Board's certification shall be provided no later than
15 January 31 of the succeeding year. In the event a wagering
16 facility entitled to a payment under this paragraph (13) is
17 affiliated with a race track that maintains purse accounts
18 for both standardbred and thoroughbred racing, the amount
19 to be paid to the wagering facility shall be divided
20 between each purse account pro rata, based on the amount of
21 Illinois handle on Illinois standardbred and thoroughbred
22 racing respectively at the wagering facility during the
23 previous calendar year. Annually, the General Assembly
24 shall appropriate sufficient funds from the General
25 Revenue Fund to the Department of Agriculture for payment
26 into the thoroughbred and standardbred horse racing purse

1 accounts at Illinois pari-mutuel tracks. The amount paid to
2 each purse account shall be the amount certified by the
3 Illinois Racing Board in January to be transferred from
4 each account to each eligible racing facility in accordance
5 with the provisions of this Section. Beginning in the
6 calendar year in which an organization licensee that is
7 eligible to receive payment under this paragraph (13)
8 begins to receive funds from electronic gaming, the amount
9 of the payment due to all wagering facilities licensed
10 under that organization licensee under this paragraph (13)
11 shall be the amount certified by the Board in January of
12 that year. An organization licensee and its related
13 wagering facilities shall no longer be able to receive
14 payments under this paragraph (13) beginning in the year
15 subsequent to the first year in which the organization
16 licensee begins to receive funds from electronic gaming.

17 (h) The Board may approve and license the conduct of
18 inter-track wagering and simulcast wagering by inter-track
19 wagering licensees and inter-track wagering location licensees
20 subject to the following terms and conditions:

21 (1) Any person licensed to conduct a race meeting (i)
22 at a track where 60 or more days of racing were conducted
23 during the immediately preceding calendar year or where
24 over the 5 immediately preceding calendar years an average
25 of 30 or more days of racing were conducted annually may be
26 issued an inter-track wagering license; (ii) at a track

1 located in a county that is bounded by the Mississippi
2 River, which has a population of less than 150,000
3 according to the 1990 decennial census, and an average of
4 at least 60 days of racing per year between 1985 and 1993
5 may be issued an inter-track wagering license; or (iii) at
6 a track located in Madison County that conducted at least
7 100 days of live racing during the immediately preceding
8 calendar year may be issued an inter-track wagering
9 license, unless a lesser schedule of live racing is the
10 result of (A) weather, unsafe track conditions, or other
11 acts of God; (B) an agreement between the organization
12 licensee and the associations representing the largest
13 number of owners, trainers, jockeys, or standardbred
14 drivers who race horses at that organization licensee's
15 racing meeting; or (C) a finding by the Board of
16 extraordinary circumstances and that it was in the best
17 interest of the public and the sport to conduct fewer than
18 100 days of live racing. Any such person having operating
19 control of the racing facility may also receive up to 6
20 inter-track wagering location licenses. In no event shall
21 more than 6 inter-track wagering locations be established
22 for each eligible race track, except that an eligible race
23 track located in a county that has a population of more
24 than 230,000 and that is bounded by the Mississippi River
25 may establish up to 7 inter-track wagering locations. An
26 application for said license shall be filed with the Board

1 prior to such dates as may be fixed by the Board. With an
2 application for an inter-track wagering location license
3 there shall be delivered to the Board a certified check or
4 bank draft payable to the order of the Board for an amount
5 equal to \$500. The application shall be on forms prescribed
6 and furnished by the Board. The application shall comply
7 with all other rules, regulations and conditions imposed by
8 the Board in connection therewith.

9 (2) The Board shall examine the applications with
10 respect to their conformity with this Act and the rules and
11 regulations imposed by the Board. If found to be in
12 compliance with the Act and rules and regulations of the
13 Board, the Board may then issue a license to conduct
14 inter-track wagering and simulcast wagering to such
15 applicant. All such applications shall be acted upon by the
16 Board at a meeting to be held on such date as may be fixed
17 by the Board.

18 (3) In granting licenses to conduct inter-track
19 wagering and simulcast wagering, the Board shall give due
20 consideration to the best interests of the public, of horse
21 racing, and of maximizing revenue to the State.

22 (4) Prior to the issuance of a license to conduct
23 inter-track wagering and simulcast wagering, the applicant
24 shall file with the Board a bond payable to the State of
25 Illinois in the sum of \$50,000, executed by the applicant
26 and a surety company or companies authorized to do business

1 in this State, and conditioned upon (i) the payment by the
2 licensee of all taxes due under Section 27 or 27.1 and any
3 other monies due and payable under this Act, and (ii)
4 distribution by the licensee, upon presentation of the
5 winning ticket or tickets, of all sums payable to the
6 patrons of pari-mutuel pools.

7 (5) Each license to conduct inter-track wagering and
8 simulcast wagering shall specify the person to whom it is
9 issued, the dates on which such wagering is permitted, and
10 the track or location where the wagering is to be
11 conducted.

12 (6) All wagering under such license is subject to this
13 Act and to the rules and regulations from time to time
14 prescribed by the Board, and every such license issued by
15 the Board shall contain a recital to that effect.

16 (7) An inter-track wagering licensee or inter-track
17 wagering location licensee may accept wagers at the track
18 or location where it is licensed, or as otherwise provided
19 under this Act.

20 (8) Inter-track wagering or simulcast wagering shall
21 not be conducted at any track less than 4 ~~5~~ miles from a
22 track at which a racing meeting is in progress.

23 (8.1) Inter-track wagering location licensees who
24 derive their licenses from a particular organization
25 licensee shall conduct inter-track wagering and simulcast
26 wagering only at locations which are either within 90 miles

1 of that race track where the particular organization
2 licensee is licensed to conduct racing, or within 135 miles
3 of that race track where the particular organization
4 licensee is licensed to conduct racing in the case of race
5 tracks in counties of less than 400,000 that were operating
6 on or before June 1, 1986. However, inter-track wagering
7 and simulcast wagering shall not be conducted by those
8 licensees at any location within 5 miles of any race track
9 at which a horse race meeting has been licensed in the
10 current year, unless the person having operating control of
11 such race track has given its written consent to such
12 inter-track wagering location licensees, which consent
13 must be filed with the Board at or prior to the time
14 application is made.

15 (8.2) Inter-track wagering or simulcast wagering shall
16 not be conducted by an inter-track wagering location
17 licensee at any location within 500 feet of an existing
18 church, an ~~or~~ existing elementary or secondary public
19 school, or an existing elementary or secondary private
20 school registered with or recognized by the State Board of
21 Education ~~school~~, nor within 500 feet of the residences of
22 more than 50 registered voters without receiving written
23 permission from a majority of the registered voters at such
24 residences. Such written permission statements shall be
25 filed with the Board. The distance of 500 feet shall be
26 measured to the nearest part of any building used for

1 worship services, education programs, residential
2 purposes, or conducting inter-track wagering by an
3 inter-track wagering location licensee, and not to
4 property boundaries. However, inter-track wagering or
5 simulcast wagering may be conducted at a site within 500
6 feet of a church, school or residences of 50 or more
7 registered voters if such church, school or residences have
8 been erected or established, or such voters have been
9 registered, after the Board issues the original
10 inter-track wagering location license at the site in
11 question. Inter-track wagering location licensees may
12 conduct inter-track wagering and simulcast wagering only
13 in areas that are zoned for commercial or manufacturing
14 purposes or in areas for which a special use has been
15 approved by the local zoning authority. However, no license
16 to conduct inter-track wagering and simulcast wagering
17 shall be granted by the Board with respect to any
18 inter-track wagering location within the jurisdiction of
19 any local zoning authority which has, by ordinance or by
20 resolution, prohibited the establishment of an inter-track
21 wagering location within its jurisdiction. However,
22 inter-track wagering and simulcast wagering may be
23 conducted at a site if such ordinance or resolution is
24 enacted after the Board licenses the original inter-track
25 wagering location licensee for the site in question.

26 (9) (Blank).

1 (10) An inter-track wagering licensee or an
2 inter-track wagering location licensee may retain, subject
3 to the payment of the privilege taxes and the purses, an
4 amount not to exceed 17% of all money wagered. Each program
5 of racing conducted by each inter-track wagering licensee
6 or inter-track wagering location licensee shall be
7 considered a separate racing day for the purpose of
8 determining the daily handle and computing the privilege
9 tax or pari-mutuel tax on such daily handle as provided in
10 Section 27.

11 (10.1) Except as provided in subsection (g) of Section
12 27 of this Act, inter-track wagering location licensees
13 shall pay 1% of the pari-mutuel handle at each location to
14 the municipality in which such location is situated and 1%
15 of the pari-mutuel handle at each location to the county in
16 which such location is situated. In the event that an
17 inter-track wagering location licensee is situated in an
18 unincorporated area of a county, such licensee shall pay 2%
19 of the pari-mutuel handle from such location to such
20 county.

21 (10.2) Notwithstanding any other provision of this
22 Act, with respect to intertrack wagering at a race track
23 located in a county that has a population of more than
24 230,000 and that is bounded by the Mississippi River ("the
25 first race track"), or at a facility operated by an
26 inter-track wagering licensee or inter-track wagering

1 location licensee that derives its license from the
2 organization licensee that operates the first race track,
3 on races conducted at the first race track or on races
4 conducted at another Illinois race track and
5 simultaneously televised to the first race track or to a
6 facility operated by an inter-track wagering licensee or
7 inter-track wagering location licensee that derives its
8 license from the organization licensee that operates the
9 first race track, those moneys shall be allocated as
10 follows:

11 (A) That portion of all moneys wagered on
12 standardbred racing that is required under this Act to
13 be paid to purses shall be paid to purses for
14 standardbred races.

15 (B) That portion of all moneys wagered on
16 thoroughbred racing that is required under this Act to
17 be paid to purses shall be paid to purses for
18 thoroughbred races.

19 (11) (A) After payment of the privilege or pari-mutuel
20 tax, any other applicable taxes, and the costs and expenses
21 in connection with the gathering, transmission, and
22 dissemination of all data necessary to the conduct of
23 inter-track wagering, the remainder of the monies retained
24 under either Section 26 or Section 26.2 of this Act by the
25 inter-track wagering licensee on inter-track wagering
26 shall be allocated with 50% to be split between the 2

1 participating licensees and 50% to purses, except that an
2 intertrack wagering licensee that derives its license from
3 a track located in a county with a population in excess of
4 230,000 and that borders the Mississippi River shall not
5 divide any remaining retention with the Illinois
6 organization licensee that provides the race or races, and
7 an intertrack wagering licensee that accepts wagers on
8 races conducted by an organization licensee that conducts a
9 race meet in a county with a population in excess of
10 230,000 and that borders the Mississippi River shall not
11 divide any remaining retention with that organization
12 licensee.

13 (B) From the sums permitted to be retained pursuant to
14 this Act each inter-track wagering location licensee shall
15 pay (i) the privilege or pari-mutuel tax to the State; (ii)
16 4.75% of the pari-mutuel handle on intertrack wagering at
17 such location on races as purses, except that an intertrack
18 wagering location licensee that derives its license from a
19 track located in a county with a population in excess of
20 230,000 and that borders the Mississippi River shall retain
21 all purse moneys for its own purse account consistent with
22 distribution set forth in this subsection (h), and
23 intertrack wagering location licensees that accept wagers
24 on races conducted by an organization licensee located in a
25 county with a population in excess of 230,000 and that
26 borders the Mississippi River shall distribute all purse

1 moneys to purses at the operating host track; (iii) until
2 January 1, 2000, except as provided in subsection (g) of
3 Section 27 of this Act, 1% of the pari-mutuel handle
4 wagered on inter-track wagering and simulcast wagering at
5 each inter-track wagering location licensee facility to
6 the Horse Racing Tax Allocation Fund, provided that, to the
7 extent the total amount collected and distributed to the
8 Horse Racing Tax Allocation Fund under this subsection (h)
9 during any calendar year exceeds the amount collected and
10 distributed to the Horse Racing Tax Allocation Fund during
11 calendar year 1994, that excess amount shall be
12 redistributed (I) to all inter-track wagering location
13 licensees, based on each licensee's pro-rata share of the
14 total handle from inter-track wagering and simulcast
15 wagering for all inter-track wagering location licensees
16 during the calendar year in which this provision is
17 applicable; then (II) the amounts redistributed to each
18 inter-track wagering location licensee as described in
19 subpart (I) shall be further redistributed as provided in
20 subparagraph (B) of paragraph (5) of subsection (g) of this
21 Section 26 provided first, that the shares of those
22 amounts, which are to be redistributed to the host track or
23 to purses at the host track under subparagraph (B) of
24 paragraph (5) of subsection (g) of this Section 26 shall be
25 redistributed based on each host track's pro rata share of
26 the total inter-track wagering and simulcast wagering

1 handle at all host tracks during the calendar year in
2 question, and second, that any amounts redistributed as
3 described in part (I) to an inter-track wagering location
4 licensee that accepts wagers on races conducted by an
5 organization licensee that conducts a race meet in a county
6 with a population in excess of 230,000 and that borders the
7 Mississippi River shall be further redistributed as
8 provided in subparagraphs (D) and (E) of paragraph (7) of
9 subsection (g) of this Section 26, with the portion of that
10 further redistribution allocated to purses at that
11 organization licensee to be divided between standardbred
12 purses and thoroughbred purses based on the amounts
13 otherwise allocated to purses at that organization
14 licensee during the calendar year in question; and (iv) 8%
15 of the pari-mutuel handle on inter-track wagering wagered
16 at such location to satisfy all costs and expenses of
17 conducting its wagering. The remainder of the monies
18 retained by the inter-track wagering location licensee
19 shall be allocated 40% to the location licensee and 60% to
20 the organization licensee which provides the Illinois
21 races to the location, except that an intertrack wagering
22 location licensee that derives its license from a track
23 located in a county with a population in excess of 230,000
24 and that borders the Mississippi River shall not divide any
25 remaining retention with the organization licensee that
26 provides the race or races and an intertrack wagering

1 location licensee that accepts wagers on races conducted by
2 an organization licensee that conducts a race meet in a
3 county with a population in excess of 230,000 and that
4 borders the Mississippi River shall not divide any
5 remaining retention with the organization licensee.
6 Notwithstanding the provisions of clauses (ii) and (iv) of
7 this paragraph, in the case of the additional inter-track
8 wagering location licenses authorized under paragraph (1)
9 of this subsection (h) by this amendatory Act of 1991,
10 those licensees shall pay the following amounts as purses:
11 during the first 12 months the licensee is in operation,
12 5.25% of the pari-mutuel handle wagered at the location on
13 races; during the second 12 months, 5.25%; during the third
14 12 months, 5.75%; during the fourth 12 months, 6.25%; and
15 during the fifth 12 months and thereafter, 6.75%. The
16 following amounts shall be retained by the licensee to
17 satisfy all costs and expenses of conducting its wagering:
18 during the first 12 months the licensee is in operation,
19 8.25% of the pari-mutuel handle wagered at the location;
20 during the second 12 months, 8.25%; during the third 12
21 months, 7.75%; during the fourth 12 months, 7.25%; and
22 during the fifth 12 months and thereafter, 6.75%. For
23 additional intertrack wagering location licensees
24 authorized under this amendatory Act of 1995, purses for
25 the first 12 months the licensee is in operation shall be
26 5.75% of the pari-mutuel wagered at the location, purses

1 for the second 12 months the licensee is in operation shall
2 be 6.25%, and purses thereafter shall be 6.75%. For
3 additional intertrack location licensees authorized under
4 this amendatory Act of 1995, the licensee shall be allowed
5 to retain to satisfy all costs and expenses: 7.75% of the
6 pari-mutuel handle wagered at the location during its first
7 12 months of operation, 7.25% during its second 12 months
8 of operation, and 6.75% thereafter.

9 (C) There is hereby created the Horse Racing Tax
10 Allocation Fund which shall remain in existence until
11 December 31, 1999. Moneys remaining in the Fund after
12 December 31, 1999 shall be paid into the General Revenue
13 Fund. Until January 1, 2000, all monies paid into the Horse
14 Racing Tax Allocation Fund pursuant to this paragraph (11)
15 by inter-track wagering location licensees located in park
16 districts of 500,000 population or less, or in a
17 municipality that is not included within any park district
18 but is included within a conservation district and is the
19 county seat of a county that (i) is contiguous to the state
20 of Indiana and (ii) has a 1990 population of 88,257
21 according to the United States Bureau of the Census, and
22 operating on May 1, 1994 shall be allocated by
23 appropriation as follows:

24 Two-sevenths to the Department of Agriculture.

25 Fifty percent of this two-sevenths shall be used to
26 promote the Illinois horse racing and breeding

1 industry, and shall be distributed by the Department of
2 Agriculture upon the advice of a 9-member committee
3 appointed by the Governor consisting of the following
4 members: the Director of Agriculture, who shall serve
5 as chairman; 2 representatives of organization
6 licensees conducting thoroughbred race meetings in
7 this State, recommended by those licensees; 2
8 representatives of organization licensees conducting
9 standardbred race meetings in this State, recommended
10 by those licensees; a representative of the Illinois
11 Thoroughbred Breeders and Owners Foundation,
12 recommended by that Foundation; a representative of
13 the Illinois Standardbred Owners and Breeders
14 Association, recommended by that Association; a
15 representative of the Horsemen's Benevolent and
16 Protective Association or any successor organization
17 thereto established in Illinois comprised of the
18 largest number of owners and trainers, recommended by
19 that Association or that successor organization; and a
20 representative of the Illinois Harness Horsemen's
21 Association, recommended by that Association.
22 Committee members shall serve for terms of 2 years,
23 commencing January 1 of each even-numbered year. If a
24 representative of any of the above-named entities has
25 not been recommended by January 1 of any even-numbered
26 year, the Governor shall appoint a committee member to

1 fill that position. Committee members shall receive no
2 compensation for their services as members but shall be
3 reimbursed for all actual and necessary expenses and
4 disbursements incurred in the performance of their
5 official duties. The remaining 50% of this
6 two-sevenths shall be distributed to county fairs for
7 premiums and rehabilitation as set forth in the
8 Agricultural Fair Act;

9 Four-sevenths to park districts or municipalities
10 that do not have a park district of 500,000 population
11 or less for museum purposes (if an inter-track wagering
12 location licensee is located in such a park district)
13 or to conservation districts for museum purposes (if an
14 inter-track wagering location licensee is located in a
15 municipality that is not included within any park
16 district but is included within a conservation
17 district and is the county seat of a county that (i) is
18 contiguous to the state of Indiana and (ii) has a 1990
19 population of 88,257 according to the United States
20 Bureau of the Census, except that if the conservation
21 district does not maintain a museum, the monies shall
22 be allocated equally between the county and the
23 municipality in which the inter-track wagering
24 location licensee is located for general purposes) or
25 to a municipal recreation board for park purposes (if
26 an inter-track wagering location licensee is located

1 in a municipality that is not included within any park
2 district and park maintenance is the function of the
3 municipal recreation board and the municipality has a
4 1990 population of 9,302 according to the United States
5 Bureau of the Census); provided that the monies are
6 distributed to each park district or conservation
7 district or municipality that does not have a park
8 district in an amount equal to four-sevenths of the
9 amount collected by each inter-track wagering location
10 licensee within the park district or conservation
11 district or municipality for the Fund. Monies that were
12 paid into the Horse Racing Tax Allocation Fund before
13 the effective date of this amendatory Act of 1991 by an
14 inter-track wagering location licensee located in a
15 municipality that is not included within any park
16 district but is included within a conservation
17 district as provided in this paragraph shall, as soon
18 as practicable after the effective date of this
19 amendatory Act of 1991, be allocated and paid to that
20 conservation district as provided in this paragraph.
21 Any park district or municipality not maintaining a
22 museum may deposit the monies in the corporate fund of
23 the park district or municipality where the
24 inter-track wagering location is located, to be used
25 for general purposes; and

26 One-seventh to the Agricultural Premium Fund to be

1 used for distribution to agricultural home economics
2 extension councils in accordance with "An Act in
3 relation to additional support and finances for the
4 Agricultural and Home Economic Extension Councils in
5 the several counties of this State and making an
6 appropriation therefor", approved July 24, 1967.

7 Until January 1, 2000, all other monies paid into the
8 Horse Racing Tax Allocation Fund pursuant to this paragraph
9 (11) shall be allocated by appropriation as follows:

10 Two-sevenths to the Department of Agriculture.
11 Fifty percent of this two-sevenths shall be used to
12 promote the Illinois horse racing and breeding
13 industry, and shall be distributed by the Department of
14 Agriculture upon the advice of a 9-member committee
15 appointed by the Governor consisting of the following
16 members: the Director of Agriculture, who shall serve
17 as chairman; 2 representatives of organization
18 licensees conducting thoroughbred race meetings in
19 this State, recommended by those licensees; 2
20 representatives of organization licensees conducting
21 standardbred race meetings in this State, recommended
22 by those licensees; a representative of the Illinois
23 Thoroughbred Breeders and Owners Foundation,
24 recommended by that Foundation; a representative of
25 the Illinois Standardbred Owners and Breeders
26 Association, recommended by that Association; a

1 representative of the Horsemen's Benevolent and
2 Protective Association or any successor organization
3 thereto established in Illinois comprised of the
4 largest number of owners and trainers, recommended by
5 that Association or that successor organization; and a
6 representative of the Illinois Harness Horsemen's
7 Association, recommended by that Association.
8 Committee members shall serve for terms of 2 years,
9 commencing January 1 of each even-numbered year. If a
10 representative of any of the above-named entities has
11 not been recommended by January 1 of any even-numbered
12 year, the Governor shall appoint a committee member to
13 fill that position. Committee members shall receive no
14 compensation for their services as members but shall be
15 reimbursed for all actual and necessary expenses and
16 disbursements incurred in the performance of their
17 official duties. The remaining 50% of this
18 two-sevenths shall be distributed to county fairs for
19 premiums and rehabilitation as set forth in the
20 Agricultural Fair Act;

21 Four-sevenths to museums and aquariums located in
22 park districts of over 500,000 population; provided
23 that the monies are distributed in accordance with the
24 previous year's distribution of the maintenance tax
25 for such museums and aquariums as provided in Section 2
26 of the Park District Aquarium and Museum Act; and

1 One-seventh to the Agricultural Premium Fund to be
2 used for distribution to agricultural home economics
3 extension councils in accordance with "An Act in
4 relation to additional support and finances for the
5 Agricultural and Home Economic Extension Councils in
6 the several counties of this State and making an
7 appropriation therefor", approved July 24, 1967. This
8 subparagraph (C) shall be inoperative and of no force
9 and effect on and after January 1, 2000.

10 (D) Except as provided in paragraph (11) of this
11 subsection (h), with respect to purse allocation from
12 intertrack wagering, the monies so retained shall be
13 divided as follows:

14 (i) If the inter-track wagering licensee,
15 except an intertrack wagering licensee that
16 derives its license from an organization licensee
17 located in a county with a population in excess of
18 230,000 and bounded by the Mississippi River, is
19 not conducting its own race meeting during the same
20 dates, then the entire purse allocation shall be to
21 purses at the track where the races wagered on are
22 being conducted.

23 (ii) If the inter-track wagering licensee,
24 except an intertrack wagering licensee that
25 derives its license from an organization licensee
26 located in a county with a population in excess of

1 230,000 and bounded by the Mississippi River, is
2 also conducting its own race meeting during the
3 same dates, then the purse allocation shall be as
4 follows: 50% to purses at the track where the races
5 wagered on are being conducted; 50% to purses at
6 the track where the inter-track wagering licensee
7 is accepting such wagers.

8 (iii) If the inter-track wagering is being
9 conducted by an inter-track wagering location
10 licensee, except an intertrack wagering location
11 licensee that derives its license from an
12 organization licensee located in a county with a
13 population in excess of 230,000 and bounded by the
14 Mississippi River, the entire purse allocation for
15 Illinois races shall be to purses at the track
16 where the race meeting being wagered on is being
17 held.

18 (12) The Board shall have all powers necessary and
19 proper to fully supervise and control the conduct of
20 inter-track wagering and simulcast wagering by inter-track
21 wagering licensees and inter-track wagering location
22 licensees, including, but not limited to the following:

23 (A) The Board is vested with power to promulgate
24 reasonable rules and regulations for the purpose of
25 administering the conduct of this wagering and to
26 prescribe reasonable rules, regulations and conditions

1 under which such wagering shall be held and conducted.
2 Such rules and regulations are to provide for the
3 prevention of practices detrimental to the public
4 interest and for the best interests of said wagering
5 and to impose penalties for violations thereof.

6 (B) The Board, and any person or persons to whom it
7 delegates this power, is vested with the power to enter
8 the facilities of any licensee to determine whether
9 there has been compliance with the provisions of this
10 Act and the rules and regulations relating to the
11 conduct of such wagering.

12 (C) The Board, and any person or persons to whom it
13 delegates this power, may eject or exclude from any
14 licensee's facilities, any person whose conduct or
15 reputation is such that his presence on such premises
16 may, in the opinion of the Board, call into the
17 question the honesty and integrity of, or interfere
18 with the orderly conduct of such wagering; provided,
19 however, that no person shall be excluded or ejected
20 from such premises solely on the grounds of race,
21 color, creed, national origin, ancestry, or sex.

22 (D) (Blank).

23 (E) The Board is vested with the power to appoint
24 delegates to execute any of the powers granted to it
25 under this Section for the purpose of administering
26 this wagering and any rules and regulations

1 promulgated in accordance with this Act.

2 (F) The Board shall name and appoint a State
3 director of this wagering who shall be a representative
4 of the Board and whose duty it shall be to supervise
5 the conduct of inter-track wagering as may be provided
6 for by the rules and regulations of the Board; such
7 rules and regulation shall specify the method of
8 appointment and the Director's powers, authority and
9 duties.

10 (G) The Board is vested with the power to impose
11 civil penalties of up to \$5,000 against individuals and
12 up to \$10,000 against licensees for each violation of
13 any provision of this Act relating to the conduct of
14 this wagering, any rules adopted by the Board, any
15 order of the Board or any other action which in the
16 Board's discretion, is a detriment or impediment to
17 such wagering.

18 (13) The Department of Agriculture may enter into
19 agreements with licensees authorizing such licensees to
20 conduct inter-track wagering on races to be held at the
21 licensed race meetings conducted by the Department of
22 Agriculture. Such agreement shall specify the races of the
23 Department of Agriculture's licensed race meeting upon
24 which the licensees will conduct wagering. In the event
25 that a licensee conducts inter-track pari-mutuel wagering
26 on races from the Illinois State Fair or DuQuoin State Fair

1 which are in addition to the licensee's previously approved
2 racing program, those races shall be considered a separate
3 racing day for the purpose of determining the daily handle
4 and computing the privilege or pari-mutuel tax on that
5 daily handle as provided in Sections 27 and 27.1. Such
6 agreements shall be approved by the Board before such
7 wagering may be conducted. In determining whether to grant
8 approval, the Board shall give due consideration to the
9 best interests of the public and of horse racing. The
10 provisions of paragraphs (1), (8), (8.1), and (8.2) of
11 subsection (h) of this Section which are not specified in
12 this paragraph (13) shall not apply to licensed race
13 meetings conducted by the Department of Agriculture at the
14 Illinois State Fair in Sangamon County or the DuQuoin State
15 Fair in Perry County, or to any wagering conducted on those
16 race meetings.

17 (i) Notwithstanding the other provisions of this Act, the
18 conduct of wagering at wagering facilities is authorized on all
19 days, except as limited by subsection (b) of Section 19 of this
20 Act.

21 (Source: P.A. 96-762, eff. 8-25-09; 97-1060, eff. 8-24-12.)

22 (230 ILCS 5/27) (from Ch. 8, par. 37-27)

23 Sec. 27. (a) In addition to the organization license fee
24 provided by this Act, until January 1, 2000, a graduated
25 privilege tax is hereby imposed for conducting the pari-mutuel

1 system of wagering permitted under this Act. Until January 1,
2 2000, except as provided in subsection (g) of Section 27 of
3 this Act, all of the breakage of each racing day held by any
4 licensee in the State shall be paid to the State. Until January
5 1, 2000, such daily graduated privilege tax shall be paid by
6 the licensee from the amount permitted to be retained under
7 this Act. Until January 1, 2000, each day's graduated privilege
8 tax, breakage, and Horse Racing Tax Allocation funds shall be
9 remitted to the Department of Revenue within 48 hours after the
10 close of the racing day upon which it is assessed or within
11 such other time as the Board prescribes. The privilege tax
12 hereby imposed, until January 1, 2000, shall be a flat tax at
13 the rate of 2% of the daily pari-mutuel handle except as
14 provided in Section 27.1.

15 In addition, every organization licensee, except as
16 provided in Section 27.1 of this Act, which conducts multiple
17 wagering shall pay, until January 1, 2000, as a privilege tax
18 on multiple wagers an amount equal to 1.25% of all moneys
19 wagered each day on such multiple wagers, plus an additional
20 amount equal to 3.5% of the amount wagered each day on any
21 other multiple wager which involves a single betting interest
22 on 3 or more horses. The licensee shall remit the amount of
23 such taxes to the Department of Revenue within 48 hours after
24 the close of the racing day on which it is assessed or within
25 such other time as the Board prescribes.

26 This subsection (a) shall be inoperative and of no force

1 and effect on and after January 1, 2000.

2 (a-5) Beginning on January 1, 2000, a flat pari-mutuel tax
3 at the rate of 1.5% of the daily pari-mutuel handle is imposed
4 at all pari-mutuel wagering facilities and on advance deposit
5 wagering from a location other than a wagering facility, except
6 as otherwise provided for in this subsection (a-5). In addition
7 to the pari-mutuel tax imposed on advance deposit wagering
8 pursuant to this subsection (a-5), beginning on the effective
9 date of this amendatory Act of the 97th General Assembly until
10 January 1, 2013, an additional pari-mutuel tax at the rate of
11 0.25% shall be imposed on advance deposit wagering. Until
12 August 25, 2012, the additional 0.25% pari-mutuel tax imposed
13 on advance deposit wagering by Public Act 96-972 shall be
14 deposited into the Quarter Horse Purse Fund, which shall be
15 created as a non-appropriated trust fund administered by the
16 Board for grants to thoroughbred organization licensees for
17 payment of purses for quarter horse races conducted by the
18 organization licensee. Beginning on August 26, 2012, the
19 additional 0.25% pari-mutuel tax imposed on advance deposit
20 wagering shall be deposited equally into the standardbred purse
21 accounts of organization licensees conducting standardbred
22 racing. Thoroughbred organization licensees may petition the
23 Board to conduct quarter horse racing and receive purse grants
24 from the Quarter Horse Purse Fund. The Board shall have
25 complete discretion in distributing the Quarter Horse Purse
26 Fund to the petitioning organization licensees. Beginning on

1 the effective date of this amendatory Act of the 96th General
2 Assembly and until moneys deposited pursuant to Section 54 are
3 distributed and received, a pari-mutuel tax at the rate of
4 0.75% of the daily pari-mutuel handle is imposed at a
5 pari-mutuel facility whose license is derived from a track
6 located in a county that borders the Mississippi River and
7 conducted live racing in the previous year. After moneys
8 deposited pursuant to Section 54 are distributed and received,
9 a pari-mutuel tax at the rate of 1.5% of the daily pari-mutuel
10 handle is imposed at a pari-mutuel facility whose license is
11 derived from a track located in a county that borders the
12 Mississippi River and conducted live racing in the previous
13 year. The pari-mutuel tax imposed by this subsection (a-5)
14 shall be remitted to the Department of Revenue within 48 hours
15 after the close of the racing day upon which it is assessed or
16 within such other time as the Board prescribes.

17 (a-10) Beginning on the date when an organization licensee
18 begins conducting electronic gaming pursuant to an electronic
19 gaming license, the following pari-mutuel tax is imposed upon
20 an organization licensee on Illinois races at the licensee's
21 race track:

22 1.5% of the pari-mutuel handle at or below the average
23 daily pari-mutuel handle for 2011.

24 2% of the pari-mutuel handle above the average daily
25 pari-mutuel handle for 2011 up to 125% of the average daily
26 pari-mutuel handle for 2011.

1 2.5% of the pari-mutuel handle 125% or more above the
2 average daily pari-mutuel handle for 2011 up to 150% of the
3 average daily pari-mutuel handle for 2011.

4 3% of the pari-mutuel handle 150% or more above the
5 average daily pari-mutuel handle for 2011 up to 175% of the
6 average daily pari-mutuel handle for 2011.

7 3.5% of the pari-mutuel handle 175% or more above the
8 average daily pari-mutuel handle for 2011.

9 The pari-mutuel tax imposed by this subsection (a-10) shall
10 be remitted to the Board within 48 hours after the close of the
11 racing day upon which it is assessed or within such other time
12 as the Board prescribes.

13 (b) On or before December 31, 1999, in the event that any
14 organization licensee conducts 2 separate programs of races on
15 any day, each such program shall be considered a separate
16 racing day for purposes of determining the daily handle and
17 computing the privilege tax on such daily handle as provided in
18 subsection (a) of this Section.

19 (c) Licensees shall at all times keep accurate books and
20 records of all monies wagered on each day of a race meeting and
21 of the taxes paid to the Department of Revenue under the
22 provisions of this Section. The Board or its duly authorized
23 representative or representatives shall at all reasonable
24 times have access to such records for the purpose of examining
25 and checking the same and ascertaining whether the proper
26 amount of taxes is being paid as provided. The Board shall

1 require verified reports and a statement of the total of all
2 monies wagered daily at each wagering facility upon which the
3 taxes are assessed and may prescribe forms upon which such
4 reports and statement shall be made.

5 (d) Before a license is issued or re-issued, the licensee
6 shall post a bond in the sum of \$500,000 to the State of
7 Illinois. The bond shall be used to guarantee that the licensee
8 faithfully makes the payments, keeps the books and records and
9 makes reports, and conducts games of chance in conformity with
10 this Act and the rules adopted by the Board. The bond shall not
11 be canceled by a surety on less than 30 days' notice in writing
12 to the Board. If a bond is canceled and the licensee fails to
13 file a new bond with the Board in the required amount on or
14 before the effective date of cancellation, the licensee's
15 license shall be revoked. The total and aggregate liability of
16 the surety on the bond is limited to the amount specified in
17 the bond. ~~Any licensee failing or refusing to pay the amount of~~
18 ~~any tax due under this Section shall be guilty of a business~~
19 ~~offense and upon conviction shall be fined not more than \$5,000~~
20 ~~in addition to the amount found due as tax under this Section.~~
21 ~~Each day's violation shall constitute a separate offense. All~~
22 ~~finer paid into Court by a licensee hereunder shall be~~
23 ~~transmitted and paid over by the Clerk of the Court to the~~
24 ~~Board.~~

25 (e) No other license fee, privilege tax, excise tax, or
26 racing fee, except as provided in this Act, shall be assessed

1 or collected from any such licensee by the State.

2 (f) No other license fee, privilege tax, excise tax or
3 racing fee shall be assessed or collected from any such
4 licensee by units of local government except as provided in
5 paragraph 10.1 of subsection (h) and subsection (f) of Section
6 26 of this Act. However, any municipality that has a Board
7 licensed horse race meeting at a race track wholly within its
8 corporate boundaries or a township that has a Board licensed
9 horse race meeting at a race track wholly within the
10 unincorporated area of the township may charge a local
11 amusement tax not to exceed 10¢ per admission to such horse
12 race meeting by the enactment of an ordinance. However, any
13 municipality or county that has a Board licensed inter-track
14 wagering location facility wholly within its corporate
15 boundaries may each impose an admission fee not to exceed \$1.00
16 per admission to such inter-track wagering location facility,
17 so that a total of not more than \$2.00 per admission may be
18 imposed. Except as provided in subparagraph (g) of Section 27
19 of this Act, the inter-track wagering location licensee shall
20 collect any and all such fees and within 48 hours remit the
21 fees to the Board, which shall, pursuant to rule, cause the
22 fees to be distributed to the county or municipality.

23 (g) Notwithstanding any provision in this Act to the
24 contrary, if in any calendar year the total taxes and fees from
25 wagering on live racing and from inter-track wagering required
26 to be collected from licensees and distributed under this Act

1 to all State and local governmental authorities exceeds the
2 amount of such taxes and fees distributed to each State and
3 local governmental authority to which each State and local
4 governmental authority was entitled under this Act for calendar
5 year 1994, then the first \$11 million of that excess amount
6 shall be allocated at the earliest possible date for
7 distribution as purse money for the succeeding calendar year.
8 Upon reaching the 1994 level, and until the excess amount of
9 taxes and fees exceeds \$11 million, the Board shall direct all
10 licensees to cease paying the subject taxes and fees and the
11 Board shall direct all licensees to allocate any such excess
12 amount for purses as follows:

13 (i) the excess amount shall be initially divided
14 between thoroughbred and standardbred purses based on the
15 thoroughbred's and standardbred's respective percentages
16 of total Illinois live wagering in calendar year 1994;

17 (ii) each thoroughbred and standardbred organization
18 licensee issued an organization licensee in that
19 succeeding allocation year shall be allocated an amount
20 equal to the product of its percentage of total Illinois
21 live thoroughbred or standardbred wagering in calendar
22 year 1994 (the total to be determined based on the sum of
23 1994 on-track wagering for all organization licensees
24 issued organization licenses in both the allocation year
25 and the preceding year) multiplied by the total amount
26 allocated for standardbred or thoroughbred purses,

1 provided that the first \$1,500,000 of the amount allocated
2 to standardbred purses under item (i) shall be allocated to
3 the Department of Agriculture to be expended with the
4 assistance and advice of the Illinois Standardbred
5 Breeders Funds Advisory Board for the purposes listed in
6 subsection (g) of Section 31 of this Act, before the amount
7 allocated to standardbred purses under item (i) is
8 allocated to standardbred organization licensees in the
9 succeeding allocation year.

10 To the extent the excess amount of taxes and fees to be
11 collected and distributed to State and local governmental
12 authorities exceeds \$11 million, that excess amount shall be
13 collected and distributed to State and local authorities as
14 provided for under this Act.

15 (Source: P.A. 96-762, eff. 8-25-09; 96-1287, eff. 7-26-10;
16 97-1060, eff. 8-24-12.)

17 (230 ILCS 5/30) (from Ch. 8, par. 37-30)

18 Sec. 30. (a) The General Assembly declares that it is the
19 policy of this State to encourage the breeding of thoroughbred
20 horses in this State and the ownership of such horses by
21 residents of this State in order to provide for: sufficient
22 numbers of high quality thoroughbred horses to participate in
23 thoroughbred racing meetings in this State, and to establish
24 and preserve the agricultural and commercial benefits of such
25 breeding and racing industries to the State of Illinois. It is

1 the intent of the General Assembly to further this policy by
2 the provisions of this Act.

3 (b) Each organization licensee conducting a thoroughbred
4 racing meeting pursuant to this Act shall provide at least two
5 races each day limited to Illinois conceived and foaled horses
6 or Illinois foaled horses or both. A minimum of 6 races shall
7 be conducted each week limited to Illinois conceived and foaled
8 or Illinois foaled horses or both. No horses shall be permitted
9 to start in such races unless duly registered under the rules
10 of the Department of Agriculture.

11 (c) Conditions of races under subsection (b) shall be
12 commensurate with past performance, quality, and class of
13 Illinois conceived and foaled and Illinois foaled horses
14 available. If, however, sufficient competition cannot be had
15 among horses of that class on any day, the races may, with
16 consent of the Board, be eliminated for that day and substitute
17 races provided.

18 (d) There is hereby created a special fund of the State
19 Treasury to be known as the Illinois Thoroughbred Breeders
20 Fund.

21 Beginning on the effective date of this amendatory Act of
22 the 98th General Assembly, the Illinois Thoroughbred Breeders
23 Fund shall become a non-appropriated trust fund held separately
24 from State moneys. Expenditures from this Fund shall no longer
25 be subject to appropriation.

26 Except as provided in subsection (g) of Section 27 of this

1 Act, 8.5% of all the monies received by the State as privilege
2 taxes on Thoroughbred racing meetings shall be paid into the
3 Illinois Thoroughbred Breeders Fund.

4 Notwithstanding any provision of law to the contrary,
5 amounts deposited into the Illinois Thoroughbred Breeders Fund
6 from revenues generated by electronic gaming after the
7 effective date of this amendatory Act of the 98th General
8 Assembly shall be in addition to tax and fee amounts paid under
9 this Section for calendar year 2013 and thereafter.

10 (e) The Illinois Thoroughbred Breeders Fund shall be
11 administered by the Department of Agriculture with the advice
12 and assistance of the Advisory Board created in subsection (f)
13 of this Section.

14 (f) The Illinois Thoroughbred Breeders Fund Advisory Board
15 shall consist of the Director of the Department of Agriculture,
16 who shall serve as Chairman; a member of the Illinois Racing
17 Board, designated by it; 2 representatives of the organization
18 licensees conducting thoroughbred racing meetings, recommended
19 by them; 2 representatives of the Illinois Thoroughbred
20 Breeders and Owners Foundation, recommended by it; one
21 representative ~~and 2 representatives~~ of the Horsemen's
22 Benevolent Protective Association; and one representative from
23 the Illinois Thoroughbred Horsemen's Association ~~or any~~
24 ~~successor organization established in Illinois comprised of~~
25 ~~the largest number of owners and trainers, recommended by it,~~
26 ~~with one representative of the Horsemen's Benevolent and~~

1 ~~Protective Association to come from its Illinois Division, and~~
2 ~~one from its Chicago Division.~~ Advisory Board members shall
3 serve for 2 years commencing January 1 of each odd numbered
4 year. If representatives of the organization licensees
5 conducting thoroughbred racing meetings, the Illinois
6 Thoroughbred Breeders and Owners Foundation, ~~and~~ the
7 Horsemen's Benevolent Protection Association, and the Illinois
8 Thoroughbred Horsemen's Association have not been recommended
9 by January 1, of each odd numbered year, the Director of the
10 Department of Agriculture shall make an appointment for the
11 organization failing to so recommend a member of the Advisory
12 Board. Advisory Board members shall receive no compensation for
13 their services as members but shall be reimbursed for all
14 actual and necessary expenses and disbursements incurred in the
15 execution of their official duties.

16 (g) ~~No monies shall be expended from the Illinois~~
17 ~~Thoroughbred Breeders Fund except as appropriated by the~~
18 ~~General Assembly.~~ Monies expended ~~appropriated~~ from the
19 Illinois Thoroughbred Breeders Fund shall be expended by the
20 Department of Agriculture, with the advice and assistance of
21 the Illinois Thoroughbred Breeders Fund Advisory Board, for the
22 following purposes only:

23 (1) To provide purse supplements to owners of horses
24 participating in races limited to Illinois conceived and
25 foaled and Illinois foaled horses. Any such purse
26 supplements shall not be included in and shall be paid in

1 addition to any purses, stakes, or breeders' awards offered
2 by each organization licensee as determined by agreement
3 between such organization licensee and an organization
4 representing the horsemen. No monies from the Illinois
5 Thoroughbred Breeders Fund shall be used to provide purse
6 supplements for claiming races in which the minimum
7 claiming price is less than \$7,500.

8 (2) To provide stakes and awards to be paid to the
9 owners of the winning horses in certain races limited to
10 Illinois conceived and foaled and Illinois foaled horses
11 designated as stakes races.

12 (2.5) To provide an award to the owner or owners of an
13 Illinois conceived and foaled or Illinois foaled horse that
14 wins a maiden special weight, an allowance, overnight
15 handicap race, or claiming race with claiming price of
16 \$10,000 or more providing the race is not restricted to
17 Illinois conceived and foaled or Illinois foaled horses.
18 Awards shall also be provided to the owner or owners of
19 Illinois conceived and foaled and Illinois foaled horses
20 that place second or third in those races. To the extent
21 that additional moneys are required to pay the minimum
22 additional awards of 40% of the purse the horse earns for
23 placing first, second or third in those races for Illinois
24 foaled horses and of 60% of the purse the horse earns for
25 placing first, second or third in those races for Illinois
26 conceived and foaled horses, those moneys shall be provided

1 from the purse account at the track where earned.

2 (3) To provide stallion awards to the owner or owners
3 of any stallion that is duly registered with the Illinois
4 Thoroughbred Breeders Fund Program ~~prior to the effective~~
5 ~~date of this amendatory Act of 1995~~ whose duly registered
6 Illinois conceived and foaled offspring wins a race
7 conducted at an Illinois thoroughbred racing meeting other
8 than a claiming race, provided that the stallion stood
9 service within Illinois at the time the offspring was
10 conceived and that the stallion did not stand for service
11 outside of Illinois at any time during the year in which
12 the offspring was conceived. ~~Such award shall not be paid~~
13 ~~to the owner or owners of an Illinois stallion that served~~
14 ~~outside this State at any time during the calendar year in~~
15 ~~which such race was conducted.~~

16 (4) To provide \$75,000 annually for purses to be
17 distributed to county fairs that provide for the running of
18 races during each county fair exclusively for the
19 thoroughbreds conceived and foaled in Illinois. The
20 conditions of the races shall be developed by the county
21 fair association and reviewed by the Department with the
22 advice and assistance of the Illinois Thoroughbred
23 Breeders Fund Advisory Board. There shall be no wagering of
24 any kind on the running of Illinois conceived and foaled
25 races at county fairs.

26 (4.1) To provide purse money for an Illinois stallion

1 stakes program.

2 (5) No less than 90% ~~80%~~ of all monies appropriated
3 from the Illinois Thoroughbred Breeders Fund shall be
4 expended for the purposes in (1), (2), (2.5), (3), (4),
5 (4.1), and (5) as shown above.

6 (6) To provide for educational programs regarding the
7 thoroughbred breeding industry.

8 (7) To provide for research programs concerning the
9 health, development and care of the thoroughbred horse.

10 (8) To provide for a scholarship and training program
11 for students of equine veterinary medicine.

12 (9) To provide for dissemination of public information
13 designed to promote the breeding of thoroughbred horses in
14 Illinois.

15 (10) To provide for all expenses incurred in the
16 administration of the Illinois Thoroughbred Breeders Fund.

17 (h) The Illinois Thoroughbred Breeders Fund is not subject
18 to administrative charges or chargebacks, including, but not
19 limited to, those authorized under Section 8h of the State
20 Finance Act. ~~Whenever the Governor finds that the amount in the~~
21 ~~Illinois Thoroughbred Breeders Fund is more than the total of~~
22 ~~the outstanding appropriations from such fund, the Governor~~
23 ~~shall notify the State Comptroller and the State Treasurer of~~
24 ~~such fact. The Comptroller and the State Treasurer, upon~~
25 ~~receipt of such notification, shall transfer such excess amount~~
26 ~~from the Illinois Thoroughbred Breeders Fund to the General~~

1 ~~Revenue Fund.~~

2 (i) A sum equal to 13% ~~12 1/2%~~ of the first prize money of
3 every purse won by an Illinois foaled or an Illinois conceived
4 and foaled horse in races not limited to Illinois foaled horses
5 or Illinois conceived and foaled horses, or both, shall be paid
6 by the organization licensee conducting the horse race meeting.
7 Such sum shall be paid 50% from the organization licensee's
8 account and 50% from the purse account of the licensee ~~share of~~
9 ~~the money wagered~~ as follows: 11 1/2% to the breeder of the
10 winning horse and 1 1/2% ~~1%~~ to the organization representing
11 thoroughbred breeders and owners whose representative serves
12 on the Illinois Thoroughbred Breeders Fund Advisory Board for
13 verifying the amounts of breeders' awards earned, assuring
14 their distribution in accordance with this Act, and servicing
15 and promoting the Illinois thoroughbred horse racing industry.
16 The organization representing thoroughbred breeders and owners
17 shall cause all expenditures of monies received under this
18 subsection (i) to be audited at least annually by a registered
19 public accountant. The organization shall file copies of each
20 annual audit with the Racing Board, the Clerk of the House of
21 Representatives and the Secretary of the Senate, and shall make
22 copies of each annual audit available to the public upon
23 request and upon payment of the reasonable cost of photocopying
24 the requested number of copies. Such payments shall not reduce
25 any award to the owner of the horse or reduce the taxes payable
26 under this Act. Upon completion of its racing meet, each

1 organization licensee shall deliver to the organization
2 representing thoroughbred breeders and owners whose
3 representative serves on the Illinois Thoroughbred Breeders
4 Fund Advisory Board a listing of all the Illinois foaled and
5 the Illinois conceived and foaled horses which won breeders'
6 awards and the amount of such breeders' awards under this
7 subsection to verify accuracy of payments and assure proper
8 distribution of breeders' awards in accordance with the
9 provisions of this Act. Such payments shall be delivered by the
10 organization licensee within 30 days of the end of each race
11 meeting.

12 (j) A sum equal to 13% ~~12 1/2%~~ of the first prize money won
13 in each race limited to Illinois foaled horses or Illinois
14 conceived and foaled horses, or both, shall be paid in the
15 following manner by the organization licensee conducting the
16 horse race meeting, 50% from the organization licensee's
17 account and 50% from the purse account of the licensee ~~share of~~
18 ~~the money wagered~~: 11 1/2% to the breeders of the horses in
19 each such race which are the official first, second, third and
20 fourth finishers and 1 1/2% ~~1%~~ to the organization representing
21 thoroughbred breeders and owners whose representative serves
22 on the Illinois Thoroughbred Breeders Fund Advisory Board for
23 verifying the amounts of breeders' awards earned, assuring
24 their proper distribution in accordance with this Act, and
25 servicing and promoting the Illinois thoroughbred horse racing
26 industry. The organization representing thoroughbred breeders

1 and owners shall cause all expenditures of monies received
2 under this subsection (j) to be audited at least annually by a
3 registered public accountant. The organization shall file
4 copies of each annual audit with the Racing Board, the Clerk of
5 the House of Representatives and the Secretary of the Senate,
6 and shall make copies of each annual audit available to the
7 public upon request and upon payment of the reasonable cost of
8 photocopying the requested number of copies.

9 The 11 1/2% paid to the breeders in accordance with this
10 subsection shall be distributed as follows:

11 (1) 60% of such sum shall be paid to the breeder of the
12 horse which finishes in the official first position;

13 (2) 20% of such sum shall be paid to the breeder of the
14 horse which finishes in the official second position;

15 (3) 15% of such sum shall be paid to the breeder of the
16 horse which finishes in the official third position; and

17 (4) 5% of such sum shall be paid to the breeder of the
18 horse which finishes in the official fourth position.

19 Such payments shall not reduce any award to the owners of a
20 horse or reduce the taxes payable under this Act. Upon
21 completion of its racing meet, each organization licensee shall
22 deliver to the organization representing thoroughbred breeders
23 and owners whose representative serves on the Illinois
24 Thoroughbred Breeders Fund Advisory Board a listing of all the
25 Illinois foaled and the Illinois conceived and foaled horses
26 which won breeders' awards and the amount of such breeders'

1 awards in accordance with the provisions of this Act. Such
2 payments shall be delivered by the organization licensee within
3 30 days of the end of each race meeting.

4 (k) The term "breeder", as used herein, means the owner of
5 the mare at the time the foal is dropped. An "Illinois foaled
6 horse" is a foal dropped by a mare which enters this State on
7 or before December 1, in the year in which the horse is bred,
8 provided the mare remains continuously in this State until its
9 foal is born. An "Illinois foaled horse" also means a foal born
10 of a mare in the same year as the mare enters this State on or
11 before March 1, and remains in this State at least 30 days
12 after foaling, is bred back during the season of the foaling to
13 an Illinois Registered Stallion (unless a veterinarian
14 certifies that the mare should not be bred for health reasons),
15 and is not bred to a stallion standing in any other state
16 during the season of foaling. An "Illinois foaled horse" also
17 means a foal born in Illinois of a mare purchased at public
18 auction subsequent to the mare entering this State on or before
19 March 1 ~~prior to February 1~~ of the foaling year providing the
20 mare is owned solely by one or more Illinois residents or an
21 Illinois entity that is entirely owned by one or more Illinois
22 residents.

23 (l) The Department of Agriculture shall, by rule, with the
24 advice and assistance of the Illinois Thoroughbred Breeders
25 Fund Advisory Board:

26 (1) Qualify stallions for Illinois breeding; such

1 stallions to stand for service within the State of Illinois
2 at the time of a foal's conception. Such stallion must not
3 stand for service at any place outside the State of
4 Illinois during the calendar year in which the foal is
5 conceived. The Department of Agriculture may assess and
6 collect an application fee of up to \$500 ~~fees~~ for the
7 registration of Illinois-eligible stallions. All fees
8 collected are to be held in trust accounts for the purposes
9 set forth in this Act and in accordance with Section 205-15
10 of the Department of Agriculture Law ~~paid into the Illinois~~
11 ~~Thoroughbred Breeders Fund.~~

12 (2) Provide for the registration of Illinois conceived
13 and foaled horses and Illinois foaled horses. No such horse
14 shall compete in the races limited to Illinois conceived
15 and foaled horses or Illinois foaled horses or both unless
16 registered with the Department of Agriculture. The
17 Department of Agriculture may prescribe such forms as are
18 necessary to determine the eligibility of such horses. The
19 Department of Agriculture may assess and collect
20 application fees for the registration of Illinois-eligible
21 foals. All fees collected are to be held in trust accounts
22 for the purposes set forth in this Act and in accordance
23 with Section 205-15 of the Department of Agriculture Law
24 ~~paid into the Illinois Thoroughbred Breeders Fund.~~ No
25 person shall knowingly prepare or cause preparation of an
26 application for registration of such foals containing

1 false information.

2 (m) The Department of Agriculture, with the advice and
3 assistance of the Illinois Thoroughbred Breeders Fund Advisory
4 Board, shall provide that certain races limited to Illinois
5 conceived and foaled and Illinois foaled horses be stakes races
6 and determine the total amount of stakes and awards to be paid
7 to the owners of the winning horses in such races.

8 In determining the stakes races and the amount of awards
9 for such races, the Department of Agriculture shall consider
10 factors, including but not limited to, the amount of money
11 appropriated for the Illinois Thoroughbred Breeders Fund
12 program, organization licensees' contributions, availability
13 of stakes caliber horses as demonstrated by past performances,
14 whether the race can be coordinated into the proposed racing
15 dates within organization licensees' racing dates, opportunity
16 for colts and fillies and various age groups to race, public
17 wagering on such races, and the previous racing schedule.

18 (n) The Board and the organizational licensee shall notify
19 the Department of the conditions and minimum purses for races
20 limited to Illinois conceived and foaled and Illinois foaled
21 horses conducted for each organizational licensee conducting a
22 thoroughbred racing meeting. The Department of Agriculture
23 with the advice and assistance of the Illinois Thoroughbred
24 Breeders Fund Advisory Board may allocate monies for purse
25 supplements for such races. In determining whether to allocate
26 money and the amount, the Department of Agriculture shall

1 consider factors, including but not limited to, the amount of
2 money appropriated for the Illinois Thoroughbred Breeders Fund
3 program, the number of races that may occur, and the
4 organizational licensee's purse structure.

5 (o) In order to improve the breeding quality of
6 thoroughbred horses in the State, the General Assembly
7 recognizes that existing provisions of this Section to
8 encourage such quality breeding need to be revised and
9 strengthened. As such, a Thoroughbred Breeder's Program Task
10 Force is to be appointed by the Governor by September 1, 1999
11 to make recommendations to the General Assembly by no later
12 than March 1, 2000. This task force is to be composed of 2
13 representatives from the Illinois Thoroughbred Breeders and
14 Owners Foundation, 2 from the Illinois Thoroughbred Horsemen's
15 Association, 3 from Illinois race tracks operating
16 thoroughbred race meets for an average of at least 30 days in
17 the past 3 years, the Director of Agriculture, the Executive
18 Director of the Racing Board, who shall serve as Chairman.

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

20 (230 ILCS 5/30.5)

21 Sec. 30.5. Illinois Racing Quarter Horse Breeders Fund.

22 (a) The General Assembly declares that it is the policy of
23 this State to encourage the breeding of racing quarter horses
24 in this State and the ownership of such horses by residents of
25 this State in order to provide for sufficient numbers of high

1 quality racing quarter horses in this State and to establish
2 and preserve the agricultural and commercial benefits of such
3 breeding and racing industries to the State of Illinois. It is
4 the intent of the General Assembly to further this policy by
5 the provisions of this Act.

6 (b) There is hereby created non-appropriated trust ~~a~~
7 ~~special fund in the State Treasury~~ to be known as the Illinois
8 Racing Quarter Horse Breeders Fund, which is held separately
9 from State moneys. Except as provided in subsection (g) of
10 Section 27 of this Act, 8.5% of all the moneys received by the
11 State as pari-mutuel taxes on quarter horse racing shall be
12 paid into the Illinois Racing Quarter Horse Breeders Fund. The
13 Illinois Racing Quarter Horse Breeders Fund shall not be
14 subject to administrative charges or chargebacks, including,
15 but not limited to, those authorized under Section 8h of the
16 State Finance Act.

17 (c) The Illinois Racing Quarter Horse Breeders Fund shall
18 be administered by the Department of Agriculture with the
19 advice and assistance of the Advisory Board created in
20 subsection (d) of this Section.

21 (d) The Illinois Racing Quarter Horse Breeders Fund
22 Advisory Board shall consist of the Director of the Department
23 of Agriculture, who shall serve as Chairman; a member of the
24 Illinois Racing Board, designated by it; one representative of
25 the organization licensees conducting pari-mutuel quarter
26 horse racing meetings, recommended by them; 2 representatives

1 of the Illinois Running Quarter Horse Association, recommended
2 by it; and the Superintendent of Fairs and Promotions from the
3 Department of Agriculture. Advisory Board members shall serve
4 for 2 years commencing January 1 of each odd numbered year. If
5 representatives have not been recommended by January 1 of each
6 odd numbered year, the Director of the Department of
7 Agriculture may make an appointment for the organization
8 failing to so recommend a member of the Advisory Board.
9 Advisory Board members shall receive no compensation for their
10 services as members but may be reimbursed for all actual and
11 necessary expenses and disbursements incurred in the execution
12 of their official duties.

13 (e) Moneys in ~~No moneys shall be expended from the Illinois~~
14 ~~Racing Quarter Horse Breeders Fund except as appropriated by~~
15 ~~the General Assembly. Moneys appropriated from~~ the Illinois
16 Racing Quarter Horse Breeders Fund shall be expended by the
17 Department of Agriculture, with the advice and assistance of
18 the Illinois Racing Quarter Horse Breeders Fund Advisory Board,
19 for the following purposes only:

20 (1) To provide stakes and awards to be paid to the
21 owners of the winning horses in certain races. This
22 provision is limited to Illinois conceived and foaled
23 horses.

24 (2) To provide an award to the owner or owners of an
25 Illinois conceived and foaled horse that wins a race when
26 pari-mutuel wagering is conducted; providing the race is

1 not restricted to Illinois conceived and foaled horses.

2 (3) To provide purse money for an Illinois stallion
3 stakes program.

4 (4) To provide for purses to be distributed for the
5 running of races during the Illinois State Fair and the
6 DuQuoin State Fair exclusively for quarter horses
7 conceived and foaled in Illinois.

8 (5) To provide for purses to be distributed for the
9 running of races at Illinois county fairs exclusively for
10 quarter horses conceived and foaled in Illinois.

11 (6) To provide for purses to be distributed for running
12 races exclusively for quarter horses conceived and foaled
13 in Illinois at locations in Illinois determined by the
14 Department of Agriculture with advice and consent of the
15 Illinois Racing Quarter Horse Breeders Fund Advisory
16 Board.

17 (7) No less than 90% of all moneys appropriated from
18 the Illinois Racing Quarter Horse Breeders Fund shall be
19 expended for the purposes in items (1), (2), (3), (4), and
20 (5) of this subsection (e).

21 (8) To provide for research programs concerning the
22 health, development, and care of racing quarter horses.

23 (9) To provide for dissemination of public information
24 designed to promote the breeding of racing quarter horses
25 in Illinois.

26 (10) To provide for expenses incurred in the

1 administration of the Illinois Racing Quarter Horse
2 Breeders Fund.

3 (f) The Department of Agriculture shall, by rule, with the
4 advice and assistance of the Illinois Racing Quarter Horse
5 Breeders Fund Advisory Board:

6 (1) Qualify stallions for Illinois breeding; such
7 stallions to stand for service within the State of
8 Illinois, at the time of a foal's conception. Such stallion
9 must not stand for service at any place outside the State
10 of Illinois during the calendar year in which the foal is
11 conceived. The Department of Agriculture may assess and
12 collect application fees for the registration of
13 Illinois-eligible stallions. All fees collected are to be
14 paid into the Illinois Racing Quarter Horse Breeders Fund.

15 (2) Provide for the registration of Illinois conceived
16 and foaled horses. No such horse shall compete in the races
17 limited to Illinois conceived and foaled horses unless it
18 is registered with the Department of Agriculture. The
19 Department of Agriculture may prescribe such forms as are
20 necessary to determine the eligibility of such horses. The
21 Department of Agriculture may assess and collect
22 application fees for the registration of Illinois-eligible
23 foals. All fees collected are to be paid into the Illinois
24 Racing Quarter Horse Breeders Fund. No person shall
25 knowingly prepare or cause preparation of an application
26 for registration of such foals that contains false

1 information.

2 (g) The Department of Agriculture, with the advice and
3 assistance of the Illinois Racing Quarter Horse Breeders Fund
4 Advisory Board, shall provide that certain races limited to
5 Illinois conceived and foaled be stakes races and determine the
6 total amount of stakes and awards to be paid to the owners of
7 the winning horses in such races.

8 (Source: P.A. 91-40, eff. 6-25-99; revised 10-18-12.)

9 (230 ILCS 5/31) (from Ch. 8, par. 37-31)

10 Sec. 31. (a) The General Assembly declares that it is the
11 policy of this State to encourage the breeding of standardbred
12 horses in this State and the ownership of such horses by
13 residents of this State in order to provide for: sufficient
14 numbers of high quality standardbred horses to participate in
15 harness racing meetings in this State, and to establish and
16 preserve the agricultural and commercial benefits of such
17 breeding and racing industries to the State of Illinois. It is
18 the intent of the General Assembly to further this policy by
19 the provisions of this Section of this Act.

20 (b) Each organization licensee conducting a harness racing
21 meeting pursuant to this Act shall provide for at least two
22 races each race program limited to Illinois conceived and
23 foaled horses. A minimum of 6 races shall be conducted each
24 week limited to Illinois conceived and foaled horses. No horses
25 shall be permitted to start in such races unless duly

1 registered under the rules of the Department of Agriculture.

2 (b-5) Organization licensees, not including the Illinois
3 State Fair or the DuQuoin State Fair, shall provide stake races
4 and early closer races for Illinois conceived and foaled horses
5 so that purses distributed for such races shall be no less than
6 17% of total purses distributed for harness racing in that
7 calendar year in addition to any stakes payments and starting
8 fees contributed by horse owners.

9 (b-10) Each organization licensee conducting a harness
10 racing meeting pursuant to this Act shall provide an owner
11 award to be paid from the purse account equal to 25% of the
12 amount earned by Illinois conceived and foaled horses in races
13 that are not restricted to Illinois conceived and foaled
14 horses. The owner awards shall not be paid on races below the
15 \$10,000 claiming class.

16 (c) Conditions of races under subsection (b) shall be
17 commensurate with past performance, quality and class of
18 Illinois conceived and foaled horses available. If, however,
19 sufficient competition cannot be had among horses of that class
20 on any day, the races may, with consent of the Board, be
21 eliminated for that day and substitute races provided.

22 (d) There is hereby created a special fund of the State
23 Treasury to be known as the Illinois Standardbred Breeders
24 Fund.

25 During the calendar year 1981, and each year thereafter,
26 except as provided in subsection (g) of Section 27 of this Act,

1 eight and one-half per cent of all the monies received by the
2 State as privilege taxes on harness racing meetings shall be
3 paid into the Illinois Standardbred Breeders Fund.

4 (e) The Illinois Standardbred Breeders Fund shall be
5 administered by the Department of Agriculture with the
6 assistance and advice of the Advisory Board created in
7 subsection (f) of this Section.

8 (f) The Illinois Standardbred Breeders Fund Advisory Board
9 is hereby created. The Advisory Board shall consist of the
10 Director of the Department of Agriculture, who shall serve as
11 Chairman; the Superintendent of the Illinois State Fair; a
12 member of the Illinois Racing Board, designated by it; a
13 representative of the Illinois Standardbred Owners and
14 Breeders Association, recommended by it; a representative of
15 the Illinois Association of Agricultural Fairs, recommended by
16 it, such representative to be from a fair at which Illinois
17 conceived and foaled racing is conducted; a representative of
18 the organization licensees conducting harness racing meetings,
19 recommended by them and a representative of the Illinois
20 Harness Horsemen's Association, recommended by it. Advisory
21 Board members shall serve for 2 years commencing January 1, of
22 each odd numbered year. If representatives of the Illinois
23 Standardbred Owners and Breeders Associations, the Illinois
24 Association of Agricultural Fairs, the Illinois Harness
25 Horsemen's Association, and the organization licensees
26 conducting harness racing meetings have not been recommended by

1 January 1, of each odd numbered year, the Director of the
2 Department of Agriculture shall make an appointment for the
3 organization failing to so recommend a member of the Advisory
4 Board. Advisory Board members shall receive no compensation for
5 their services as members but shall be reimbursed for all
6 actual and necessary expenses and disbursements incurred in the
7 execution of their official duties.

8 (g) No monies shall be expended from the Illinois
9 Standardbred Breeders Fund except as appropriated by the
10 General Assembly. Monies appropriated from the Illinois
11 Standardbred Breeders Fund shall be expended by the Department
12 of Agriculture, with the assistance and advice of the Illinois
13 Standardbred Breeders Fund Advisory Board for the following
14 purposes only:

15 1. To provide purses for races limited to Illinois
16 conceived and foaled horses at the State Fair and the
17 DuQuoin State Fair.

18 2. To provide purses for races limited to Illinois
19 conceived and foaled horses at county fairs.

20 3. To provide purse supplements for races limited to
21 Illinois conceived and foaled horses conducted by
22 associations conducting harness racing meetings.

23 4. No less than 75% of all monies in the Illinois
24 Standardbred Breeders Fund shall be expended for purses in
25 1, 2 and 3 as shown above.

26 5. In the discretion of the Department of Agriculture

1 to provide awards to harness breeders of Illinois conceived
2 and foaled horses which win races conducted by organization
3 licensees conducting harness racing meetings. A breeder is
4 the owner of a mare at the time of conception. No more than
5 10% of all monies appropriated from the Illinois
6 Standardbred Breeders Fund shall be expended for such
7 harness breeders awards. No more than 25% of the amount
8 expended for harness breeders awards shall be expended for
9 expenses incurred in the administration of such harness
10 breeders awards.

11 6. To pay for the improvement of racing facilities
12 located at the State Fair and County fairs.

13 7. To pay the expenses incurred in the administration
14 of the Illinois Standardbred Breeders Fund.

15 8. To promote the sport of harness racing, including
16 grants up to a maximum of \$7,500 per fair per year for
17 conducting pari-mutuel wagering during the advertised
18 dates of a county fair.

19 9. To pay up to \$50,000 annually for the Department of
20 Agriculture to conduct drug testing at county fairs racing
21 standardbred horses.

22 10. To pay up to \$100,000 annually for distribution to
23 Illinois county fairs to supplement premiums offered in
24 junior classes.

25 11. To pay up to \$100,000 annually for division and
26 equal distribution to the animal sciences department of

1 each Illinois public university system engaged in equine
2 research and education on or before the effective date of
3 this amendatory Act of the 98th General Assembly for equine
4 research and education.

5 (h) (Blank) ~~Whenever the Governor finds that the amount in~~
6 ~~the Illinois Standardbred Breeders Fund is more than the total~~
7 ~~of the outstanding appropriations from such fund, the Governor~~
8 ~~shall notify the State Comptroller and the State Treasurer of~~
9 ~~such fact. The Comptroller and the State Treasurer, upon~~
10 ~~receipt of such notification, shall transfer such excess amount~~
11 ~~from the Illinois Standardbred Breeders Fund to the General~~
12 ~~Revenue Fund.~~

13 (i) A sum equal to 13% ~~12-1/2%~~ of the first prize money of
14 the gross every purse won by an Illinois conceived and foaled
15 horse shall be paid 50% by the organization licensee conducting
16 the horse race meeting to the breeder of such winning horse
17 from the organization licensee's account and 50% from the purse
18 account of the licensee ~~share of the money wagered~~. Such
19 payment shall not reduce any award to the owner of the horse or
20 reduce the taxes payable under this Act. Such payment shall be
21 delivered by the organization licensee at the end of each
22 quarter ~~race meeting~~.

23 (j) The Department of Agriculture shall, by rule, with the
24 assistance and advice of the Illinois Standardbred Breeders
25 Fund Advisory Board:

26 1. Qualify stallions for Illinois Standardbred

1 Breeders Fund breeding; ~~such stallion shall be owned by a~~
2 ~~resident of the State of Illinois or by an Illinois~~
3 ~~corporation all of whose shareholders, directors, officers~~
4 ~~and incorporators are residents of the State of Illinois.~~

5 Such stallion shall stand for service at and within the
6 State of Illinois at the time of a foal's conception, and
7 such stallion must not stand for service at any place, ~~nor~~

8 ~~may semen from such stallion be transported,~~ outside the
9 State of Illinois during that calendar year in which the
10 foal is conceived ~~and that the owner of the stallion was~~
11 ~~for the 12 months prior, a resident of Illinois. Foals~~

12 conceived outside the State of Illinois from shipped semen
13 from a stallion qualified for breeders' awards under this
14 Section are not eligible to participate in the Illinois
15 conceived and foaled program. ~~The articles of agreement of~~

16 ~~any partnership, joint venture, limited partnership,~~
17 ~~syndicate, association or corporation and any bylaws and~~
18 ~~stock certificates must contain a restriction that~~
19 ~~provides that the ownership or transfer of interest by any~~

20 ~~one of the persons a party to the agreement can only be~~
21 ~~made to a person who qualifies as an Illinois resident.~~

22 2. Provide for the registration of Illinois conceived
23 and foaled horses and no such horse shall compete in the
24 races limited to Illinois conceived and foaled horses
25 unless registered with the Department of Agriculture. The
26 Department of Agriculture may prescribe such forms as may

1 be necessary to determine the eligibility of such horses.
2 No person shall knowingly prepare or cause preparation of
3 an application for registration of such foals containing
4 false information. A mare (dam) must be in the state at
5 least 180 ~~30~~ days prior to foaling or remain in the State
6 at least 30 days at the time of foaling. Beginning with the
7 1996 breeding season and for foals of 1997 and thereafter,
8 a foal conceived in the State of Illinois by transported
9 fresh semen may be eligible for Illinois conceived and
10 foaled registration provided all breeding and foaling
11 requirements are met. The stallion must be qualified for
12 Illinois Standardbred Breeders Fund breeding at the time of
13 conception and the mare must be inseminated within the
14 State of Illinois. The foal must be dropped in Illinois and
15 properly registered with the Department of Agriculture in
16 accordance with this Act.

17 3. Provide that at least a 5 day racing program shall
18 be conducted at the State Fair each year, which program
19 shall include at least the following races limited to
20 Illinois conceived and foaled horses: (a) a two year old
21 Trot and Pace, and Filly Division of each; (b) a three year
22 old Trot and Pace, and Filly Division of each; (c) an aged
23 Trot and Pace, and Mare Division of each.

24 4. Provide for the payment of nominating, sustaining
25 and starting fees for races promoting the sport of harness
26 racing and for the races to be conducted at the State Fair

1 as provided in subsection (j) 3 of this Section provided
2 that the nominating, sustaining and starting payment
3 required from an entrant shall not exceed 2% of the purse
4 of such race. All nominating, sustaining and starting
5 payments shall be held for the benefit of entrants and
6 shall be paid out as part of the respective purses for such
7 races. Nominating, sustaining and starting fees shall be
8 held in trust accounts for the purposes as set forth in
9 this Act and in accordance with Section 205-15 of the
10 Department of Agriculture Law (20 ILCS 205/205-15).

11 5. Provide for the registration with the Department of
12 Agriculture of Colt Associations or county fairs desiring
13 to sponsor races at county fairs.

14 6. Provide for the promotion of producing standardbred
15 racehorses by providing a bonus award program for owners of
16 2-year-old horses that win multiple major stakes races that
17 are limited to Illinois conceived and foaled horses.

18 (k) The Department of Agriculture, with the advice and
19 assistance of the Illinois Standardbred Breeders Fund Advisory
20 Board, may allocate monies for purse supplements for such
21 races. In determining whether to allocate money and the amount,
22 the Department of Agriculture shall consider factors,
23 including but not limited to, the amount of money appropriated
24 for the Illinois Standardbred Breeders Fund program, the number
25 of races that may occur, and an organizational licensee's purse
26 structure. The organizational licensee shall notify the

1 Department of Agriculture of the conditions and minimum purses
2 for races limited to Illinois conceived and foaled horses to be
3 conducted by each organizational licensee conducting a harness
4 racing meeting for which purse supplements have been
5 negotiated.

6 (l) All races held at county fairs and the State Fair which
7 receive funds from the Illinois Standardbred Breeders Fund
8 shall be conducted in accordance with the rules of the United
9 States Trotting Association unless otherwise modified by the
10 Department of Agriculture.

11 (m) At all standardbred race meetings held or conducted
12 under authority of a license granted by the Board, and at all
13 standardbred races held at county fairs which are approved by
14 the Department of Agriculture or at the Illinois or DuQuoin
15 State Fairs, no one shall jog, train, warm up or drive a
16 standardbred horse unless he or she is wearing a protective
17 safety helmet, with the chin strap fastened and in place, which
18 meets the standards and requirements as set forth in the 1984
19 Standard for Protective Headgear for Use in Harness Racing and
20 Other Equestrian Sports published by the Snell Memorial
21 Foundation, or any standards and requirements for headgear the
22 Illinois Racing Board may approve. Any other standards and
23 requirements so approved by the Board shall equal or exceed
24 those published by the Snell Memorial Foundation. Any
25 equestrian helmet bearing the Snell label shall be deemed to
26 have met those standards and requirements.

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

2 (230 ILCS 5/31.1) (from Ch. 8, par. 37-31.1)

3 Sec. 31.1. (a) Organization licensees collectively shall
4 contribute annually to charity the sum of \$1,000,000 ~~\$750,000~~
5 to non-profit organizations that provide medical and family,
6 counseling, and similar services to persons who reside or work
7 on the backstretch of Illinois racetracks. These contributions
8 shall be collected as follows: (i) no later than July 1st of
9 each year the Board shall assess each organization licensee,
10 except those tracks which are not within 100 miles of each
11 other which tracks shall pay \$40,000 ~~\$30,000~~ annually apiece
12 into the Board charity fund, that amount which equals \$920,000
13 ~~\$690,000~~ multiplied by the amount of pari-mutuel wagering
14 handled by the organization licensee in the year preceding
15 assessment and divided by the total pari-mutuel wagering
16 handled by all Illinois organization licensees, except those
17 tracks which are not within 100 miles of each other, in the
18 year preceding assessment; (ii) notice of the assessed
19 contribution shall be mailed to each organization licensee;
20 (iii) within thirty days of its receipt of such notice, each
21 organization licensee shall remit the assessed contribution to
22 the Board. If an organization licensee wilfully fails to so
23 remit the contribution, the Board may revoke its license to
24 conduct horse racing.

25 (b) No later than October 1st of each year, any qualified

1 charitable organization seeking an allotment of contributed
2 funds shall submit to the Board an application for those funds,
3 using the Board's approved form. No later than December 31st of
4 each year, the Board shall distribute all such amounts
5 collected that year to such charitable organization
6 applicants.

7 (Source: P.A. 87-110.)

8 (230 ILCS 5/32.1)

9 Sec. 32.1. Pari-mutuel tax credit; statewide racetrack
10 real estate equalization.

11 (a) In order to encourage new investment in Illinois
12 racetrack facilities and mitigate differing real estate tax
13 burdens among all racetracks, the licensees affiliated or
14 associated with each racetrack that has been awarded live
15 racing dates in the current year shall receive an immediate
16 pari-mutuel tax credit in an amount equal to the greater of (i)
17 50% of the amount of the real estate taxes paid in the prior
18 year attributable to that racetrack, or (ii) the amount by
19 which the real estate taxes paid in the prior year attributable
20 to that racetrack exceeds 60% of the average real estate taxes
21 paid in the prior year for all racetracks awarded live horse
22 racing meets in the current year.

23 Each year, regardless of whether the organization licensee
24 conducted live racing in the year of certification, the Board
25 shall certify in writing, prior to December 31, the real estate

1 taxes paid in that year for each racetrack and the amount of
2 the pari-mutuel tax credit that each organization licensee,
3 intertrack wagering licensee, and intertrack wagering location
4 licensee that derives its license from such racetrack is
5 entitled in the succeeding calendar year. The real estate taxes
6 considered under this Section for any racetrack shall be those
7 taxes on the real estate parcels and related facilities used to
8 conduct a horse race meeting and inter-track wagering at such
9 racetrack under this Act. In no event shall the amount of the
10 tax credit under this Section exceed the amount of pari-mutuel
11 taxes otherwise calculated under this Act. The amount of the
12 tax credit under this Section shall be retained by each
13 licensee and shall not be subject to any reallocation or
14 further distribution under this Act. The Board may promulgate
15 emergency rules to implement this Section.

16 (b) Beginning on January 1 following the calendar year
17 during which an organization licensee begins conducting
18 electronic gaming operations pursuant to an electronic gaming
19 license issued under the Illinois Gambling Act, the
20 organization licensee shall be ineligible to receive a tax
21 credit under this Section.

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

23 (230 ILCS 5/34.3 new)

24 Sec. 34.3. Drug testing. The Illinois Racing Board and the
25 Department of Agriculture shall jointly establish a program for

1 the purpose of conducting drug testing of horses at county
2 fairs and shall adopt any rules necessary for enforcement of
3 the program. The rules shall include appropriate penalties for
4 violations.

5 (230 ILCS 5/36) (from Ch. 8, par. 37-36)

6 Sec. 36. (a) Whoever administers or conspires to administer
7 to any horse a hypnotic, narcotic, stimulant, depressant or any
8 chemical substance which may affect the speed of a horse at any
9 time in any race where the purse or any part of the purse is
10 made of money authorized by any Section of this Act, except
11 those chemical substances permitted by ruling of the Board,
12 internally, externally or by hypodermic method in a race or
13 prior thereto, or whoever knowingly enters a horse in any race
14 within a period of 24 hours after any hypnotic, narcotic,
15 stimulant, depressant or any other chemical substance which may
16 affect the speed of a horse at any time, except those chemical
17 substances permitted by ruling of the Board, has been
18 administered to such horse either internally or externally or
19 by hypodermic method for the purpose of increasing or retarding
20 the speed of such horse shall be guilty of a Class 4 felony.
21 The Board shall suspend or revoke such violator's license.

22 (b) The term "hypnotic" as used in this Section includes
23 all barbituric acid preparations and derivatives.

24 (c) The term "narcotic" as used in this Section includes
25 opium and all its alkaloids, salts, preparations and

1 derivatives, cocaine and all its salts, preparations and
2 derivatives and substitutes.

3 (d) The provisions of this Section 36 and the treatment
4 authorized herein apply to horses entered in and competing in
5 race meetings as defined in Section 3.07 of this Act and to
6 horses entered in and competing at any county fair.

7 (Source: P.A. 79-1185.)

8 (230 ILCS 5/39.2 new)

9 Sec. 39.2. Prohibition of political contributions from
10 certain licensees and applicants.

11 (a) The General Assembly has a compelling interest in
12 protecting the integrity of both the electoral process and the
13 legislative process by preventing corruption and the
14 appearance of corruption which may arise through permitting
15 certain political campaign contributions by certain persons
16 involved in the horse racing industry and regulated by the
17 State. Unlike most other regulated industries, horse racing is
18 especially susceptible to corruption and potential criminal
19 influence. In Illinois, only licensed horse racing is legal and
20 all other such activities are strictly prohibited. Given these
21 circumstances, it is imperative to eliminate any potential
22 corrupt influence in the horse racing industry and the
23 electoral process.

24 Banning political campaign contributions by certain
25 persons subject to this Section to State officeholders and

1 candidates for such offices and to county and municipal
2 officeholders and candidates for such offices in counties and
3 municipalities that receive financial benefits from horse
4 racing is necessary to prevent corruption and the appearance of
5 corruption that may arise when political campaign
6 contributions and horse racing that is regulated by the State
7 and that confers benefits on counties and municipalities are
8 intermingled.

9 (b) As used in this Section:

10 "Affiliated entity" means (i) any corporate parent and each
11 operating subsidiary of the business entity applying for or
12 holding a license, (ii) each operating subsidiary of the
13 corporate parent of the business entity applying for or holding
14 a license, (iii) any organization recognized by the United
15 States Internal Revenue Service as a tax-exempt organization
16 described in Section 501(c) of the Internal Revenue Code of
17 1986 (or any successor provision of federal tax law)
18 established by one or more business entities seeking or holding
19 a license, any affiliated entity of such business entity, or
20 any affiliated person of such business entity, and (iv) any
21 political committee for which the business entity applying for
22 or holding a license, or any 501(c) organization described in
23 item (iii) related to that business entity, is the sponsoring
24 entity, as defined in Section 9-3 of the Election Code. For
25 purposes of item (iv), the funding of all business entities
26 applying for or holding a license shall be aggregated in

1 determining whether such political committee is an affiliated
2 entity.

3 "Affiliated person" means (i) any person with any ownership
4 interest or distributive share in excess of 7.5% of any
5 business entity applying for or holding a license, (ii)
6 executive employees of any such business entity, and (iii) the
7 spouse of the persons described in items (i) and (ii).

8 "Business entity" means any entity doing business for
9 profit, whether organized as a corporation, partnership, sole
10 proprietorship, limited liability company, or otherwise.

11 "Contribution" means a contribution as defined in Section
12 9-1.4 of the Election Code.

13 "Declared candidate" means a person who has filed a
14 statement of candidacy and petition for nomination or election
15 in the principal office of the State Board of Elections, or in
16 the office of the appropriate election authority for any county
17 or municipality in which a race track is located.

18 "Executive employee" means (i) any person who is an officer
19 or director or who fulfills duties equivalent to those of an
20 officer or director of a business entity applying for or
21 holding a license and (ii) any employee of such business entity
22 who is required to register under the Lobbyist Registration
23 Act.

24 "License" means any organization, inter-track wagering,
25 inter-track wagering location, advance deposit wagering or
26 concessionaire license issued pursuant to this Act.

1 "Officeholder" means the Governor, Lieutenant Governor,
2 Attorney General, Secretary of State, Comptroller, Treasurer,
3 member of the General Assembly, or any officeholder in any
4 county or municipality in which a race track is located.

5 (c) Any person or business entity applying for or holding a
6 license, any affiliated entities or persons of such business
7 entity, any horsemen's association, and any entities or persons
8 soliciting a contribution or causing a contribution to be made
9 on behalf of such person, business entity, or horsemen's
10 association, are prohibited from making any contribution to any
11 officeholder or declared candidate or any political committee
12 affiliated with any officeholder or declared candidate, as
13 defined in Section 9-1.8 of the Election Code. This prohibition
14 shall commence upon filing of an application for a license and
15 shall continue for a period of 2 years after termination,
16 suspension or revocation of the license.

17 The Board shall have authority to suspend, revoke, or
18 restrict the license and to impose civil penalties of up to
19 \$100,000 for each violation of this subsection (c). A notice of
20 each such violation and the penalty imposed shall be published
21 on the Board's Internet website and in the Illinois Register.
22 Payments received by the State pursuant to this subsection
23 shall be deposited into the General Revenue Fund.

24 Any officeholder or declared candidate or any political
25 committee affiliated with any officeholder or declared
26 candidate that has received a contribution in violation of this

1 subsection (c) shall pay an amount equal to the value of the
2 contribution to the State no more than 30 days after notice of
3 the violation concerning the contribution appears in the
4 Illinois Register. Payments received by the State pursuant to
5 this subsection (c) shall be deposited into the General Revenue
6 Fund.

7 (d) The Board shall post on its website a list of all
8 persons, business entities, horsemen's associations, and
9 affiliated entities prohibited from making contributions to
10 any officeholder or declared candidate political committee
11 pursuant to subsection (c), which list shall be updated and
12 published, at a minimum, every 6 months.

13 Any person, business entity, horsemen's association, or
14 affiliated entity prohibited from making contributions to any
15 officeholder or declared candidate political committee
16 pursuant to subsection (c) shall notify the Board within 7 days
17 after discovering any necessary change or addition to the
18 information relating to that person, business entity,
19 horsemen's association, or affiliated entity contained in the
20 list.

21 An individual who acts in good faith and in reliance on any
22 information contained in the list shall not be subject to any
23 penalties or liability imposed for a violation of this Section.

24 (e) If any provision of this Section is held invalid or its
25 application to any person or circumstance is held invalid, the
26 invalidity of that provision or application does not affect the

1 other provisions or applications of this Section that can be
2 given effect without the invalid application or provision.

3 (230 ILCS 5/40) (from Ch. 8, par. 37-40)

4 Sec. 40. (a) The imposition of any fine or penalty provided
5 in this Act shall not preclude the Board in its rules and
6 regulations from imposing a fine or penalty for any other
7 action which, in the Board's discretion, is a detriment or
8 impediment to horse racing.

9 (b) The Director of Agriculture or his or her authorized
10 representative shall impose the following monetary penalties
11 and hold administrative hearings as required for failure to
12 submit the following applications, lists, or reports within the
13 time period, date or manner required by statute or rule or for
14 removing a foal from Illinois prior to inspection:

15 (1) late filing of a renewal application for offering
16 or standing stallion for service:

17 (A) if an application is submitted no more than 30
18 days late, \$50;

19 (B) if an application is submitted no more than 45
20 days late, \$150; or

21 (C) if an application is submitted more than 45
22 days late, if filing of the application is allowed
23 under an administrative hearing, \$250;

24 (2) late filing of list or report of mares bred:

25 (A) if a list or report is submitted no more than

1 30 days late, \$50;

2 (B) if a list or report is submitted no more than
3 60 days late \$150; or

4 (C) if a list or report is submitted more than 60
5 days late, if filing of the list or report is allowed
6 under an administrative hearing, \$250;

7 (3) filing an Illinois foaled thoroughbred mare status
8 report after the statutory deadline as provided in
9 subsection (k) of Section 30 of this Act ~~December 31:~~

10 (A) if a report is submitted no more than 30 days
11 late, \$50;

12 (B) if a report is submitted no more than 90 days
13 late, \$150;

14 (C) if a report is submitted no more than 150 days
15 late, \$250; or

16 (D) if a report is submitted more than 150 days
17 late, if filing of the report is allowed under an
18 administrative hearing, \$500;

19 (4) late filing of application for foal eligibility
20 certificate:

21 (A) if an application is submitted no more than 30
22 days late, \$50;

23 (B) if an application is submitted no more than 90
24 days late, \$150;

25 (C) if an application is submitted no more than 150
26 days late, \$250; or

1 (D) if an application is submitted more than 150
2 days late, if filing of the application is allowed
3 under an administrative hearing, \$500;

4 (5) failure to report the intent to remove a foal from
5 Illinois prior to inspection, identification and
6 certification by a Department of Agriculture investigator,
7 \$50; and

8 (6) if a list or report of mares bred is incomplete,
9 \$50 per mare not included on the list or report.

10 Any person upon whom monetary penalties are imposed under
11 this Section 3 times within a 5 year period shall have any
12 further monetary penalties imposed at double the amounts set
13 forth above. All monies assessed and collected for violations
14 relating to thoroughbreds shall be paid into the Thoroughbred
15 Breeders Fund. All monies assessed and collected for violations
16 relating to standardbreds shall be paid into the Standardbred
17 Breeders Fund.

18 (Source: P.A. 87-397.)

19 (230 ILCS 5/54.75)

20 Sec. 54.75. Horse Racing Equity Trust Fund.

21 (a) There is created a Fund to be known as the Horse Racing
22 Equity Trust Fund, which is a non-appropriated trust fund held
23 separate and apart from State moneys. The Fund shall consist of
24 moneys paid into it by owners licensees under the Illinois
25 ~~Riverboat~~ Gambling Act for the purposes described in this

1 Section. The Fund shall be administered by the Board. Moneys in
2 the Fund shall be distributed as directed and certified by the
3 Board in accordance with the provisions of subsection (b).

4 (b) The moneys deposited into the Fund, plus any accrued
5 interest on those moneys, shall be distributed within 10 days
6 after those moneys are deposited into the Fund as follows:

7 (1) Sixty percent of all moneys distributed under this
8 subsection shall be distributed to organization licensees
9 to be distributed at their race meetings as purses.
10 Fifty-seven percent of the amount distributed under this
11 paragraph (1) shall be distributed for thoroughbred race
12 meetings and 43% shall be distributed for standardbred race
13 meetings. Within each breed, moneys shall be allocated to
14 each organization licensee's purse fund in accordance with
15 the ratio between the purses generated for that breed by
16 that licensee during the prior calendar year and the total
17 purses generated throughout the State for that breed during
18 the prior calendar year by licensees in the current
19 calendar year.

20 (2) The remaining 40% of the moneys distributed under
21 this subsection (b) shall be distributed as follows:

22 (A) 11% shall be distributed to any person (or its
23 successors or assigns) who had operating control of a
24 racetrack that conducted live racing in 2002 at a
25 racetrack in a county with at least 230,000 inhabitants
26 that borders the Mississippi River and is a licensee in

1 the current year; and

2 (B) the remaining 89% shall be distributed pro rata
3 according to the aggregate proportion of total handle
4 from wagering on live races conducted in Illinois
5 (irrespective of where the wagers are placed) for
6 calendar years 2004 and 2005 to any person (or its
7 successors or assigns) who (i) had majority operating
8 control of a racing facility at which live racing was
9 conducted in calendar year 2002, (ii) is a licensee in
10 the current year, and (iii) is not eligible to receive
11 moneys under subparagraph (A) of this paragraph (2).

12 The moneys received by an organization licensee
13 under this paragraph (2) shall be used by each
14 organization licensee to improve, maintain, market,
15 and otherwise operate its racing facilities to conduct
16 live racing, which shall include backstretch services
17 and capital improvements related to live racing and the
18 backstretch. Any organization licensees sharing common
19 ownership may pool the moneys received and spent at all
20 racing facilities commonly owned in order to meet these
21 requirements.

22 If any person identified in this paragraph (2) becomes
23 ineligible to receive moneys from the Fund, such amount
24 shall be redistributed among the remaining persons in
25 proportion to their percentages otherwise calculated.

26 (c) The Board shall monitor organization licensees to

1 ensure that moneys paid to organization licensees under this
2 Section are distributed by the organization licensees as
3 provided in subsection (b).

4 (Source: P.A. 95-1008, eff. 12-15-08.)

5 (230 ILCS 5/56 new)

6 Sec. 56. Electronic gaming.

7 (a) A person, firm, corporation, or limited liability
8 company having operating control of a race track may apply to
9 the Gaming Board for an electronic gaming license. An
10 electronic gaming license shall authorize its holder to conduct
11 electronic gaming on the grounds of the race track controlled
12 by the licensee's race track. Only one electronic gaming
13 license may be awarded for any race track. A holder of an
14 electronic gaming license shall be subject to the Illinois
15 Gambling Act and rules of the Illinois Gaming Board concerning
16 electronic gaming. If the person, firm, corporation, or limited
17 liability company having operating control of a race track is
18 found by the Illinois Gaming Board to be unsuitable for an
19 electronic gaming license under the Illinois Gambling Act and
20 rules of the Gaming Board, that person, firm, corporation, or
21 limited liability company shall not be granted an electronic
22 gaming license. Each license shall specify the number of gaming
23 positions that its holder may operate.

24 An electronic gaming licensee may not permit persons under
25 21 years of age to be present in its electronic gaming

1 facility, but the licensee may accept wagers on live racing and
2 inter-track wagers at its electronic gaming facility.

3 (b) For purposes of this subsection, "adjusted gross
4 receipts" means an electronic gaming licensee's gross receipts
5 less winnings paid to wagerers and shall also include any
6 amounts that would otherwise be deducted pursuant to subsection
7 (a-9) of Section 13 of the Illinois Gambling Act. The adjusted
8 gross receipts by an electronic gaming licensee from electronic
9 gaming remaining after the payment of taxes under Section 13 of
10 the Illinois Gambling Act shall be distributed as follows:

11 (1) Amounts shall be paid to the purse account at the
12 track at which the organization licensee is conducting
13 racing equal to the following:

14 12.75% of annual adjusted gross receipts up to and
15 including \$75,000,000;

16 20% of annual adjusted gross receipts in excess of
17 \$75,000,000 but not exceeding \$100,000,000;

18 26.5% of annual adjusted gross receipts in excess
19 of \$100,000,000 but not exceeding \$125,000,000; and

20 20.5% of annual adjusted gross receipts in excess
21 of \$125,000,000.

22 (2) The remainder shall be retained by the electronic
23 gaming licensee.

24 (c) Electronic gaming receipts placed into the purse
25 account of an organization licensee racing thoroughbred horses
26 shall be used for purses, for health care services or worker's

1 compensation for racing industry workers, for equine research,
2 for programs to care for and transition injured and retired
3 thoroughbred horses that race at the race track, or for horse
4 ownership promotion, in accordance with the agreement of the
5 horsemen's association representing the largest number of
6 owners and trainers who race at that organization licensee's
7 race meetings.

8 Annually, from the purse account of an organization
9 licensee racing thoroughbred horses in this State, except for
10 in Madison County, an amount equal to 12% of the electronic
11 gaming receipts placed into the purse accounts shall be paid to
12 the Illinois Thoroughbred Breeders Fund and shall be used for
13 owner awards; a stallion program pursuant to paragraph (3) of
14 subsection (g) of Section 30 of this Act; and Illinois
15 conceived and foaled stakes races pursuant to paragraph (2) of
16 subsection (g) of Section 30 of this Act, as specifically
17 designated by the horsemen's association representing the
18 largest number of owners and trainers who race at the
19 organization licensee's race meetings.

20 Annually, from the purse account of an organization
21 licensee racing thoroughbred horses in Madison County, an
22 amount equal to 10% of the electronic gaming receipts placed
23 into the purse accounts shall be paid to the Illinois
24 Thoroughbred Breeders Fund and shall be used for owner awards;
25 a stallion program pursuant to paragraph (3) of subsection (g)
26 of Section 30 of this Act; and Illinois conceived and foaled

1 stakes races pursuant to paragraph (2) of subsection (g) of
2 Section 30 of this Act, as specifically designated by the
3 horsemen's association representing the largest number of
4 owners and trainers who race at the organization licensee's
5 race meetings.

6 Annually, from the purse account of an organization
7 licensee conducting thoroughbred races at a race track in
8 Madison County, an amount equal to 1% of the electronic gaming
9 receipts distributed to purses per subsection (b) of this
10 Section 56 shall be paid as follows: 0.33 1/3% to Southern
11 Illinois University Department of Animal Sciences for equine
12 research and education, an amount equal to 0.33 1/3% of the
13 electronic gaming receipts shall be used to operate laundry
14 facilities or a kitchen for backstretch workers at that race
15 track, and an amount equal to 0.33 1/3% of the electronic
16 gaming receipts shall be paid to R.A.C.E., Inc., a 501(c)(3)
17 non-profit organization that cares for injured and unwanted
18 horses that race at that race track.

19 Annually, from the purse account of organization licensees
20 conducting thoroughbred races at race tracks in Cook County,
21 \$100,000 shall be paid for division and equal distribution to
22 the animal sciences department of each Illinois public
23 university system engaged in equine research and education on
24 or before the effective date of this amendatory Act of the 98th
25 General Assembly for equine research and education.

26 (d) Annually, from the purse account of an organization

1 licensee racing standardbred horses, an amount equal to 15% of
2 the electronic gaming receipts placed into that purse account
3 shall be paid to the Illinois Colt Stakes Purse Distribution
4 Fund. Moneys deposited into the Illinois Colt Stakes Purse
5 Distribution Fund shall be used for standardbred racing as
6 authorized in paragraphs 1, 2, 3, 8, 9, 10, and 11 of
7 subsection (q) of Section 31 of this Act and for bonus awards
8 as authorized under paragraph 6 of subsection (j) of Section 31
9 of this Act.

10 (e) The Illinois Gaming Board shall submit a report to the
11 General Assembly on or before December 31, 2014 that examines
12 the feasibility of conducting electronic gaming at the Illinois
13 State Fairgrounds in Sangamon County. At a minimum, this report
14 shall analyze the projected revenues that will be generated,
15 the potential for cannibalization of existing riverboats,
16 casinos, or other electronic gaming facilities, and the
17 potential detriment to the surrounding area and its population.
18 The report shall include the Illinois Gaming Board's findings
19 together with appropriate recommendations for legislative
20 action.

21 Section 90-40. The Riverboat Gambling Act is amended by
22 changing Sections 1, 2, 3, 4, 5, 5.1, 6, 7, 7.3, 7.5, 8, 9, 11,
23 11.1, 12, 13, 14, 15, 16, 17, 17.1, 18, 18.1, 19, 20, 21, 23,
24 and 24 and by adding Sections 5.3, 7.6, 7.7, 7.8, 7.9, 7.10,
25 7.11, 7.12, and 18.2 as follows:

1 (230 ILCS 10/1) (from Ch. 120, par. 2401)

2 Sec. 1. Short title. This Act shall be known and may be
3 cited as the Illinois ~~Riverboat~~ Gambling Act.

4 (Source: P.A. 86-1029.)

5 (230 ILCS 10/2) (from Ch. 120, par. 2402)

6 Sec. 2. Legislative Intent.

7 (a) This Act is intended to benefit the people of the State
8 of Illinois by assisting economic development, ~~and~~ promoting
9 Illinois tourism, ~~and~~ ~~by~~ increasing the amount of revenues
10 available to the State to assist and support education, and to
11 defray State expenses, including unpaid bills.

12 (b) While authorization of riverboat and casino gambling
13 will enhance investment, beautification, development and
14 tourism in Illinois, it is recognized that it will do so
15 successfully only if public confidence and trust in the
16 credibility and integrity of the gambling operations and the
17 regulatory process is maintained. Therefore, regulatory
18 provisions of this Act are designed to strictly regulate the
19 facilities, persons, associations and practices related to
20 gambling operations pursuant to the police powers of the State,
21 including comprehensive law enforcement supervision.

22 (c) The Illinois Gaming Board established under this Act
23 should, as soon as possible, inform each applicant for an
24 owners license of the Board's intent to grant or deny a

1 license.

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

3 (230 ILCS 10/3) (from Ch. 120, par. 2403)

4 Sec. 3. ~~Riverboat~~ Gambling Authorized.

5 (a) Riverboat and casino gambling operations and
6 electronic gaming operations ~~and the system of wagering~~
7 ~~incorporated therein~~, as defined in this Act, are hereby
8 authorized to the extent that they are carried out in
9 accordance with the provisions of this Act.

10 (b) This Act does not apply to the pari-mutuel system of
11 wagering used or intended to be used in connection with the
12 horse-race meetings as authorized under the Illinois Horse
13 Racing Act of 1975, lottery games authorized under the Illinois
14 Lottery Law, bingo authorized under the Bingo License and Tax
15 Act, charitable games authorized under the Charitable Games Act
16 or pull tabs and jar games conducted under the Illinois Pull
17 Tabs and Jar Games Act. This Act applies to electronic gaming
18 authorized under the Illinois Horse Racing Act of 1975 to the
19 extent provided in that Act and in this Act.

20 (c) Riverboat gambling conducted pursuant to this Act may
21 be authorized upon any water within the State of Illinois or
22 any water other than Lake Michigan which constitutes a boundary
23 of the State of Illinois. Notwithstanding any provision in this
24 subsection (c) to the contrary, a licensee that receives its
25 license pursuant to subsection (e-5) of Section 7 may conduct

1 riverboat gambling on Lake Michigan from a home dock located on
2 Lake Michigan subject to any limitations contained in Section
3 7. Notwithstanding any provision in this subsection (c) to the
4 contrary, a licensee may conduct gambling at its home dock
5 facility as provided in Sections 7 and 11. A licensee may
6 conduct riverboat gambling authorized under this Act
7 regardless of whether it conducts excursion cruises. A licensee
8 may permit the continuous ingress and egress of passengers for
9 the purpose of gambling.

10 (d) Gambling that is conducted in accordance with this Act
11 using slot machines and video games of chance and other
12 electronic gambling games as defined in both the Illinois
13 Gambling Act and the Illinois Horse Racing Act of 1975 is
14 authorized.

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

16 (230 ILCS 10/4) (from Ch. 120, par. 2404)

17 Sec. 4. Definitions. As used in this Act:

18 ~~(a)~~ "Board" means the Illinois Gaming Board.

19 ~~(b)~~ "Occupational license" means a license issued by the
20 Board to a person or entity to perform an occupation which the
21 Board has identified as requiring a license to engage in
22 riverboat gambling, casino gambling, or electronic gaming in
23 Illinois.

24 ~~(c)~~ "Gambling game" includes, but is not limited to,
25 baccarat, twenty-one, poker, craps, slot machine, video game of

1 chance, roulette wheel, klondike table, punchboard, faro
2 layout, keno layout, numbers ticket, push card, jar ticket, or
3 pull tab which is authorized by the Board as a wagering device
4 under this Act.

5 ~~(d)~~ "Riverboat" means a self-propelled excursion boat, a
6 permanently moored barge, or permanently moored barges that are
7 permanently fixed together to operate as one vessel, on which
8 lawful gambling is authorized and licensed as provided in this
9 Act.

10 "Slot machine" means any mechanical, electrical, or other
11 device, contrivance, or machine that is authorized by the Board
12 as a wagering device under this Act which, upon insertion of a
13 coin, currency, token, or similar object therein, or upon
14 payment of any consideration whatsoever, is available to play
15 or operate, the play or operation of which may deliver or
16 entitle the person playing or operating the machine to receive
17 cash, premiums, merchandise, tokens, or anything of value
18 whatsoever, whether the payoff is made automatically from the
19 machine or in any other manner whatsoever. A slot machine:

20 (1) may utilize spinning reels or video displays or
21 both;

22 (2) may or may not dispense coins, tickets, or tokens
23 to winning patrons;

24 (3) may use an electronic credit system for receiving
25 wagers and making payouts; and

26 (4) may simulate a table game.

1 "Slot machine" does not include table games authorized by
2 the Board as a wagering device under this Act.

3 ~~(e)~~ "Managers license" means a license issued by the Board
4 to a person or entity to manage gambling operations conducted
5 by the State pursuant to Section 7.3.

6 ~~(f)~~ "Dock" means the location where a riverboat moors for
7 the purpose of embarking passengers for and disembarking
8 passengers from the riverboat.

9 ~~(g)~~ "Gross receipts" means the total amount of money
10 exchanged for the purchase of chips, tokens, or electronic
11 cards by riverboat patrons.

12 ~~(h)~~ "Adjusted gross receipts" means the gross receipts less
13 winnings paid to wagerers.

14 ~~(i)~~ "Cheat" means to alter the selection of criteria which
15 determine the result of a gambling game or the amount or
16 frequency of payment in a gambling game.

17 ~~(j)~~ ~~(Blank)~~.

18 ~~(k)~~ "Gambling operation" means the conduct of ~~authorized~~
19 gambling games authorized under this Act upon a riverboat or in
20 a casino or authorized under this Act and the Illinois Horse
21 Racing Act of 1975 at an electronic gaming facility.

22 ~~(l)~~ "License bid" means the lump sum amount of money that
23 an applicant bids and agrees to pay the State in return for an
24 owners license that is issued or re-issued on or after July 1,
25 2003.

26 "Table game" means a live gaming apparatus upon which

1 gaming is conducted or that determines an outcome that is the
2 object of a wager, including, but not limited to, baccarat,
3 twenty-one, blackjack, poker, craps, roulette wheel, klondike
4 table, punchboard, faro layout, keno layout, numbers ticket,
5 push card, jar ticket, pull tab, or other similar games that
6 are authorized by the Board as a wagering device under this
7 Act. "Table game" does not include slot machines or video games
8 of chance.

9 ~~(m)~~ The terms "minority person", "female", and "person with
10 a disability" shall have the same meaning as defined in Section
11 2 of the Business Enterprise for Minorities, Females, and
12 Persons with Disabilities Act.

13 "Authority" means the Chicago Casino Development
14 Authority.

15 "Casino" means a facility at which lawful gambling is
16 authorized as provided in this Act.

17 "Owners license" means a license to conduct riverboat or
18 casino gambling operations, but does not include an electronic
19 gaming license.

20 "Licensed owner" means a person who holds an owners
21 license.

22 "Electronic gaming" means slot machine gambling, video
23 game of chance gambling, or gambling with electronic gambling
24 games as defined in the Illinois Gambling Act or defined by the
25 Board that is conducted at a race track pursuant to an
26 electronic gaming license.

1 "Electronic gaming facility" means the area where the Board
2 has authorized electronic gaming at a race track of an
3 organization licensee under the Illinois Horse Racing Act of
4 1975 that holds an electronic gaming license.

5 "Electronic gaming license" means a license issued by the
6 Board under Section 7.6 of this Act authorizing electronic
7 gaming at an electronic gaming facility.

8 "Electronic gaming licensee" means an entity that holds an
9 electronic gaming license.

10 "Organization licensee" means an entity authorized by the
11 Illinois Racing Board to conduct pari-mutuel wagering in
12 accordance with the Illinois Horse Racing Act of 1975. With
13 respect only to electronic gaming, "organization licensee"
14 includes the authorization for electronic gaming created under
15 subsection (a) of Section 56 of the Illinois Horse Racing Act
16 of 1975.

17 "Casino operator license" means the license held by the
18 person or entity selected by the Authority to manage and
19 operate a riverboat or casino within the geographic area of the
20 authorized municipality pursuant to this Act and the Chicago
21 Casino Development Authority Act.

22 (Source: P.A. 95-331, eff. 8-21-07; 96-1392, eff. 1-1-11.)

23 (230 ILCS 10/5) (from Ch. 120, par. 2405)

24 Sec. 5. Gaming Board.

25 (a) (1) There is hereby established the Illinois Gaming

1 Board, which shall have the powers and duties specified in this
2 Act and in the Chicago Casino Development Authority Act, and
3 all other powers necessary and proper to fully and effectively
4 execute this Act for the purpose of administering, regulating,
5 and enforcing the system of riverboat and casino gambling and
6 electronic gaming established by this Act and by the Chicago
7 Casino Development Authority Act. Its jurisdiction shall
8 extend under this Act and the Chicago Casino Development
9 Authority Act to every person, association, corporation,
10 partnership and trust involved in riverboat and casino gambling
11 operations and electronic gaming in the State of Illinois.

12 (2) The Board shall consist of 5 members to be appointed by
13 the Governor with the advice and consent of the Senate, one of
14 whom shall be designated by the Governor to be chairperson
15 ~~chairman~~. Each member shall have a reasonable knowledge of the
16 practice, procedure and principles of gambling operations.
17 Each member shall either be a resident of Illinois or shall
18 certify that he or she will become a resident of Illinois
19 before taking office.

20 On and after the effective date of this amendatory Act of
21 the 98th General Assembly, new appointees to the Board must
22 include the following:

23 (A) One member who has received, at a minimum, a
24 bachelor's degree from an accredited school and at least 10
25 years of verifiable training and experience in the fields
26 of investigation and law enforcement.

1 (B) One member who is a certified public accountant
2 with experience in auditing and with knowledge of complex
3 corporate structures and transactions.

4 (C) One member who has 5 years' experience as a
5 principal, senior officer, or director of a company or
6 business with either material responsibility for the daily
7 operations and management of the overall company or
8 business or material responsibility for the policy making
9 of the company or business.

10 (D) One member who is a lawyer licensed to practice law
11 in Illinois.

12 Notwithstanding any provision of this subsection (a), the
13 requirements of subparagraphs (A) through (D) of this paragraph
14 (2) shall not apply to any person reappointed pursuant to
15 paragraph (3).

16 No more than 3 members of the Board may be from the same
17 political party. The Board should reflect the ethnic, cultural,
18 and geographic diversity of the State. No Board member shall,
19 within a period of one year immediately preceding nomination,
20 have been employed or received compensation or fees for
21 services from a person or entity, or its parent or affiliate,
22 that has engaged in business with the Board, a licensee, or a
23 licensee under the Illinois Horse Racing Act of 1975. Board
24 members must publicly disclose all prior affiliations with
25 gaming interests, including any compensation, fees, bonuses,
26 salaries, and other reimbursement received from a person or

1 entity, or its parent or affiliate, that has engaged in
2 business with the Board, a licensee, or a licensee under the
3 Illinois Horse Racing Act of 1975. This disclosure must be made
4 within 30 days after nomination but prior to confirmation by
5 the Senate and must be made available to the members of the
6 Senate. ~~At least one member shall be experienced in law~~
7 ~~enforcement and criminal investigation, at least one member~~
8 ~~shall be a certified public accountant experienced in~~
9 ~~accounting and auditing, and at least one member shall be a~~
10 ~~lawyer licensed to practice law in Illinois.~~

11 (3) The terms of office of the Board members shall be 3
12 years, except that the terms of office of the initial Board
13 members appointed pursuant to this Act will commence from the
14 effective date of this Act and run as follows: one for a term
15 ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for
16 a term ending July 1, 1993. Upon the expiration of the
17 foregoing terms, the successors of such members shall serve a
18 term for 3 years and until their successors are appointed and
19 qualified for like terms. Vacancies in the Board shall be
20 filled for the unexpired term in like manner as original
21 appointments. Each member of the Board shall be eligible for
22 reappointment at the discretion of the Governor with the advice
23 and consent of the Senate.

24 (4) Each member of the Board shall receive \$300 for each
25 day 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) No person shall be appointed a member of the Board or
4 continue to be a member of the Board who is, or whose spouse,
5 child or parent is, a member of the board of directors of, or a
6 person financially interested in, any gambling operation
7 subject to the jurisdiction of this Board, or any race track,
8 race meeting, racing association or the operations thereof
9 subject to the jurisdiction of the Illinois Racing Board. No
10 Board member shall hold any other public office. No person
11 shall be a member of the Board who is not of good moral
12 character or who has been convicted of, or is under indictment
13 for, a felony under the laws of Illinois or any other state, or
14 the United States.

15 (5.5) No member of the Board shall engage in any political
16 activity. For the purposes of this Section, "political" means
17 any activity in support of or in connection with any campaign
18 for federal, State, or local elective office or any political
19 organization, but does not include activities (i) relating to
20 the support or opposition of any executive, legislative, or
21 administrative action (as those terms are defined in Section 2
22 of the Lobbyist Registration Act), (ii) relating to collective
23 bargaining, or (iii) that are otherwise in furtherance of the
24 person's official State duties or governmental and public
25 service functions.

26 (6) Any member of the Board may be removed by the Governor

1 for neglect of duty, misfeasance, malfeasance, or nonfeasance
2 in office or for engaging in any political activity.

3 (7) Before entering upon the discharge of the duties of his
4 office, each member of the Board shall take an oath that he
5 will faithfully execute the duties of his office according to
6 the laws of the State and the rules and regulations adopted
7 therewith and shall give bond to the State of Illinois,
8 approved by the Governor, in the sum of \$25,000. Every such
9 bond, when duly executed and approved, shall be recorded in the
10 office of the Secretary of State. Whenever the Governor
11 determines that the bond of any member of the Board has become
12 or is likely to become invalid or insufficient, he shall
13 require such member forthwith to renew his bond, which is to be
14 approved by the Governor. Any member of the Board who fails to
15 take oath and give bond within 30 days from the date of his
16 appointment, or who fails to renew his bond within 30 days
17 after it is demanded by the Governor, shall be guilty of
18 neglect of duty and may be removed by the Governor. The cost of
19 any bond given by any member of the Board under this Section
20 shall be taken to be a part of the necessary expenses of the
21 Board.

22 (8) The Board shall employ such personnel as may be
23 necessary to carry out its functions and shall determine the
24 salaries of all personnel, except those personnel whose
25 salaries are determined under the terms of a collective
26 bargaining agreement. No person shall be employed to serve the

1 Board who is, or whose spouse, parent or child is, an official
2 of, or has a financial interest in or financial relation with,
3 any operator engaged in gambling operations within this State
4 or any organization engaged in conducting horse racing within
5 this State. For the one year immediately preceding employment,
6 an employee shall not have been employed or received
7 compensation or fees for services from a person or entity, or
8 its parent or affiliate, that has engaged in business with the
9 Board, a licensee, or a licensee under the Illinois Horse
10 Racing Act of 1975. Any employee violating these prohibitions
11 shall be subject to termination of employment. In addition, all
12 Board members and employees are subject to the restrictions set
13 forth in Section 5-45 of the State Officials and Employees
14 Ethics Act.

15 (9) An Administrator shall perform any and all duties that
16 the Board shall assign him. The salary of the Administrator
17 shall be determined by the Board and, in addition, he shall be
18 reimbursed for all actual and necessary expenses incurred by
19 him in discharge of his official duties. The Administrator
20 shall keep records of all proceedings of the Board and shall
21 preserve all records, books, documents and other papers
22 belonging to the Board or entrusted to its care. The
23 Administrator shall devote his full time to the duties of the
24 office and shall not hold any other office or employment.

25 (b) The Board shall have general responsibility for the
26 implementation of this Act. Its duties include, without

1 limitation, the following:

2 (1) To decide promptly and in reasonable order all
3 license applications. Any party aggrieved by an action of
4 the Board denying, suspending, revoking, restricting or
5 refusing to renew a license may request a hearing before
6 the Board. A request for a hearing must be made to the
7 Board in writing within 5 days after service of notice of
8 the action of the Board. Notice of the action of the Board
9 shall be served either by personal delivery or by certified
10 mail, postage prepaid, to the aggrieved party. Notice
11 served by certified mail shall be deemed complete on the
12 business day following the date of such mailing. The Board
13 shall conduct all requested hearings promptly and in
14 reasonable order;

15 (2) To conduct all hearings pertaining to civil
16 violations of this Act or rules and regulations promulgated
17 hereunder;

18 (3) To promulgate such rules and regulations as in its
19 judgment may be necessary to protect or enhance the
20 credibility and integrity of gambling operations
21 authorized by this Act and the regulatory process
22 hereunder;

23 (4) To provide for the establishment and collection of
24 all license and registration fees and taxes imposed by this
25 Act and the rules and regulations issued pursuant hereto.
26 All such fees and taxes shall be deposited into the State

1 Gaming Fund;

2 (5) To provide for the levy and collection of penalties
3 and fines for the violation of provisions of this Act and
4 the rules and regulations promulgated hereunder. All such
5 fines and penalties shall be deposited into the Education
6 Assistance Fund, created by Public Act 86-0018, of the
7 State of Illinois;

8 (6) To be present through its inspectors and agents any
9 time gambling operations are conducted on any riverboat, in
10 any casino, or at any electronic gaming facility for the
11 purpose of certifying the revenue thereof, receiving
12 complaints from the public, and conducting such other
13 investigations into the conduct of the gambling games and
14 the maintenance of the equipment as from time to time the
15 Board may deem necessary and proper;

16 (7) To review and rule upon any complaint by a licensee
17 regarding any investigative procedures of the State which
18 are unnecessarily disruptive of gambling operations. The
19 need to inspect and investigate shall be presumed at all
20 times. The disruption of a licensee's operations shall be
21 proved by clear and convincing evidence, and establish
22 that: (A) the procedures had no reasonable law enforcement
23 purposes, and (B) the procedures were so disruptive as to
24 unreasonably inhibit gambling operations;

25 (8) To hold at least one meeting each quarter of the
26 fiscal year. In addition, special meetings may be called by

1 the Chairman or any 2 Board members upon 72 hours written
2 notice to each member. All Board meetings shall be subject
3 to the Open Meetings Act. Three members of the Board shall
4 constitute a quorum, and 3 votes shall be required for any
5 final determination by the Board. The Board shall keep a
6 complete and accurate record of all its meetings. A
7 majority of the members of the Board shall constitute a
8 quorum for the transaction of any business, for the
9 performance of any duty, or for the exercise of any power
10 which this Act requires the Board members to transact,
11 perform or exercise en banc, except that, upon order of the
12 Board, one of the Board members or an administrative law
13 judge designated by the Board may conduct any hearing
14 provided for under this Act or by Board rule and may
15 recommend findings and decisions to the Board. The Board
16 member or administrative law judge conducting such hearing
17 shall have all powers and rights granted to the Board in
18 this Act. The record made at the time of the hearing shall
19 be reviewed by the Board, or a majority thereof, and the
20 findings and decision of the majority of the Board shall
21 constitute the order of the Board in such case;

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

26 (10) To file a written annual report with the Governor

1 on or before March 1 each year and such additional reports
2 as the Governor may request. The annual report shall
3 include a statement of receipts and disbursements by the
4 Board, actions taken by the Board, and any additional
5 information and recommendations which the Board may deem
6 valuable or which the Governor may request;

7 (11) (Blank);

8 (12) (Blank);

9 (13) To assume responsibility for administration and
10 enforcement of the Video Gaming Act; ~~and~~

11 (13.1) To assume responsibility for the administration
12 and enforcement of operations at electronic gaming
13 facilities pursuant to this Act and the Illinois Horse
14 Racing Act of 1975;

15 (13.2) To assume responsibility for the administration
16 and enforcement of gambling operations at the Chicago
17 Casino Development Authority's casino pursuant to this Act
18 and the Chicago Casino Development Authority Act; and

19 (14) To adopt, by rule, a code of conduct governing
20 Board members and employees that ensure, to the maximum
21 extent possible, that persons subject to this Code avoid
22 situations, relationships, or associations that may
23 represent or lead to a conflict of interest.

24 Internal controls and changes submitted by licensees must
25 be reviewed and either approved or denied with cause within 90
26 days after receipt of submission is deemed final by the

1 Illinois Gaming Board. In the event an internal control
2 submission or change does not meet the standards set by the
3 Board, staff of the Board must provide technical assistance to
4 the licensee to rectify such deficiencies within 90 days after
5 the initial submission and the revised submission must be
6 reviewed and approved or denied with cause within 90 days after
7 the date the revised submission is deemed final by the Board.
8 For the purposes of this paragraph, "with cause" means that the
9 approval of the submission would jeopardize the integrity of
10 gaming. In the event the Board staff has not acted within the
11 timeframe, the submission shall be deemed approved.

12 (c) The Board shall have jurisdiction over and shall
13 supervise all gambling operations governed by this Act and the
14 Chicago Casino Development Authority Act. The Board shall have
15 all powers necessary and proper to fully and effectively
16 execute the provisions of this Act and the Chicago Casino
17 Development Authority Act, including, but not limited to, the
18 following:

19 (1) To investigate applicants and determine the
20 eligibility of applicants for licenses and to select among
21 competing applicants the applicants which best serve the
22 interests of the citizens of Illinois.

23 (2) To have jurisdiction and supervision over all
24 ~~riverboat~~ gambling operations authorized under this Act
25 and the Chicago Casino Development Authority Act ~~in this~~
26 ~~State~~ and all persons in places ~~on riverboats~~ where

1 gambling operations are conducted.

2 (3) To promulgate rules and regulations for the purpose
3 of administering the provisions of this Act and the Chicago
4 Casino Development Authority Act and to prescribe rules,
5 regulations and conditions under which all ~~riverboat~~
6 gambling operations subject to this Act and the Chicago
7 Casino Development Authority Act ~~in the State~~ shall be
8 conducted. Such rules and regulations are to provide for
9 the prevention of practices detrimental to the public
10 interest and for the best interests of ~~riverboat~~ gambling,
11 including rules and regulations regarding the inspection
12 of electronic gaming facilities, casinos, and such
13 riverboats, and the review of any permits or licenses
14 necessary to operate a riverboat, casino, or electronic
15 gaming facilities under any laws or regulations applicable
16 to riverboats, casinos, or electronic gaming facilities
17 and to impose penalties for violations thereof.

18 (4) To enter the office, riverboats, casinos,
19 electronic gaming facilities, and other facilities, or
20 other places of business of a licensee, where evidence of
21 the compliance or noncompliance with the provisions of this
22 Act and the Chicago Casino Development Authority Act is
23 likely to be found.

24 (5) To investigate alleged violations of this Act, the
25 Chicago Casino Development Authority Act, or the rules of
26 the Board and to take appropriate disciplinary action

1 against a licensee or a holder of an occupational license
2 for a violation, or institute appropriate legal action for
3 enforcement, or both.

4 (6) To adopt standards for the licensing of all persons
5 and entities under this Act and the Chicago Casino
6 Development Authority Act, as well as for electronic or
7 mechanical gambling games, and to establish fees for such
8 licenses.

9 (7) To adopt appropriate standards for all electronic
10 gaming facilities, riverboats, casinos, and other
11 facilities authorized under this Act and the Chicago Casino
12 Development Authority Act.

13 (8) To require that the records, including financial or
14 other statements of any licensee under this Act and the
15 Chicago Casino Development Authority Act, shall be kept in
16 such manner as prescribed by the Board and that any such
17 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 the Chicago Casino Development Authority Act and all rules,
25 regulations, orders and final decisions promulgated under
26 this Act and the Chicago Casino Development Authority Act.

1 (9) To conduct hearings, issue subpoenas for the
2 attendance of witnesses and subpoenas duces tecum for the
3 production of books, records and other pertinent documents
4 in accordance with the Illinois Administrative Procedure
5 Act, and to administer oaths and affirmations to the
6 witnesses, when, in the judgment of the Board, it is
7 necessary to administer or enforce this Act, the Chicago
8 Casino Development Authority Act, or the Board rules.

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

13 (11) To revoke or suspend licenses, other than the
14 license issued to the Chicago Casino Development
15 Authority, as the Board may see fit and in compliance with
16 applicable laws of the State regarding administrative
17 procedures, and to review applications for the renewal of
18 licenses. The Board may suspend an owners license (other
19 than the license issued to the Chicago Casino Development
20 Authority), electronic gaming license, or casino operator
21 license, without notice or hearing upon a determination
22 that the safety or health of patrons or employees is
23 jeopardized by continuing a gambling operation conducted
24 under that license ~~riverboat's operation~~. The suspension
25 may remain in effect until the Board determines that the
26 cause for suspension has been abated. The Board may revoke

1 an ~~the~~ owners license (other than the license issued to the
2 Chicago Casino Development Authority), electronic gaming
3 license, or casino operator license upon a determination
4 that the licensee ~~owner~~ has not made satisfactory progress
5 toward abating the hazard.

6 (12) To eject or exclude or authorize the ejection or
7 exclusion of, any person from ~~riverboat~~ gambling
8 facilities where that ~~such~~ person is in violation of this
9 Act or the Chicago Casino Development Authority Act, rules
10 and regulations thereunder, or final orders of the Board,
11 or where such person's conduct or reputation is such that
12 his or her presence within the ~~riverboat~~ gambling
13 facilities may, in the opinion of the Board, call into
14 question the honesty and integrity of the gambling
15 operations or interfere with the orderly conduct thereof;
16 provided that the propriety of such ejection or exclusion
17 is subject to subsequent hearing by the Board.

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

23 (14) (Blank).

24 (15) To suspend, revoke or restrict licenses, other
25 than the license issued to the Chicago Casino Development
26 Authority, to require the removal of a licensee or an

1 employee of a licensee for a violation of this Act, the
2 Chicago Casino Development Authority Act, or a Board rule
3 or for engaging in a fraudulent practice, and to impose
4 civil penalties of up to \$5,000 against individuals and up
5 to \$10,000 or an amount equal to the daily gross receipts,
6 whichever is larger, against licensees for each violation
7 of any provision of the Act, the Chicago Casino Development
8 Authority Act, any rules adopted by the Board, any order of
9 the Board or any other action which, in the Board's
10 discretion, is a detriment or impediment to ~~riverboat~~
11 gambling operations.

12 (16) To hire employees to gather information, conduct
13 investigations and carry out any other tasks contemplated
14 under this Act or the Chicago Casino Development Authority
15 Act.

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

18 (18) To authorize a licensee to sell or serve alcoholic
19 liquors, wine or beer as defined in the Liquor Control Act
20 of 1934 on board a riverboat or in a casino and to have
21 exclusive authority to establish the hours for sale and
22 consumption of alcoholic liquor on board a riverboat or in
23 a casino, notwithstanding any provision of the Liquor
24 Control Act of 1934 or any local ordinance, and regardless
25 of whether the riverboat makes excursions. The
26 establishment of the hours for sale and consumption of

1 alcoholic liquor on board a riverboat or in a casino is an
2 exclusive power and function of the State. A home rule unit
3 may not establish the hours for sale and consumption of
4 alcoholic liquor on board a riverboat or in a casino. This
5 subdivision (18) ~~amendatory Act of 1991~~ is a denial and
6 limitation of home rule powers and functions under
7 subsection (h) of Section 6 of Article VII of the Illinois
8 Constitution.

9 (19) After consultation with the U.S. Army Corps of
10 Engineers, to establish binding emergency orders upon the
11 concurrence of a majority of the members of the Board
12 regarding the navigability of water, relative to
13 excursions, in the event of extreme weather conditions,
14 acts of God or other extreme circumstances.

15 (20) To delegate the execution of any of its powers
16 under this Act or the Chicago Casino Development Authority
17 Act for the purpose of administering and enforcing this
18 Act, the Chicago Casino Development Authority Act, and the
19 its rules adopted by the Board under both Acts and
20 regulations hereunder.

21 (20.5) To approve any contract entered into on its
22 behalf.

23 (20.6) To appoint investigators to conduct
24 investigations, searches, seizures, arrests, and other
25 duties imposed under this Act, as deemed necessary by the
26 Board. These investigators have and may exercise all of the

1 rights and powers of peace officers, provided that these
2 powers shall be limited to offenses or violations occurring
3 or committed in a casino, in an electronic gaming facility,
4 or on a riverboat or dock, as defined in subsections (d)
5 and (f) of Section 4, or as otherwise provided by this Act, the Chicago Casino Development Authority Act, or any other
6 law.
7

8 (20.7) To contract with the Department of State Police
9 for the use of trained and qualified State police officers
10 and with the Department of Revenue for the use of trained
11 and qualified Department of Revenue investigators to
12 conduct investigations, searches, seizures, arrests, and
13 other duties imposed under this Act or the Chicago Casino
14 Development Authority Act and to exercise all of the rights
15 and powers of peace officers, provided that the powers of
16 Department of Revenue investigators under this subdivision
17 (20.7) shall be limited to offenses or violations occurring
18 or committed in a casino, in an electronic gaming facility,
19 or on a riverboat or dock, as defined in subsections (d)
20 and (f) of Section 4, or as otherwise provided by this Act
21 or any other law. In the event the Department of State
22 Police or the Department of Revenue is unable to fill
23 contracted police or investigative positions, the Board
24 may appoint investigators to fill those positions pursuant
25 to subdivision (20.6).

26 (21) To adopt rules concerning the conduct of

1 electronic gaming.

2 (22) To have the same jurisdiction and supervision over
3 casinos and electronic gaming facilities as the Board has
4 over riverboats, including, but not limited to, the power
5 to (i) investigate, review, and approve contracts as that
6 power is applied to riverboats, (ii) adopt rules for
7 administering the provisions of this Act or the Chicago
8 Casino Development Authority Act, (iii) adopt standards
9 for the licensing of all persons involved with a casino or
10 electronic gaming facility, (iv) investigate alleged
11 violations of this Act by any person involved with a casino
12 or electronic gaming facility, and (v) require that
13 records, including financial or other statements of any
14 casino or electronic gaming facility, shall be kept in such
15 manner as prescribed by the Board.

16 (23) To supervise and regulate the Chicago Casino
17 Development Authority in accordance with the Chicago
18 Casino Development Authority Act and the provisions of this
19 Act.

20 (24) ~~(21)~~ To take any other action as may be reasonable
21 or appropriate to enforce this Act, the Chicago Casino
22 Development Authority Act, and the rules adopted by the
23 Board under both Acts ~~and regulations hereunder.~~

24 All Board powers enumerated in this Section in relation to
25 licensees shall apply equally to the holder of any casino
26 management contract entered into pursuant to the Chicago Casino

1 Development Authority Act.

2 (d) The Board may seek and shall receive the cooperation of
3 the Department of State Police in conducting background
4 investigations of applicants and in fulfilling its
5 responsibilities under this Section. Costs incurred by the
6 Department of State Police as a result of such cooperation
7 shall be paid by the Board in conformance with the requirements
8 of Section 2605-400 of the Department of State Police Law (20
9 ILCS 2605/2605-400).

10 (e) The Board must authorize to each investigator and to
11 any other employee of the Board exercising the powers of a
12 peace officer a distinct badge that, on its face, (i) clearly
13 states that the badge is authorized by the Board and (ii)
14 contains a unique identifying number. No other badge shall be
15 authorized by the Board.

16 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09;
17 96-1000, eff. 7-2-10; 96-1392, eff. 1-1-11.)

18 (230 ILCS 10/5.1) (from Ch. 120, par. 2405.1)

19 Sec. 5.1. Disclosure of records.

20 (a) Notwithstanding any applicable statutory provision to
21 the contrary, the Board shall, on written request from any
22 person, provide information furnished by an applicant or
23 licensee concerning the applicant or licensee, his products,
24 services or gambling enterprises and his business holdings, as
25 follows:

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

3 (2) An identification of any applicant or licensee
4 including, if an applicant or licensee is not an
5 individual, the names and addresses of all stockholders and
6 directors, if the entity is a corporation; the names and
7 addresses of all members, if the entity is a limited
8 liability company; the names and addresses of all partners,
9 both general and limited, if the entity is a partnership;
10 and the names and addresses of all beneficiaries, if the
11 entity is a trust ~~the state of incorporation or~~
12 ~~registration, the corporate officers, and the identity of~~
13 ~~all shareholders or participants.~~ If an applicant or
14 licensee has a pending registration statement filed with
15 the Securities and Exchange Commission, only the names of
16 those persons or entities holding interest of 5% or more
17 must be provided.

18 (3) An identification of any business, including, if
19 applicable, the state of incorporation or registration, in
20 which an applicant or licensee or an applicant's or
21 licensee's spouse or children has an equity interest of
22 more than 1%. If an applicant or licensee is a corporation,
23 partnership or other business entity, the applicant or
24 licensee shall identify any other corporation, partnership
25 or business entity in which it has an equity interest of 1%
26 or more, including, if applicable, the state of

1 incorporation or registration. This information need not
2 be provided by a corporation, partnership or other business
3 entity that has a pending registration statement filed with
4 the Securities and Exchange Commission.

5 (4) Whether an applicant or licensee has been indicted,
6 convicted, pleaded guilty or nolo contendere, or forfeited
7 bail concerning any criminal offense under the laws of any
8 jurisdiction, either felony or misdemeanor (except for
9 traffic violations), including the date, the name and
10 location of the court, arresting agency and prosecuting
11 agency, the case number, the offense, the disposition and
12 the location and length of incarceration.

13 (5) Whether an applicant or licensee has had any
14 license or certificate issued by a licensing authority in
15 Illinois or any other jurisdiction denied, restricted,
16 suspended, revoked or not renewed and a statement
17 describing the facts and circumstances concerning the
18 denial, restriction, suspension, revocation or
19 non-renewal, including the licensing authority, the date
20 each such action was taken, and the reason for each such
21 action.

22 (6) Whether an applicant or licensee has ever filed or
23 had filed against it a proceeding in bankruptcy or has ever
24 been involved in any formal process to adjust, defer,
25 suspend or otherwise work out the payment of any debt
26 including the date of filing, the name and location of the

1 court, the case and number of the disposition.

2 (7) Whether an applicant or licensee has filed, or been
3 served with a complaint or other notice filed with any
4 public body, regarding the delinquency in the payment of,
5 or a dispute over the filings concerning the payment of,
6 any tax required under federal, State or local law,
7 including the amount, type of tax, the taxing agency and
8 time periods involved.

9 (8) A statement listing the names and titles of all
10 public officials or officers of any unit of government, and
11 relatives of said public officials or officers who,
12 directly or indirectly, own any financial interest in, have
13 any beneficial interest in, are the creditors of or hold
14 any debt instrument issued by, or hold or have any interest
15 in any contractual or service relationship with, an
16 applicant or licensee.

17 (9) Whether an applicant or licensee has made, directly
18 or indirectly, any political contribution, or any loans,
19 donations or other payments, to any candidate or office
20 holder, within 5 years from the date of filing the
21 application, including the amount and the method of
22 payment.

23 (10) The name and business telephone number of the
24 counsel representing an applicant or licensee in matters
25 before the Board.

26 (11) A description of any proposed or approved

1 riverboat or casino gaming or electronic gaming operation,
2 including the type of boat, home dock or casino or
3 electronic gaming location, expected economic benefit to
4 the community, anticipated or actual number of employees,
5 any statement from an applicant or licensee regarding
6 compliance with federal and State affirmative action
7 guidelines, projected or actual admissions and projected
8 or actual adjusted gross gaming receipts.

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

11 (b) Notwithstanding any applicable statutory provision to
12 the contrary, the Board shall, on written request from any
13 person, also provide the following information:

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

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

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

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

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

26 (2) The statutes, rules, regulations or

1 intergovernmental agreements of any jurisdiction.

2 (d) The Board may assess fees for the copying of
3 information in accordance with Section 6 of the Freedom of
4 Information Act.

5 (Source: P.A. 96-1392, eff. 1-1-11.)

6 (230 ILCS 10/5.3 new)

7 Sec. 5.3. Ethical conduct.

8 (a) Officials and employees of the corporate authority of a
9 host community must carry out their duties and responsibilities
10 in such a manner as to promote and preserve public trust and
11 confidence in the integrity and conduct of gaming.

12 (b) Officials and employees of the corporate authority of a
13 host community shall not use or attempt to use his or her
14 official position to secure or attempt to secure any privilege,
15 advantage, favor, or influence for himself or herself or
16 others.

17 (c) Officials and employees of the corporate authority of a
18 host community may not have a financial interest, directly or
19 indirectly, in his or her own name or in the name of any other
20 person, partnership, association, trust, corporation, or other
21 entity in any contract or subcontract for the performance of
22 any work for a riverboat or casino that is located in the host
23 community. This prohibition shall extend to the holding or
24 acquisition of an interest in any entity identified by Board
25 action that, in the Board's judgment, could represent the

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

8 (d) Officials and employees of the corporate authority of a
9 host community may not accept any gift, gratuity, service,
10 compensation, travel, lodging, or thing of value, with the
11 exception of unsolicited items of an incidental nature, from
12 any person, corporation, or entity doing business with the
13 riverboat or casino that is located in the host community.

14 (e) Officials and employees of the corporate authority of a
15 host community shall not, during the period that the person is
16 an official or employee of the corporate authority or for a
17 period of 2 years immediately after leaving such office,
18 knowingly accept employment or receive compensation or fees for
19 services from a person or entity, or its parent or affiliate,
20 that has engaged in business with the riverboat or casino that
21 is located in the host community that resulted in contracts
22 with an aggregate value of at least \$25,000 or if that official
23 or employee has made a decision that directly applied to the
24 person or entity, or its parent or affiliate.

25 (f) A spouse, child, or parent of an official or employee
26 of the corporate authority of a host community may not have a

1 financial interest, directly or indirectly, in his or her own
2 name or in the name of any other person, partnership,
3 association, trust, corporation, or other entity in any
4 contract or subcontract for the performance of any work for a
5 riverboat or casino in the host community. This prohibition
6 shall extend to the holding or acquisition of an interest in
7 any entity identified by Board action that, in the judgment of
8 the Board, could represent the potential for or the appearance
9 of a conflict of interest. The holding or acquisition of an
10 interest in such entities through an indirect means, such as
11 through a mutual fund, shall not be prohibited, except that the
12 Board may identify specific investments or funds that, in its
13 judgment, are so influenced by gaming holdings as to represent
14 the potential for or the appearance of a conflict of interest.

15 (g) A spouse, child, or parent of an official or employee
16 of the corporate authority of a host community may not accept
17 any gift, gratuity, service, compensation, travel, lodging, or
18 thing of value, with the exception of unsolicited items of an
19 incidental nature, from any person, corporation, or entity
20 doing business with the riverboat or casino that is located in
21 the host community.

22 (h) A spouse, child, or parent of an official or employee
23 of the corporate authority of a host community may not, during
24 the period that the person is an official of the corporate
25 authority or for a period of 2 years immediately after leaving
26 such office or employment, knowingly accept employment or

1 receive compensation or fees for services from a person or
2 entity, or its parent or affiliate, that has engaged in
3 business with the riverboat or casino that is located in the
4 host community that resulted in contracts with an aggregate
5 value of at least \$25,000 or if that official or employee has
6 made a decision that directly applied to the person or entity,
7 or its parent or affiliate.

8 (i) Officials and employees of the corporate authority of a
9 host community shall not attempt, in any way, to influence any
10 person or entity doing business with the riverboat or casino
11 that is located in the host community or any officer, agent, or
12 employee thereof to hire or contract with any person or entity
13 for any compensated work.

14 (j) Any communication between an official of the corporate
15 authority of a host community and any applicant for an owners
16 license in the host community, or an officer, director, or
17 employee of a riverboat or casino in the host community,
18 concerning any matter relating in any way to gaming shall be
19 disclosed to the Board. Such disclosure shall be in writing by
20 the official within 30 days after the communication and shall
21 be filed with the Board. Disclosure must consist of the date of
22 the communication, the identity and job title of the person
23 with whom the communication was made, a brief summary of the
24 communication, the action requested or recommended, all
25 responses made, the identity and job title of the person making
26 the response, and any other pertinent information. Public

1 disclosure of the written summary provided to the Board and the
2 Gaming Board shall be subject to the exemptions provided under
3 the Freedom of Information Act.

4 This subsection (j) shall not apply to communications
5 regarding traffic, law enforcement, security, environmental
6 issues, city services, transportation, or other routine
7 matters concerning the ordinary operations of the riverboat or
8 casino. For purposes of this subsection (j), "ordinary
9 operations" means operations relating to the casino or
10 riverboat facility other than the conduct of gambling
11 activities, and "routine matters" includes the application
12 for, issuance of, renewal of, and other processes associated
13 with municipal permits and licenses.

14 (k) Any official or employee who violates any provision of
15 this Section is guilty of a Class 4 felony.

16 (l) For purposes of this Section, "host community" or "host
17 municipality" means a unit of local government that contains a
18 riverboat or casino within its borders, but does not include
19 the City of Chicago or the Chicago Casino Development
20 Authority.

21 (230 ILCS 10/6) (from Ch. 120, par. 2406)

22 Sec. 6. Application for Owners License.

23 (a) A qualified person may apply to the Board for an owners
24 license to conduct a riverboat gambling operation as provided
25 in this Act. The application shall be made on forms provided by

1 the Board and shall contain such information as the Board
2 prescribes, including but not limited to the identity of the
3 riverboat on which such gambling operation is to be conducted,
4 if applicable, and the exact location where such riverboat or
5 casino will be located ~~docked~~, a certification that the
6 riverboat will be registered under this Act at all times during
7 which gambling operations are conducted on board, detailed
8 information regarding the ownership and management of the
9 applicant, and detailed personal information regarding the
10 applicant. Any application for an owners license to be
11 re-issued on or after June 1, 2003 shall also include the
12 applicant's license bid in a form prescribed by the Board.
13 Information provided on the application shall be used as a
14 basis for a thorough background investigation which the Board
15 shall conduct with respect to each applicant. An incomplete
16 application shall be cause for denial of a license by the
17 Board.

18 (a-5) In addition to any other information required under
19 this Section, each application for an owners license must
20 include the following information:

21 (1) The history and success of the applicant and each
22 person and entity disclosed under subsection (c) of this
23 Section in developing tourism facilities ancillary to
24 gaming, if applicable.

25 (2) The likelihood that granting a license to the
26 applicant will lead to the creation of quality, living wage

1 jobs and permanent, full-time jobs for residents of the
2 State and residents of the unit of local government that is
3 designated as the home dock of the proposed facility where
4 gambling is to be conducted by the applicant.

5 (3) The projected number of jobs that would be created
6 if the license is granted and the projected number of new
7 employees at the proposed facility where gambling is to be
8 conducted by the applicant.

9 (4) The record, if any, of the applicant and its
10 developer in meeting commitments to local agencies,
11 community-based organizations, and employees at other
12 locations where the applicant or its developer has
13 performed similar functions as they would perform if the
14 applicant were granted a license.

15 (5) Identification of adverse effects that might be
16 caused by the proposed facility where gambling is to be
17 conducted by the applicant, including the costs of meeting
18 increased demand for public health care, child care, public
19 transportation, affordable housing, and social services,
20 and a plan to mitigate those adverse effects.

21 (6) The record, if any, of the applicant and its
22 developer regarding compliance with:

23 (A) federal, state, and local discrimination, wage
24 and hour, disability, and occupational and
25 environmental health and safety laws; and

26 (B) state and local labor relations and employment

1 laws.

2 (7) The applicant's record, if any, in dealing with its
3 employees and their representatives at other locations.

4 (8) A plan concerning the utilization of
5 minority-owned and female-owned businesses and concerning
6 the hiring of minorities and females.

7 (9) Evidence the applicant used its best efforts to
8 reach a goal of 25% ownership representation by minority
9 persons and 5% ownership representation by females.

10 (b) Applicants shall submit with their application all
11 documents, resolutions, and letters of support from the
12 governing body that represents the municipality or county
13 wherein the licensee will be located ~~deck~~.

14 (c) Each applicant shall disclose the identity of every
15 person or entity ~~, association, trust or corporation~~ having a
16 greater than 1% direct or indirect pecuniary interest in the
17 ~~riverboat~~ gambling operation with respect to which the license
18 is sought. If the disclosed entity is a trust, the application
19 shall disclose the names and addresses of all ~~the~~
20 beneficiaries; if a corporation, the names and addresses of all
21 stockholders and directors; if a partnership, the names and
22 addresses of all partners, both general and limited.

23 (d) An application shall be filed and considered in
24 accordance with the rules of the Board. Each application shall
25 be accompanied by a non-refundable ~~An~~ application fee of
26 \$100,000. In addition, a non-refundable fee of \$50,000 shall be

1 paid at the time of filing to defray the costs associated with
2 the background investigation conducted by the Board. If the
3 costs of the investigation exceed \$50,000, the applicant shall
4 pay the additional amount to the Board within 7 days after
5 requested by the Board. If the costs of the investigation are
6 less than \$50,000, the applicant shall receive a refund of the
7 remaining amount. All information, records, interviews,
8 reports, statements, memoranda or other data supplied to or
9 used by the Board in the course of its review or investigation
10 of an application for a license or a renewal under this Act
11 shall be privileged, strictly confidential and shall be used
12 only for the purpose of evaluating an applicant for a license
13 or a renewal. Such information, records, interviews, reports,
14 statements, memoranda or other data shall not be admissible as
15 evidence, nor discoverable in any action of any kind in any
16 court or before any tribunal, board, agency or person, except
17 for any action deemed necessary by the Board. The application
18 fee shall be deposited into the Gaming Facilities Fee Revenue
19 Fund.

20 (e) The Board shall charge each applicant a fee set by the
21 Department of State Police to defray the costs associated with
22 the search and classification of fingerprints obtained by the
23 Board with respect to the applicant's application. These fees
24 shall be paid into the State Police Services Fund.

25 (f) The licensed owner shall be the person primarily
26 responsible for the boat or casino itself. Only one ~~riverboat~~

1 gambling operation may be authorized by the Board on any
2 riverboat or in any casino. The applicant must identify the
3 ~~each~~ riverboat or premises it intends to use and certify that
4 the riverboat or premises: (1) has the authorized capacity
5 required in this Act; (2) is accessible to disabled persons;
6 and (3) is fully registered and licensed in accordance with any
7 applicable laws.

8 (g) A person who knowingly makes a false statement on an
9 application is guilty of a Class A misdemeanor.

10 (Source: P.A. 96-1392, eff. 1-1-11.)

11 (230 ILCS 10/7) (from Ch. 120, par. 2407)

12 Sec. 7. Owners Licenses.

13 (a) The Board shall issue owners licenses to persons or
14 entities, ~~, firms or corporations~~ which apply for such licenses
15 upon payment to the Board of the non-refundable license fee as
16 provided in subsection (e) or (e-5) ~~set by the Board, upon~~
17 ~~payment of a \$25,000 license fee for the first year of~~
18 ~~operation and a \$5,000 license fee for each succeeding year and~~
19 upon a determination by the Board that the applicant is
20 eligible for an owners license pursuant to this Act, the
21 Chicago Casino Development Authority Act, and the rules of the
22 Board. From the effective date of this amendatory Act of the
23 95th General Assembly until (i) 3 years after the effective
24 date of this amendatory Act of the 95th General Assembly, (ii)
25 the date any organization licensee begins to operate a slot

1 machine or video game of chance under the Illinois Horse Racing
2 Act of 1975 or this Act, (iii) the date that payments begin
3 under subsection (c-5) of Section 13 of the Act, ~~or~~ (iv) the
4 wagering tax imposed under Section 13 of this Act is increased
5 by law to reflect a tax rate that is at least as stringent or
6 more stringent than the tax rate contained in subsection (a-3)
7 of Section 13, or (v) when an owners licensee holding a license
8 issued pursuant to Section 7.1 of this Act begins conducting
9 gaming, whichever occurs first, as a condition of licensure and
10 as an alternative source of payment for those funds payable
11 under subsection (c-5) of Section 13 of this ~~the Riverboat~~
12 ~~Gambling~~ Act, any owners licensee that holds or receives its
13 owners license on or after the effective date of this
14 amendatory Act of the 94th General Assembly, other than an
15 owners licensee operating a riverboat with adjusted gross
16 receipts in calendar year 2004 of less than \$200,000,000, must
17 pay into the Horse Racing Equity Trust Fund, in addition to any
18 other payments required under this Act, an amount equal to 3%
19 of the adjusted gross receipts received by the owners licensee.
20 The payments required under this Section shall be made by the
21 owners licensee to the State Treasurer no later than 3:00
22 o'clock p.m. of the day after the day when the adjusted gross
23 receipts were received by the owners licensee. A person, ~~firm~~
24 or entity ~~corporation~~ is ineligible to receive an owners
25 license if:

26 (1) the person has been convicted of a felony under the

- 1 laws of this State, any other state, or the United States;
- 2 (2) the person has been convicted of any violation of
- 3 Article 28 of the Criminal Code of 1961 or the Criminal
- 4 Code of 2012, or substantially similar laws of any other
- 5 jurisdiction;
- 6 (3) the person has submitted an application for a
- 7 license under this Act or the Chicago Casino Development
- 8 Authority 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 entity ~~firm~~
- 12 ~~or corporation~~;
- 13 (6) the entity ~~firm or corporation~~ employs a person
- 14 defined in (1), (2), (3) or (4) who participates in the
- 15 management or operation of gambling operations authorized
- 16 under this Act or the Chicago Casino Development Authority
- 17 Act;
- 18 (7) (blank); or
- 19 (8) a license of the person or entity ~~, firm or~~
- 20 ~~corporation~~ issued under this Act or the Chicago Casino
- 21 Development Authority Act, or a license to own or operate
- 22 gambling facilities in any other jurisdiction, has been
- 23 revoked.

24 The Board is expressly prohibited from making changes to

25 the requirement that licensees make payment into the Horse

26 Racing Equity Trust Fund without the express authority of the

1 Illinois General Assembly and making any other rule to
2 implement or interpret this amendatory Act of the 95th General
3 Assembly. For the purposes of this paragraph, "rules" is given
4 the meaning given to that term in Section 1-70 of the Illinois
5 Administrative Procedure Act.

6 (a-1) Upon approval of the members of the Chicago Casino
7 Development Board, the Chicago Casino Development Authority's
8 executive director, and the Chicago casino operator licensee,
9 the Board shall issue an owners license to the Chicago Casino
10 Development Authority that authorizes the conduct of gambling
11 operations in a casino or in an airport located in the City of
12 Chicago.

13 (b) In determining whether to grant an owners license to an
14 applicant other than the Chicago Casino Development Authority,
15 the Board shall consider:

16 (1) the character, reputation, experience and
17 financial integrity of the applicants and of any other or
18 separate person that either:

19 (A) controls, directly or indirectly, such
20 applicant, or

21 (B) is controlled, directly or indirectly, by such
22 applicant or by a person which controls, directly or
23 indirectly, such applicant;

24 (2) the facilities or proposed facilities for the
25 conduct of ~~riverboat~~ gambling;

26 (3) the highest prospective total revenue to be derived

1 by the State from the conduct of ~~riverboat~~ gambling;

2 (4) the extent to which the ownership of the applicant
3 reflects the diversity of the State by including minority
4 persons, females, and persons with a disability and the
5 good faith affirmative action plan of each applicant to
6 recruit, train and upgrade minority persons, females, and
7 persons with a disability in all employment
8 classifications;

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

11 (6) whether the applicant has adequate capitalization
12 to provide and maintain, for the duration of a license, a
13 riverboat or casino;

14 (7) the extent to which the applicant exceeds or meets
15 other standards for the issuance of an owners license which
16 the Board may adopt by rule; ~~and~~

17 (8) ~~the~~ the amount of the applicant's license bid; ~~:-~~

18 (9) the extent to which the applicant or the proposed
19 host municipality plans to enter into revenue sharing
20 agreements with communities other than the host
21 municipality; and

22 (10) the extent to which the ownership of an applicant
23 includes the most qualified number of minority persons,
24 females, and persons with a disability.

25 (c) Each owners license shall specify the place where the
26 casino ~~riverboats~~ shall operate or the riverboat shall operate

1 and dock.

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

4 (e) In addition to any licenses authorized under subsection
5 (e-5) of this Section, the ~~The~~ Board may issue up to 10
6 licenses authorizing the holders of such licenses to own
7 riverboats. In the application for an owners license, the
8 applicant shall state the dock at which the riverboat is based
9 and the water on which the riverboat will be located. The Board
10 shall issue 5 licenses to become effective not earlier than
11 January 1, 1991. Three of such licenses shall authorize
12 riverboat gambling on the Mississippi River, or, with approval
13 by the municipality in which the riverboat was docked on August
14 7, 2003 and with Board approval, be authorized to relocate to a
15 new location, in a municipality that (1) borders on the
16 Mississippi River or is within 5 miles of the city limits of a
17 municipality that borders on the Mississippi River and (2), on
18 August 7, 2003, had a riverboat conducting riverboat gambling
19 operations pursuant to a license issued under this Act; one of
20 which shall authorize riverboat gambling from a home dock in
21 the city of East St. Louis. One other license shall authorize
22 riverboat gambling on the Illinois River in Tazewell County or,
23 with Board approval, shall authorize the riverboat to relocate
24 to a new location that is no more than 10 miles away from its
25 original location, in a municipality that borders on the
26 Illinois River or is within 5 miles of the city limits of a

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

11 In granting all licenses, the Board may give favorable
12 consideration to economically depressed areas of the State, to
13 applicants presenting plans which provide for significant
14 economic development over a large geographic area, and to
15 applicants who currently operate non-gambling riverboats in
16 Illinois. The Board shall review all applications for owners
17 licenses, and shall inform each applicant of the Board's
18 decision. The Board may grant an owners license to an applicant
19 that has not submitted the highest license bid, but if it does
20 not select the highest bidder, the Board shall issue a written
21 decision explaining why another applicant was selected and
22 identifying the factors set forth in this Section that favored
23 the winning bidder. The fee for issuance or renewal of a
24 license pursuant to this subsection (e) shall be \$100,000.

25 (e-5) In addition to licenses authorized under subsection
26 (e) of this Section:

1 (1) the Board shall issue one owners license
2 authorizing the conduct of casino gambling in the City of
3 Chicago;

4 (2) the Board may issue one owners license authorizing
5 the conduct of riverboat gambling in the City of Danville;

6 (3) the Board may issue one owners license authorizing
7 the conduct of riverboat gambling located in one of the
8 following municipalities in Lake County: Park City, North
9 Chicago, or Waukegan;

10 (4) the Board may issue one owners license authorizing
11 the conduct of riverboat gambling in the City of Rockford;
12 and

13 (5) the Board may issue one owners license authorizing
14 the conduct of riverboat gambling in a municipality that is
15 located in one of the following townships of Cook County:
16 Bloom, Bremen, Calumet, Rich, Thornton, or Worth Township.

17 Each application for a license pursuant to this subsection
18 (e-5) shall be submitted to the Board no later than 6 months
19 after the effective date of this amendatory Act of the 98th
20 General Assembly and shall include the non-refundable
21 application fee and the non-refundable background
22 investigation fee as provided in subsection (d) of Section 6 of
23 this Act. In the event that an applicant submits an application
24 for a license pursuant to this subsection (e-5) prior to the
25 effective date of this amendatory Act of the 98th General
26 Assembly, such applicant shall submit the non-refundable

1 application fee and background investigation fee as provided in
2 subsection (d) of Section 6 of this Act no later than 6 months
3 after the effective date of this amendatory Act of the 98th
4 General Assembly.

5 The Board shall consider issuing a license pursuant to
6 paragraphs (2) through (5) of this subsection only after the
7 corporate authority of the municipality in which the riverboat
8 shall be located has certified to the Board the following:

9 (i) that the applicant has negotiated with the
10 corporate authority in good faith;

11 (ii) that the applicant and the corporate authority
12 have mutually agreed on the permanent location of the
13 riverboat;

14 (iii) that the applicant and the corporate authority
15 have mutually agreed on the temporary location of the
16 riverboat;

17 (iv) that the applicant and the corporate authority
18 have mutually agreed on the percentage of revenues that
19 will be shared with the municipality, if any; and

20 (v) that the applicant and the corporate authority have
21 mutually agreed on any zoning, licensing, public health, or
22 other issues that are within the jurisdiction of the
23 municipality.

24 At least 7 days before the corporate authority of a
25 municipality submits a certification to the Board concerning
26 items (i) through (v) of this subsection, it shall hold a

1 public hearing to discuss items (i) through (v), as well as any
2 other details concerning the proposed riverboat in the
3 municipality. The corporate authority must subsequently
4 memorialize the details concerning the proposed riverboat or
5 casino in a resolution that must be adopted by a majority of
6 the corporate authority before any certification is sent to the
7 Board. The Board shall not alter, amend, change, or otherwise
8 interfere with any agreement between the applicant and the
9 corporate authority of the municipality regarding the location
10 of any temporary or permanent facility.

11 (e-10) The licenses authorized under subsection (e-5) of
12 this Section shall be issued within 12 months after the date
13 the license application is submitted. If the Board does not
14 issue the licenses within that time period, then the Board
15 shall give a written explanation to the applicant as to why it
16 has not reached a determination and when it reasonably expects
17 to make a determination. The fee for the issuance or renewal of
18 a license issued pursuant to this subsection (e-10) shall be
19 \$100,000. Additionally, a licensee located outside of Cook
20 County shall pay a minimum initial fee of \$17,500 per gaming
21 position, and a licensee located in Cook County shall pay a
22 minimum initial fee of \$30,000 per gaming position. The initial
23 fees payable under this subsection (e-10) shall be deposited
24 into the Gaming Facilities Fee Revenue Fund.

25 (e-15) Each licensee of a license authorized under
26 subsection (e-5) of this Section shall make a reconciliation

1 payment 3 years after the date the licensee begins operating in
2 an amount equal to 75% of the adjusted gross receipts for the
3 most lucrative 12-month period of operations, minus an amount
4 equal to the initial payment per gaming position paid by the
5 specific licensee. If this calculation results in a negative
6 amount, then the licensee is not entitled to any reimbursement
7 of fees previously paid. This reconciliation payment may be
8 made in installments over a period of no more than 2 years,
9 subject to Board approval. Any installment payments shall
10 include an annual market interest rate as determined by the
11 Board. All payments by licensees under this subsection (e-15)
12 shall be deposited into the Gaming Facilities Fee Revenue Fund.

13 (e-20) In addition to any other revocation powers granted
14 to the Board under this Act, the Board may revoke the owners
15 license of a licensee, other than the Chicago Casino
16 Development Authority, which fails to begin conducting
17 gambling within 15 months of receipt of the Board's approval of
18 the application if the Board determines that license revocation
19 is in the best interests of the State.

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

26 (g) Upon the termination, expiration, or revocation of each

1 of the first 10 licenses, which shall be issued for a 3 year
2 period, all licenses are renewable annually upon payment of the
3 fee and a determination by the Board that the licensee
4 continues to meet all of the requirements of this Act and the
5 Board's rules. However, for licenses renewed on or after May 1,
6 1998, including casino operator licenses, renewal shall be for
7 a period of 4 years, unless the Board sets a shorter period.
8 Notwithstanding any provision in this subsection (g) to the
9 contrary, any license that is awarded to the Chicago Casino
10 Development Authority shall not expire, but it shall be subject
11 to the provisions of this Act and the rules of the Board.

12 (h) An owners license, except for an owners license issued
13 under subsection (e-5) of this Section, shall entitle the
14 licensee to own up to 2 riverboats.

15 An owners licensee of a casino or riverboat that is located
16 in the City of Chicago pursuant to paragraph (1) of subsection
17 (e-5) of this Section shall limit the number of gaming
18 positions to 4,000 for such owner. All other owners licensees A
19 licensee shall limit the number of gaming positions ~~gambling~~
20 ~~participants~~ to 1,600 ~~1,200~~ for any such owners license, except
21 as further provided in subsection (h-10) of this Section. The
22 initial fee for each gaming position obtained on or after the
23 effective date of this amendatory Act of the 98th General
24 Assembly shall be a minimum of \$17,500 for licensees not
25 located in Cook County and a minimum of \$30,000 for licensees
26 located in Cook County, in addition to the reconciliation

1 payment, as set forth in subsections (e-15) or (h-5) of this
2 Section.

3 Each owners licensee shall reserve its gaming positions
4 within 90 days after issuance of its owners license. The Board
5 may grant an extension to this 90-day period, provided that the
6 owners licensee submits a written request and explanation as to
7 why it is unable to reserve its positions within the 90-day
8 period.

9 A licensee may operate both of its riverboats concurrently,
10 provided that the total number of gaming positions ~~gambling~~
11 ~~participants~~ on both riverboats does not exceed the limit
12 established pursuant to this subsection and subsection (h-10)
13 of this Section 1,200. Riverboats licensed to operate on the
14 Mississippi River and the Illinois River south of Marshall
15 County shall have an authorized capacity of at least 500
16 persons. Any other riverboat licensed under this Act shall have
17 an authorized capacity of at least 400 persons.

18 (h-5) An owners licensee who conducted gambling operations
19 prior to January 1, 2012 and purchases positions pursuant to
20 subsection (h-10) of this Section on or after the effective
21 date of this amendatory Act of the 98th General Assembly must
22 pay a minimum initial fee of \$17,500 per gaming position if the
23 licensee is located outside Cook County and a minimum initial
24 fee of \$30,000 per gaming position if the licensee is located
25 in Cook County, as stated in subsection (h) of this Section.
26 These initial fees shall be deposited into the Gaming

1 Facilities Fee Revenue Fund. Additionally, that owners
2 licensee shall make a reconciliation payment 3 years after any
3 additional gaming positions obtained pursuant to subsection
4 (h-10) begin operating in an amount equal to 75% of the owners
5 licensee's average gross receipts for the most lucrative
6 12-month period of operations minus an amount equal to the
7 initial fee that the owners licensee paid per additional gaming
8 position. For purposes of this subsection (h-5), "average gross
9 receipts" means (i) the increase in adjusted gross receipts for
10 the most lucrative 12-month period of operations over the
11 adjusted gross receipts for 2013, multiplied by (ii) the
12 percentage derived by dividing the number of additional gaming
13 positions that an owners licensee had obtained pursuant to
14 subsection (h-10) by the total number of gaming positions
15 operated by the owners licensee. If this calculation results in
16 a negative amount, then the owners licensee is not entitled to
17 any reimbursement of fees previously paid. This reconciliation
18 payment may be made in installments over a period of no more
19 than 2 years, subject to Board approval. Any installment
20 payments shall include an annual market interest rate as
21 determined by the Board. These reconciliation payments shall be
22 deposited into the Gaming Facilities Fee Revenue Fund.

23 (h-10) For owners licensees authorized under paragraphs
24 (2) through (5) of subsection (e-5) of this Section, the
25 application for such new owners licenses shall ask the
26 applicants to stipulate in their applications the number of

1 gaming positions each applicant would like to reserve, up to
2 1,600 gaming positions. Once the last winning applicant for
3 each of these owners licenses has been selected by the Board,
4 the Board shall publish the number of gaming positions reserved
5 and unreserved by each winning applicant, shall accept requests
6 for additional gaming positions from any winning applicants or
7 owners licensee who initially reserved 1,600 gaming positions,
8 and shall allocate expeditiously the unreserved gaming
9 positions to such requesting winning applicants or owners
10 licensees in a manner to maximize revenue to the State;
11 provided, however, that no owners licensee (other than the
12 Chicago Casino Development Authority) shall obtain more than
13 2,000 positions total. The Board may allocate any such unused
14 gaming positions through a competitive bidding process
15 pursuant to Section 7.5 of this Act.

16 In the event that not all of the unreserved gaming
17 positions described in the first and second paragraphs of this
18 subsection (h-10) were requested by owners licensees and
19 applicants, then until there are no longer unreserved gaming
20 positions, the Board periodically shall govern a process to
21 allocate the unreserved gaming positions in a manner to
22 maximize revenue to the State.

23 Unreserved gaming positions retained from and allocated to
24 owners licensees by the Board pursuant to this subsection
25 (h-10) shall not be allocated to electronic gaming licensees
26 pursuant to subsection (e) of Section 7.6 of this Act.

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

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

22 (k) An owners licensee may conduct land-based gambling
23 operations upon approval by the Board.

24 (l) An owners licensee may conduct gaming at a temporary
25 facility pending the construction of a permanent facility or
26 the remodeling or relocation of an existing facility to

1 accommodate gaming participants for up to 24 months after the
2 temporary facility begins to conduct gaming. Upon request by an
3 owners licensee and upon a showing of good cause by the owners
4 licensee, the Board shall extend the period during which the
5 licensee may conduct gaming at a temporary facility by up to 12
6 months. The Board shall make rules concerning the conduct of
7 gaming from temporary facilities.

8 (Source: P.A. 96-1392, eff. 1-1-11; 97-1150, eff. 1-25-13.)

9 (230 ILCS 10/7.3)

10 Sec. 7.3. State conduct of gambling operations.

11 (a) If, after reviewing each application for a re-issued
12 license, the Board determines that the highest prospective
13 total revenue to the State would be derived from State conduct
14 of the gambling operation in lieu of re-issuing the license,
15 the Board shall inform each applicant of its decision. The
16 Board shall thereafter have the authority, without obtaining an
17 owners license, to conduct casino or riverboat gambling
18 operations as previously authorized by the terminated,
19 expired, revoked, or nonrenewed license through a licensed
20 manager selected pursuant to an open and competitive bidding
21 process as set forth in Section 7.5 and as provided in Section
22 7.4.

23 (b) The Board may locate any casino or riverboat on which a
24 gambling operation is conducted by the State in any home dock
25 or other location authorized by Section 3(c) upon receipt of

1 approval from a majority vote of the governing body of the
2 municipality or county, as the case may be, in which the
3 riverboat will dock.

4 (c) The Board shall have jurisdiction over and shall
5 supervise all gambling operations conducted by the State
6 provided for in this Act and the Chicago Casino Development
7 Authority Act and shall have all powers necessary and proper to
8 fully and effectively execute the provisions of this Act and
9 the Chicago Casino Development Authority Act relating to
10 gambling operations conducted by the State.

11 (d) The maximum number of owners licenses authorized under
12 Section 7 ~~7(e)~~ shall be reduced by one for each instance in
13 which the Board authorizes the State to conduct a casino or
14 riverboat gambling operation under subsection (a) in lieu of
15 re-issuing a license to an applicant under Section 7.1.

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

17 (230 ILCS 10/7.5)

18 Sec. 7.5. Competitive Bidding. When the Board determines
19 that (i) it will re-issue an owners license pursuant to an open
20 and competitive bidding process, as set forth in Section 7.1,
21 (ii) ~~or that~~ it will issue a managers license pursuant to an
22 open and competitive bidding process, as set forth in Section
23 7.4, (iii) it will issue an owners license pursuant to an open
24 and competitive bidding process, as set forth in Section 7.11,
25 or (iv) it will allocate unused gaming positions pursuant to an

1 open and competitive bidding process, as set forth in
2 subsection (h-10) of Section 7, the open and competitive
3 bidding process shall adhere to the following procedures:

4 (1) The Board shall make applications for owners and
5 managers licenses available to the public and allow a
6 reasonable time for applicants to submit applications to the
7 Board.

8 (2) During the filing period for owners or managers license
9 applications, the Board may retain the services of an
10 investment banking firm to assist the Board in conducting the
11 open and competitive bidding process.

12 (3) After receiving all of the bid proposals, the Board
13 shall open all of the proposals in a public forum and disclose
14 the prospective owners or managers names, venture partners, if
15 any, and, in the case of applicants for owners licenses, the
16 locations of the proposed development sites.

17 (4) The Board shall summarize the terms of the proposals
18 and may make this summary available to the public.

19 (5) The Board shall evaluate the proposals within a
20 reasonable time and select no more than 3 final applicants to
21 make presentations of their proposals to the Board.

22 (6) The final applicants shall make their presentations to
23 the Board on the same day during an open session of the Board.

24 (7) As soon as practicable after the public presentations
25 by the final applicants, the Board, in its discretion, may
26 conduct further negotiations among the 3 final applicants.

1 During such negotiations, each final applicant may increase its
2 license bid or otherwise enhance its bid proposal. At the
3 conclusion of such negotiations, the Board shall select the
4 winning proposal. In the case of negotiations for an owners
5 license, the Board may, at the conclusion of such negotiations,
6 make the determination allowed under Section 7.3(a).

7 (8) Upon selection of a winning bid, the Board shall
8 evaluate the winning bid within a reasonable period of time for
9 licensee suitability in accordance with all applicable
10 statutory and regulatory criteria.

11 (9) If the winning bidder is unable or otherwise fails to
12 consummate the transaction, (including if the Board determines
13 that the winning bidder does not satisfy the suitability
14 requirements), the Board may, on the same criteria, select from
15 the remaining bidders or make the determination allowed under
16 Section 7.3(a).

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

18 (230 ILCS 10/7.6 new)

19 Sec. 7.6. Electronic gaming.

20 (a) The General Assembly finds that the horse racing and
21 riverboat gambling industries share many similarities and
22 collectively comprise the bulk of the State's gaming industry.
23 One feature common to both industries is that each is highly
24 regulated by the State of Illinois. The General Assembly
25 further finds, however, that despite their shared features each

1 industry is distinct from the other in that horse racing is and
2 continues to be intimately tied to Illinois' agricultural
3 economy and is, at its core, a spectator sport. This
4 distinction requires the General Assembly to utilize different
5 methods to regulate and promote the horse racing industry
6 throughout the State. The General Assembly finds that in order
7 to promote live horse racing as a spectator sport in Illinois
8 and the agricultural economy of this State, it is necessary to
9 allow electronic gaming at Illinois race tracks as an ancillary
10 use given the success of other states in increasing live racing
11 purse accounts and improving the quality of horses
12 participating in horse race meetings.

13 (b) The Illinois Gaming Board shall award one electronic
14 gaming license to each person or entity having operating
15 control of a race track that applies under Section 56 of the
16 Illinois Horse Racing Act of 1975, subject to the application
17 and eligibility requirements of this Section. Within 60 days
18 after the effective date of this amendatory Act of the 98th
19 General Assembly, a person or entity having operating control
20 of a race track may submit an application for an electronic
21 gaming license. The application shall be made on such forms as
22 provided by the Board and shall contain such information as the
23 Board prescribes, including, but not limited to, the identity
24 of any race track at which electronic gaming will be conducted,
25 detailed information regarding the ownership and management of
26 the applicant, and detailed personal information regarding the

1 applicant. The application shall specify the number of gaming
2 positions the applicant intends to use and the place where the
3 electronic gaming facility will operate. A person who knowingly
4 makes a false statement on an application is guilty of a Class
5 A misdemeanor.

6 Each applicant shall disclose the identity of every person
7 or entity having a direct or indirect pecuniary interest
8 greater than 1% in any race track with respect to which the
9 license is sought. If the disclosed entity is a corporation,
10 the applicant shall disclose the names and addresses of all
11 stockholders and directors. If the disclosed entity is a
12 limited liability company, the applicant shall disclose the
13 names and addresses of all members and managers. If the
14 disclosed entity is a partnership, the applicant shall disclose
15 the names and addresses of all partners, both general and
16 limited. If the disclosed entity is a trust, the applicant
17 shall disclose the names and addresses of all beneficiaries.

18 An application shall be filed and considered in accordance
19 with the rules of the Board. Each application for an electronic
20 gaming license shall include a non-refundable application fee
21 of \$100,000. In addition, a non-refundable fee of \$50,000 shall
22 be paid at the time of filing to defray the costs associated
23 with background investigations conducted by the Board. If the
24 costs of the background investigation exceed \$50,000, the
25 applicant shall pay the additional amount to the Board within 7
26 days after a request by the Board. If the costs of the

1 investigation are less than \$50,000, the applicant shall
2 receive a refund of the remaining amount. All information,
3 records, interviews, reports, statements, memoranda, or other
4 data supplied to or used by the Board in the course of this
5 review or investigation of an applicant for an electronic
6 gaming license under this Act shall be privileged and strictly
7 confidential and shall be used only for the purpose of
8 evaluating an applicant for an electronic gaming license or a
9 renewal. Such information, records, interviews, reports,
10 statements, memoranda, or other data shall not be admissible as
11 evidence nor discoverable in any action of any kind in any
12 court or before any tribunal, board, agency or person, except
13 for any action deemed necessary by the Board. The application
14 fee shall be deposited into the Gaming Facilities Fee Revenue
15 Fund.

16 Each applicant shall submit with his or her application, on
17 forms provided by the Board, 2 sets of his or her fingerprints.
18 The Board shall charge each applicant a fee set by the
19 Department of State Police to defray the costs associated with
20 the search and classification of fingerprints obtained by the
21 Board with respect to the applicant's application. This fee
22 shall be paid into the State Police Services Fund.

23 (c) The Board shall determine within 120 days after
24 receiving an application for an electronic gaming license
25 whether to grant an electronic gaming license to the applicant.
26 If the Board does not make a determination within that time

1 period, then the Board shall give a written explanation to the
2 applicant as to why it has not reached a determination and when
3 it reasonably expects to make a determination.

4 The electronic gaming licensee shall purchase up to the
5 amount of electronic gaming positions authorized under this Act
6 within 120 days after receiving its electronic gaming license.
7 If an electronic gaming licensee is prepared to purchase the
8 electronic gaming positions, but is temporarily prohibited
9 from doing so by order of a court of competent jurisdiction or
10 the Board, then the 120-day period is tolled until a resolution
11 is reached.

12 An electronic gaming license shall authorize its holder to
13 conduct electronic gaming at its race track at the following
14 times:

15 (1) On days when it conducts live racing at the track
16 where its electronic gaming facility is located, from 8:00
17 a.m. until 3:00 a.m. on the following day.

18 (2) On days when it is scheduled to conduct simulcast
19 wagering on races run in the United States, from 8:00 a.m.
20 until 3:00 a.m. on the following day.

21 Additionally, the Board may extend these days of operation
22 and hours upon request by an organization licensee as the Board
23 sees fit.

24 A license to conduct electronic gaming and any renewal of
25 an electronic gaming license shall authorize electronic gaming
26 for a period of 4 years. The fee for the issuance or renewal of

1 an electronic gaming license shall be \$100,000.

2 (d) To be eligible to conduct electronic gaming, a person
3 or entity having operating control of a race track must (i)
4 obtain an electronic gaming license, (ii) hold an organization
5 license under the Illinois Horse Racing Act of 1975, (iii) hold
6 an inter-track wagering license, (iv) pay an initial fee of
7 \$30,000 per gaming position from electronic gaming licensees
8 where electronic gaming is conducted in Cook County and \$17,500
9 for electronic gaming licensees where electronic gaming is
10 located outside of Cook County before beginning to conduct
11 electronic gaming plus make the reconciliation payment
12 required under subsection (i), (v) conduct at least 240 live
13 races at each track per year or for a licensee that is only
14 authorized 350 gaming positions pursuant to subsection (d) of
15 Section 7.6 of this Act, have a fully operational facility
16 running at least 96 live races over a period of at least 15
17 days per year until such time as the total number of gaming
18 positions is increased to 900, (vi) meet the requirements of
19 subsection (a) of Section 56 of the Illinois Horse Racing Act
20 of 1975, (vii) for organization licensees conducting
21 standardbred race meetings that had an open backstretch in
22 2009, keep backstretch barns and dormitories open and
23 operational year-round unless a lesser schedule is mutually
24 agreed to by the organization licensee and the horsemen's
25 association racing at that organization licensee's race
26 meeting, (viii) for organization licensees conducting

1 thoroughbred race meetings, the organization licensee must
2 maintain accident medical expense liability insurance coverage
3 of \$1,000,000 for jockeys, and (ix) meet all other requirements
4 of this Act that apply to owners licensees. Only those persons
5 or entities (or its successors or assigns) that had operating
6 control of a race track and held an inter-track wagering
7 license authorized by the Illinois Racing Board in 2009 are
8 eligible.

9 An electronic gaming licensee may enter into a joint
10 venture with a licensed owner to own, manage, conduct, or
11 otherwise operate the electronic gaming licensee's electronic
12 gaming facilities, unless the electronic gaming licensee has a
13 parent company or other affiliated company that is, directly or
14 indirectly, wholly owned by a parent company that is also
15 licensed to conduct electronic gaming, casino gaming, or their
16 equivalent in another state.

17 All payments by licensees under this subsection (c) shall
18 be deposited into the Gaming Facilities Fee Revenue Fund.

19 (e) A person or entity is ineligible to receive an
20 electronic gaming license if:

21 (1) the person or entity has been convicted of a felony
22 under the laws of this State, any other state, or the
23 United States, including a conviction under the Racketeer
24 Influenced and Corrupt Organizations Act;

25 (2) the person or entity has been convicted of any
26 violation of Article 28 of the Criminal Code of 2012, or

1 substantially similar laws of any other jurisdiction;

2 (3) the person or entity has submitted an application
3 for a license under this Act that contains false
4 information;

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

6 (5) a person defined in (1), (2), (3), or (4) of this
7 subsection (e) is an officer, director, or managerial
8 employee of the entity;

9 (6) the person or entity employs a person defined in
10 (1), (2), (3), or (4) of this subsection (e) who
11 participates in the management or operation of gambling
12 operations authorized under this Act; or

13 (7) a license of the person or entity issued under this
14 Act or a license to own or operate gambling facilities in
15 any other jurisdiction has been revoked.

16 (f) The Board may approve electronic gaming positions
17 statewide as provided in this Section. The authority to operate
18 electronic gaming positions under this Section shall be
19 allocated as follows: up to 1,200 gaming positions for any
20 electronic gaming licensee in Cook County whose electronic
21 gaming license originates with an organization licensee that
22 conducted live racing in calendar year 2010; up to 900 gaming
23 positions for any electronic gaming licensee outside of Cook
24 County whose electronic gaming license originates with an
25 organization licensee that conducted live racing in calendar
26 year 2010; and up to 350 gaming positions for any electronic

1 gaming licensee whose electronic gaming license originates
2 with an organization licensee that did not conduct live racing
3 in calendar year 2010, which shall increase to 900 gaming
4 positions in the calendar year following the year in which the
5 electronic gaming licensee conducts 96 live races.

6 (g) Each applicant for an electronic gaming license shall
7 specify in its application for licensure the number of gaming
8 positions it will operate, up to the applicable limitation set
9 forth in subsection (f) of this Section. Any unreserved gaming
10 positions that are not specified shall be forfeited and
11 retained by the Board. For the purposes of this subsection (g),
12 an electronic gaming licensee that did not conduct live racing
13 in 2010 may reserve up to 900 positions and shall not be
14 penalized under this Section for not operating those positions
15 until it meets the requirements of subsection (f) of this
16 Section, but such licensee shall not request unreserved gaming
17 positions under this subsection (g) until its 900 positions are
18 all operational.

19 Thereafter, the Board shall publish the number of
20 unreserved electronic gaming positions and shall accept
21 requests for additional positions from any electronic gaming
22 licensee that initially reserved all of the positions that were
23 offered. The Board shall allocate expeditiously the unreserved
24 electronic gaming positions to requesting electronic gaming
25 licensees in a manner that maximizes revenue to the State. The
26 Board may allocate any such unused electronic gaming positions

1 pursuant to an open and competitive bidding process, as
2 provided under Section 7.5 of this Act. This process shall
3 continue until all unreserved gaming positions have been
4 purchased. All positions obtained pursuant to this process and
5 all positions the electronic gaming licensee specified it would
6 operate in its application must be in operation within 18
7 months after they were obtained or the electronic gaming
8 licensee forfeits the right to operate those positions, but is
9 not entitled to a refund of any fees paid. The Board may, after
10 holding a public hearing, grant extensions so long as the
11 electronic gaming licensee is working in good faith to make the
12 positions operational. The extension may be for a period of 6
13 months. If, after the period of the extension, the electronic
14 gaming licensee has not made the positions operational, then
15 another public hearing must be held by the Board before it may
16 grant another extension.

17 Unreserved gaming positions retained from and allocated to
18 electronic gaming licensees by the Board pursuant to this
19 subsection (g) shall not be allocated to owners licensees
20 pursuant to subsection (h-10) of Section 7 of this Act.

21 For the purpose of this subsection (g), the unreserved
22 gaming positions for each electronic gaming licensee shall be
23 the applicable limitation set forth in subsection (f) of this
24 Section, less the number of reserved gaming positions by such
25 electronic gaming licensee, and the total unreserved gaming
26 positions shall be the aggregate of the unreserved gaming

1 positions for all electronic gaming licensees.

2 (h) Subject to the approval of the Illinois Gaming Board,
3 an electronic gaming licensee may make modification or
4 additions to any existing buildings and structures to comply
5 with the requirements of this Act. The Illinois Gaming Board
6 shall make its decision after consulting with the Illinois
7 Racing Board. In no case, however, shall the Illinois Gaming
8 Board approve any modification or addition that alters the
9 grounds of the organizational licensee such that the act of
10 live racing is an ancillary activity to electronic gaming.
11 Electronic gaming may take place in existing structures where
12 inter-track wagering is conducted at the race track or a
13 facility within 300 yards of the race track in accordance with
14 the provisions of this Act and the Illinois Horse Racing Act of
15 1975.

16 (i) An electronic gaming licensee may conduct electronic
17 gaming at a temporary facility pending the construction of a
18 permanent facility or the remodeling or relocation of an
19 existing facility to accommodate electronic gaming
20 participants for up to 24 months after the temporary facility
21 begins to conduct electronic gaming. Upon request by an
22 electronic gaming licensee and upon a showing of good cause by
23 the electronic gaming licensee, the Board shall extend the
24 period during which the licensee may conduct electronic gaming
25 at a temporary facility by up to 12 months. The Board shall
26 make rules concerning the conduct of electronic gaming from

1 temporary facilities.

2 Electronic gaming may take place in existing structures
3 where inter-track wagering is conducted at the race track or a
4 facility within 300 yards of the race track in accordance with
5 the provisions of this Act and the Illinois Horse Racing Act of
6 1975. Any electronic gaming conducted at a permanent facility
7 within 300 yards of the race track in accordance with this Act
8 and the Illinois Horse Racing Act of 1975 shall have an
9 all-weather egress connecting the electronic gaming facility
10 and the race track facility or, on days and hours of live
11 racing, a complimentary shuttle service between the permanent
12 electronic gaming facility and the race track facility and
13 shall not charge electronic gaming participants an additional
14 admission fee to the race track facility.

15 (j) The Illinois Gaming Board must adopt emergency rules in
16 accordance with Section 5-45 of the Illinois Administrative
17 Procedure Act as necessary to ensure compliance with the
18 provisions of this amendatory Act of the 98th General Assembly
19 concerning electronic gaming. The adoption of emergency rules
20 authorized by this subsection (j) shall be deemed to be
21 necessary for the public interest, safety, and welfare.

22 (k) Each electronic gaming licensee who obtains electronic
23 gaming positions must make a reconciliation payment 3 years
24 after the date the electronic gaming licensee begins operating
25 the positions in an amount equal to 75% of the difference
26 between its adjusted gross receipts from electronic gaming and

1 amounts paid to its purse accounts pursuant to item (1) of
2 subsection (b) of Section 56 of the Illinois Horse Racing Act
3 of 1975 for the 12-month period for which such difference was
4 the largest, minus an amount equal to the initial per position
5 fee paid by the electronic gaming licensee. If this calculation
6 results in a negative amount, then the electronic gaming
7 licensee is not entitled to any reimbursement of fees
8 previously paid. This reconciliation payment may be made in
9 installments over a period of no more than 2 years, subject to
10 Board approval. Any installment payments shall include an
11 annual market interest rate as determined by the Board.

12 All payments by licensees under this subsection (i) shall
13 be deposited into the Gaming Facilities Fee Revenue Fund.

14 (1) As soon as practical after a request is made by the
15 Illinois Gaming Board, to minimize duplicate submissions by the
16 applicant, the Illinois Racing Board must provide information
17 on an applicant for an electronic gaming license to the
18 Illinois Gaming Board.

19 (m) Subject to the approval of the Illinois Gaming Board,
20 an organization licensee that has received an electronic gaming
21 license under this Act and has operating control of a race
22 track facility located in Cook County may relocate its race
23 track facility as follows:

24 (1) the organization licensee may relocate within a
25 3-mile radius of its existing race track facility so long
26 as the organization licensee remains in Cook County and

1 submits its plan to construct a new structure to conduct
2 electronic gaming operations; and

3 (2) the organization licensee may not relocate within a
4 5-mile radius of a riverboat if the owners license was
5 issued prior to December 31, 2011.

6 The relocation must include the race track facility, including
7 the race track operations used to conduct live racing and the
8 electronic gaming facility in its entirety. For the purposes of
9 this subsection (m), "race track facility" means all operations
10 conducted on the race track property for which it was awarded a
11 license for pari-mutuel wagering and live racing in the year
12 2010, except for the real estate itself. The Illinois Gaming
13 Board shall make its decision after consulting with the
14 Illinois Racing Board, and any relocation application shall be
15 subject to all of the provisions of this Act and the Illinois
16 Horse Racing Act of 1975.

17 (230 ILCS 10/7.7 new)

18 Sec. 7.7. Home rule. The regulation and licensing of
19 electronic gaming and electronic gaming licensees are
20 exclusive powers and functions of the State. A home rule unit
21 may not regulate or license electronic gaming or electronic
22 gaming licensees. This Section is a denial and limitation of
23 home rule powers and functions under subsection (h) of Section
24 6 of Article VII of the Illinois Constitution.

1 (230 ILCS 10/7.8 new)

2 Sec. 7.8. Casino operator license.

3 (a) A qualified person may apply to the Board for a casino
4 operator license to operate and manage any gambling operation
5 conducted by the Authority. The application shall be made on
6 forms provided by the Board and shall contain such information
7 as the Board prescribes, including but not limited to
8 information required in Sections 6(a), (b), and (c) and
9 information relating to the applicant's proposed price to
10 manage the Authority's gambling operations and to provide the
11 casino, gambling equipment, and supplies necessary to conduct
12 Authority gambling operations. The application shall also
13 include a non-refundable application fee of \$100,000. This
14 application fee shall be deposited into the Gaming Facilities
15 Fee Revenue Fund.

16 (b) A person or entity is ineligible to receive a casino
17 operator license if:

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

20 (2) the person has been convicted of any violation of
21 Article 28 of the Criminal Code of 2012, or substantially
22 similar laws of any other jurisdiction;

23 (3) the person has submitted an application for a
24 license under this Act or the Chicago Casino Development
25 Authority Act which contains false information;

26 (4) the person is a member of the Board or the Chicago

1 Casino Development Board or the person is an official or
2 employee of the Chicago Casino Development Authority or the
3 City of Chicago;

4 (5) a person defined in (1), (2), (3), or (4) is an
5 officer, director, or managerial employee of the entity;

6 (6) the entity employs a person defined in (1), (2),
7 (3), or (4) who participates in the management or operation
8 of gambling operations authorized under this Act; or

9 (7) a license of the person or entity issued under this
10 Act, or a license to own or operate gambling facilities in
11 any other jurisdiction, has been revoked.

12 (c) In determining whether to grant a casino operator
13 license, the Board shall consider:

14 (1) the character, reputation, experience and
15 financial integrity of the applicants and of any other or
16 separate person that either:

17 (A) controls, directly or indirectly, such
18 applicant, or

19 (B) is controlled, directly or indirectly, by such
20 applicant or by a person which controls, directly or
21 indirectly, such applicant;

22 (2) the facilities or proposed facilities for the
23 conduct of gambling;

24 (3) the preference of the municipality in which the
25 licensee will operate;

26 (4) the extent to which the ownership of the applicant

1 reflects the diversity of the State by including minority
2 persons and females and the good faith affirmative action
3 plan of each applicant to recruit, train, and upgrade
4 minority persons and females in all employment
5 classifications;

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

8 (6) whether the applicant has adequate capitalization
9 to provide and maintain, for the duration of a license, a
10 casino; and

11 (7) the extent to which the applicant exceeds or meets
12 other standards for the issuance of a casino operator
13 license that the Board may adopt by rule.

14 (d) Each applicant shall submit with his or her
15 application, on forms prescribed by the Board, 2 sets of his or
16 her fingerprints. The Board shall charge each applicant a fee
17 set by the Department of State Police to defray the costs
18 associated with the search and classification of fingerprints
19 obtained by the Board with respect to the applicant's
20 application. This fee shall be paid into the State Police
21 Services Fund.

22 (e) A person who knowingly makes a false statement on an
23 application is guilty of a Class A misdemeanor.

24 (f) The Board shall charge each applicant a non-refundable
25 fee of \$50,000 to defray the costs associated with the
26 background investigation conducted by the Board. This fee shall

1 be exclusive of any other fee or fees charged in connection
2 with an application for and, if applicable, the issuance of, a
3 casino operator license. If the costs of the investigation
4 exceed \$50,000, the Board shall immediately notify the
5 applicant of the additional amount owed, payment of which must
6 be submitted to the Board within 7 days after such
7 notification. All information, records, interviews, reports,
8 statements, memoranda, or other data supplied to or used by the
9 Board in the course of its review or investigation of an
10 application for a license or a renewal under this Act shall be
11 privileged and strictly confidential and shall be used only for
12 the purpose of evaluating an applicant for a license or a
13 renewal. Such information, records, interviews, reports,
14 statements, memoranda, or other data shall not be admissible as
15 evidence, nor discoverable in any action of any kind in any
16 court or before any tribunal, board, agency, or person, except
17 for any action deemed necessary by the Board.

18 (g) The casino operator license shall be issued only upon
19 proof that the applicant has entered into a labor peace
20 agreement with each labor organization that is actively engaged
21 in representing and attempting to represent casino and
22 hospitality industry workers in this State. The labor peace
23 agreement must be a valid and enforceable agreement under 29
24 U.S.C. 185 that protects the city's and State's revenues from
25 the operation of the casino facility by prohibiting the labor
26 organization and its members from engaging in any picketing,

1 work stoppages, boycotts, or any other economic interference
2 with the casino facility for at least the first 5 years of the
3 casino license and must cover all operations at the casino
4 facility that are conducted by lessees or tenants or under
5 management agreements.

6 (h) The casino operator license shall be for a term of 4
7 years, shall be renewable by the Board, and shall contain such
8 terms and provisions as the Board deems necessary to protect or
9 enhance the credibility and integrity of State gambling
10 operations, achieve the highest prospective total revenue to
11 the State, and otherwise serve the interests of the citizens of
12 Illinois. The Board may suspend, restrict, or revoke the
13 license:

14 (1) for violation of any provision of this Act;

15 (2) for violation of any rules of the Board;

16 (3) for any cause which, if known to the Board, would
17 have disqualified the applicant from receiving the
18 license; or

19 (4) for any other just cause.

20 (230 ILCS 10/7.9 new)

21 Sec. 7.9. Diversity program.

22 (a) Each owners licensee, electronic gaming licensee,
23 casino operator licensee, and suppliers licensee shall
24 establish and maintain a diversity program to ensure
25 non-discrimination in the award and administration of

1 contracts. The programs shall establish goals of awarding not
2 less than 20% of the annual dollar value of all contracts,
3 purchase orders, or other agreements to minority-owned
4 businesses and 5% of the annual dollar value of all contracts
5 to female-owned businesses.

6 (b) Each owners licensee, electronic gaming licensee,
7 casino operator licensee, and suppliers licensee shall
8 establish and maintain a diversity program designed to promote
9 equal opportunity for employment. The program shall establish
10 hiring goals as the Board and each licensee determines
11 appropriate. The Board shall monitor the progress of the gaming
12 licensee's progress with respect to the program's goals.

13 (c) No later than May 31 of each year, each licensee shall
14 report to the Board the number of respective employees and the
15 number of their respective employees who have designated
16 themselves as members of a minority group and gender. In
17 addition, all licensees shall submit a report with respect to
18 the minority-owned and female-owned businesses program created
19 in this Section to the Board.

20 (230 ILCS 10/7.10 new)

21 Sec. 7.10. Annual report on diversity.

22 (a) Each licensee that receives a license under Sections 7,
23 7.1, and 7.6 shall execute and file a report with the Board no
24 later than December 31 of each year that shall contain, but not
25 be limited to, the following information:

1 (i) a good faith affirmative action plan to recruit,
2 train, and upgrade minority persons, females, and persons
3 with a disability in all employment classifications;

4 (ii) the total dollar amount of contracts that were
5 awarded to businesses owned by minority persons, females,
6 and persons with a disability;

7 (iii) the total number of businesses owned by minority
8 persons, females, and persons with a disability that were
9 utilized by the licensee;

10 (iv) the utilization of businesses owned by minority
11 persons, females, and persons with disabilities during the
12 preceding year; and

13 (v) the outreach efforts used by the licensee to
14 attract investors and businesses consisting of minority
15 persons, females, and persons with a disability.

16 (b) The Board shall forward a copy of each licensee's
17 annual reports to the General Assembly no later than February 1
18 of each year.

19 (230 ILCS 10/7.11 new)

20 Sec. 7.11. Issuance of new owners licenses.

21 (a) Except for the owners license issued to the Chicago
22 Casino Development Authority, owners licenses newly authorized
23 pursuant to this amendatory Act of the 98th General Assembly
24 may be issued by the Board to a qualified applicant pursuant to
25 an open and competitive bidding process, as set forth in

1 Section 7.5, and subject to the maximum number of authorized
2 licenses set forth in subsection (e-5) of Section 7 of this
3 Act.

4 (b) To be a qualified applicant, a person or entity may not
5 be ineligible to receive an owners license under subsection (a)
6 of Section 7 of this Act and must submit an application for an
7 owners license that complies with Section 6 of this Act.

8 (c) In determining whether to grant an owners license to an
9 applicant, the Board shall consider all of the factors set
10 forth in subsections (b) and (e-10) of Section 7 of this Act,
11 as well as the amount of the applicant's license bid. The Board
12 may grant the owners license to an applicant that has not
13 submitted the highest license bid, but if it does not select
14 the highest bidder, the Board shall issue a written decision
15 explaining why another applicant was selected and identifying
16 the factors set forth in subsections (b) and (e-10) of Section
17 7 of this Act that favored the winning bidder.

18 (230 ILCS 10/7.12 new)

19 Sec. 7.12. Environmental standards. All permanent
20 casinos, riverboats, and electronic gaming facilities shall
21 consist of buildings that are certified as meeting the U.S.
22 Green Building Council's Leadership in Energy and
23 Environmental Design standards. The provisions of this Section
24 apply to a holder of an owners license, casino operator
25 license, or electronic gaming license that (i) begins

1 operations on or after January 1, 2013 or (ii) relocates its
2 facilities on or after the effective date of this amendatory
3 Act of the 98th General Assembly.

4 (230 ILCS 10/8) (from Ch. 120, par. 2408)

5 Sec. 8. Suppliers licenses.

6 (a) The Board may issue a suppliers license to such
7 persons, firms or corporations which apply therefor upon the
8 payment of a non-refundable application fee set by the Board,
9 upon a determination by the Board that the applicant is
10 eligible for a suppliers license and upon payment of a \$5,000
11 annual license fee.

12 (b) The holder of a suppliers license is authorized to sell
13 or lease, and to contract to sell or lease, gambling equipment
14 and supplies to any licensee involved in the ownership or
15 management of gambling operations.

16 (c) Gambling supplies and equipment may not be distributed
17 unless supplies and equipment conform to standards adopted by
18 rules of the Board.

19 (d) A person, firm or corporation is ineligible to receive
20 a suppliers license if:

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

23 (2) the person has been convicted of any violation of
24 Article 28 of the Criminal Code of 1961 or the Criminal
25 Code of 2012, or substantially similar laws of any other

1 jurisdiction;

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

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

5 (5) the entity ~~firm or corporation~~ is one in which a
6 person defined in (1), (2), (3) or (4), is an officer,
7 director or managerial employee;

8 (6) the firm or corporation employs a person who
9 participates in the management or operation of riverboat
10 gambling authorized under this Act or the Chicago Casino
11 Development Authority Act;

12 (7) the license of the person, firm or corporation
13 issued under this Act or the Chicago Casino Development
14 Authority Act, or a license to own or operate gambling
15 facilities in any other jurisdiction, has been revoked.

16 (e) Any person that supplies any equipment, devices, or
17 supplies to a licensed riverboat gambling operation or casino
18 or electronic gaming operation must first obtain a suppliers
19 license. A supplier shall furnish to the Board a list of all
20 equipment, devices and supplies offered for sale or lease in
21 connection with gambling games authorized under this Act. A
22 supplier shall keep books and records for the furnishing of
23 equipment, devices and supplies to gambling operations
24 separate and distinct from any other business that the supplier
25 might operate. A supplier shall file a quarterly return with
26 the Board listing all sales and leases. A supplier shall

1 permanently affix its name to all its equipment, devices, and
2 supplies for gambling operations. Any supplier's equipment,
3 devices or supplies which are used by any person in an
4 unauthorized gambling operation shall be forfeited to the
5 State. A holder of an owners license or an electronic gaming
6 license ~~A licensed owner~~ may own its own equipment, devices and
7 supplies. Each holder of an owners license or an electronic
8 gaming license under the Act shall file an annual report
9 listing its inventories of gambling equipment, devices and
10 supplies.

11 (f) Any person who knowingly makes a false statement on an
12 application is guilty of a Class A misdemeanor.

13 (g) Any gambling equipment, devices and supplies provided
14 by any licensed supplier may either be repaired on the
15 riverboat, in the casino, or at the electronic gaming facility
16 or removed from the riverboat, casino, or electronic gaming
17 facility to a an on-shore facility owned by the holder of an
18 owners license or electronic gaming license for repair.

19 (Source: P.A. 97-1150, eff. 1-25-13.)

20 (230 ILCS 10/9) (from Ch. 120, par. 2409)

21 Sec. 9. Occupational licenses.

22 (a) The Board may issue an occupational license to an
23 applicant upon the payment of a non-refundable fee set by the
24 Board, upon a determination by the Board that the applicant is
25 eligible for an occupational license and upon payment of an

1 annual license fee in an amount to be established. To be
2 eligible for an occupational license, an applicant must:

3 (1) be at least 21 years of age if the applicant will
4 perform any function involved in gaming by patrons. Any
5 applicant seeking an occupational license for a non-gaming
6 function shall be at least 18 years of age;

7 (2) not have been convicted of a felony offense, a
8 violation of Article 28 of the Criminal Code of 1961 or the
9 Criminal Code of 2012, or a similar statute of any other
10 jurisdiction;

11 (2.5) not have been convicted of a crime, other than a
12 crime described in item (2) of this subsection (a),
13 involving dishonesty or moral turpitude, except that the
14 Board may, in its discretion, issue an occupational license
15 to a person who has been convicted of a crime described in
16 this item (2.5) more than 10 years prior to his or her
17 application and has not subsequently been convicted of any
18 other crime;

19 (3) have demonstrated a level of skill or knowledge
20 which the Board determines to be necessary in order to
21 operate gambling aboard a riverboat, in a casino, or at an
22 electronic gaming facility; and

23 (4) have met standards for the holding of an
24 occupational license as adopted by rules of the Board. Such
25 rules shall provide that any person or entity seeking an
26 occupational license to manage gambling operations under

1 this Act or the Chicago Casino Development Authority Act
2 ~~hereunder~~ shall be subject to background inquiries and
3 further requirements similar to those required of
4 applicants for an owners license. Furthermore, such rules
5 shall provide that each such entity shall be permitted to
6 manage gambling operations for only one licensed owner.

7 (b) Each application for an occupational license shall be
8 on forms prescribed by the Board and shall contain all
9 information required by the Board. The applicant shall set
10 forth in the application: whether he has been issued prior
11 gambling related licenses; whether he has been licensed in any
12 other state under any other name, and, if so, such name and his
13 age; and whether or not a permit or license issued to him in
14 any other state has been suspended, restricted or revoked, and,
15 if so, for what period of time.

16 (c) Each applicant shall submit with his application, on
17 forms provided by the Board, 2 sets of his fingerprints. The
18 Board shall charge each applicant a fee set by the Department
19 of State Police to defray the costs associated with the search
20 and classification of fingerprints obtained by the Board with
21 respect to the applicant's application. These fees shall be
22 paid into the State Police Services Fund.

23 (d) The Board may in its discretion refuse an occupational
24 license to any person: (1) who is unqualified to perform the
25 duties required of such applicant; (2) who fails to disclose or
26 states falsely any information called for in the application;

1 (3) who has been found guilty of a violation of this Act or the
2 Chicago Casino Development Authority Act or whose prior
3 gambling related license or application therefor has been
4 suspended, restricted, revoked or denied for just cause in any
5 other state; or (4) for any other just cause.

6 (e) The Board may suspend, revoke or restrict any
7 occupational licensee: (1) for violation of any provision of
8 this Act; (2) for violation of any of the rules and regulations
9 of the Board; (3) for any cause which, if known to the Board,
10 would have disqualified the applicant from receiving such
11 license; or (4) for default in the payment of any obligation or
12 debt due to the State of Illinois; or (5) for any other just
13 cause.

14 (f) A person who knowingly makes a false statement on an
15 application is guilty of a Class A misdemeanor.

16 (g) Any license issued pursuant to this Section shall be
17 valid for a period of one year from the date of issuance.

18 (h) Nothing in this Act shall be interpreted to prohibit a
19 licensed owner or electronic gaming licensee from entering into
20 an agreement with a public community college or a school
21 approved under the Private Business and Vocational Schools Act
22 of 2012 for the training of any occupational licensee. Any
23 training offered by such a school shall be in accordance with a
24 written agreement between the licensed owner or electronic
25 gaming licensee and the school.

26 (i) Any training provided for occupational licensees may be

1 conducted either at the site of the gambling facility ~~on the~~
2 ~~riverboat~~ or at a school with which a licensed owner or
3 electronic gaming licensee has entered into an agreement
4 pursuant to subsection (h).

5 (Source: P.A. 96-1392, eff. 1-1-11; 97-650, eff. 2-1-12;
6 97-1150, eff. 1-25-13.)

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. Gambling may be conducted by electronic
11 gaming licensees at electronic gaming facilities. Gambling may
12 be conducted by a casino operator licensee at a casino.
13 Gambling authorized under this Section is⁷ subject to the
14 following standards:

15 (1) A licensee may conduct riverboat gambling
16 authorized under this Act regardless of whether it conducts
17 excursion cruises. A licensee may permit the continuous
18 ingress and egress of patrons ~~passengers~~ on a riverboat not
19 used for excursion cruises for the purpose of gambling.
20 Excursion cruises shall not exceed 4 hours for a round
21 trip. However, the Board may grant express approval for an
22 extended cruise on a case-by-case basis.

23 (2) (Blank).

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

1 (4) Agents of the Board and the Department of State
2 Police may board and inspect any riverboat, enter and
3 inspect any portion of a casino, or enter and inspect any
4 portion of an electronic gaming facility at any time for
5 the purpose of determining whether this Act or the Chicago
6 Casino Development Authority Act is being complied with.
7 Every riverboat, if under way and being hailed by a law
8 enforcement officer or agent of the Board, must stop
9 immediately and lay to.

10 (5) Employees of the Board shall have the right to be
11 present on the riverboat or in the casino or on adjacent
12 facilities under the control of the licensee and at the
13 electronic gaming facility under the control of the
14 electronic gaming licensee.

15 (6) Gambling equipment and supplies customarily used
16 in conducting riverboat or casino gambling or electronic
17 gaming must be purchased or leased only from suppliers
18 licensed for such purpose under this Act. The Board may
19 approve the transfer, sale, or lease of gambling equipment
20 and supplies by a licensed owner from or to an affiliate of
21 the licensed owner as long as the gambling equipment and
22 supplies were initially acquired from a supplier licensed
23 in Illinois.

24 (7) Persons licensed under this Act or the Chicago
25 Casino Development Authority Act shall permit no form of
26 wagering on gambling games except as permitted by this Act.

1 (8) Wagers may be received only from a person present
2 on a licensed riverboat, in a casino, or at an electronic
3 gaming facility. No person present on a licensed riverboat,
4 in a casino, or at an electronic gaming facility shall
5 place or attempt to place a wager on behalf of another
6 person who is not present on the riverboat, in a casino, or
7 at the electronic gaming facility.

8 (9) Wagering, including electronic gaming, shall not
9 be conducted with money or other negotiable currency.

10 (10) A person under age 21 shall not be permitted on an
11 area of a riverboat or casino where gambling is being
12 conducted or at an electronic gaming facility where
13 gambling is being conducted, except for a person at least
14 18 years of age who is an employee of the riverboat or
15 casino gambling operation or electronic gaming operation.
16 No employee under age 21 shall perform any function
17 involved in gambling by the patrons. No person under age 21
18 shall be permitted to make a wager under this Act or the
19 Chicago Casino Development Authority Act, and any winnings
20 that are a result of a wager by a person under age 21,
21 whether or not paid by a licensee, shall be treated as
22 winnings for the privilege tax purposes, confiscated, and
23 forfeited to the State and deposited into the Education
24 Assistance Fund.

25 (11) Gambling excursion cruises are permitted only
26 when the waterway for which the riverboat is licensed is

1 navigable, as determined by the Board in consultation with
2 the U.S. Army Corps of Engineers. This paragraph (11) does
3 not limit the ability of a licensee to conduct gambling
4 authorized under this Act when gambling excursion cruises
5 are not permitted.

6 (12) All tokens, chips or electronic cards used to make
7 wagers must be purchased (i) from a licensed owner or
8 manager, in the case of a riverboat, either aboard a
9 riverboat or at an onshore facility which has been approved
10 by the Board and which is located where the riverboat
11 docks, (ii) in the case of a casino, from a licensed owner
12 or licensed casino operator at the casino, or (iii) from an
13 electronic gaming licensee at the electronic gaming
14 facility. The tokens, chips or electronic cards may be
15 purchased by means of an agreement under which the owner,
16 ~~or~~ manager, or licensed casino operator extends credit to
17 the patron. Such tokens, chips or electronic cards may be
18 used while aboard the riverboat, in the casino, or at the
19 electronic gaming facility only for the purpose of making
20 wagers on gambling games.

21 (13) Notwithstanding any other Section of this Act or
22 the Chicago Casino Development Authority Act, in addition
23 to the other licenses authorized under this Act or the
24 Chicago Casino Development Authority Act, the Board may
25 issue special event licenses allowing persons who are not
26 otherwise licensed to conduct riverboat gambling to

1 conduct such gambling on a specified date or series of
2 dates. Riverboat gambling under such a license may take
3 place on a riverboat not normally used for riverboat
4 gambling. The Board shall establish standards, fees and
5 fines for, and limitations upon, such licenses, which may
6 differ from the standards, fees, fines and limitations
7 otherwise applicable under this Act or the Chicago Casino
8 Development Authority Act. All such fees shall be deposited
9 into the State Gaming Fund. All such fines shall be
10 deposited into the Education Assistance Fund, created by
11 Public Act 86-0018, of the State of Illinois.

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

15 (Source: P.A. 96-1392, eff. 1-1-11.)

16 (230 ILCS 10/11.1) (from Ch. 120, par. 2411.1)

17 Sec. 11.1. Collection of amounts owing under credit
18 agreements. Notwithstanding any applicable statutory provision
19 to the contrary, a licensed owner, licensed ~~or~~ manager,
20 licensed casino operator, or electronic gaming licensee who
21 extends credit to a ~~riverboat~~ gambling patron or an electronic
22 gaming patron pursuant to Section 11 (a) (12) of this Act is
23 expressly authorized to institute a cause of action to collect
24 any amounts due and owing under the extension of credit, as
25 well as the licensed owner's, licensed ~~or~~ manager's, licensed

1 casino operator's, or electronic gaming licensee's costs,
2 expenses and reasonable attorney's fees incurred in
3 collection.

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

5 (230 ILCS 10/12) (from Ch. 120, par. 2412)

6 Sec. 12. Admission tax; fees.

7 (a) A tax is hereby imposed upon admissions to riverboat
8 and casino gambling facilities ~~riverboats~~ operated by licensed
9 owners authorized pursuant to this Act and the Chicago Casino
10 Development Authority Act. Until July 1, 2002, the rate is \$2
11 per person admitted. From July 1, 2002 until July 1, 2003, the
12 rate is \$3 per person admitted. From July 1, 2003 until August
13 23, 2005 (the effective date of Public Act 94-673), for a
14 licensee that admitted 1,000,000 persons or fewer in the
15 previous calendar year, the rate is \$3 per person admitted; for
16 a licensee that admitted more than 1,000,000 but no more than
17 2,300,000 persons in the previous calendar year, the rate is \$4
18 per person admitted; and for a licensee that admitted more than
19 2,300,000 persons in the previous calendar year, the rate is \$5
20 per person admitted. Beginning on August 23, 2005 (the
21 effective date of Public Act 94-673), for a licensee that
22 admitted 1,000,000 persons or fewer in calendar year 2004, the
23 rate is \$2 per person admitted, and for all other licensees,
24 including licensees that were not conducting gambling
25 operations in 2004, the rate is \$3 per person admitted. This

1 admission tax is imposed upon the licensed owner conducting
2 gambling.

3 (1) The admission tax shall be paid for each admission,
4 except that a person who exits a riverboat gambling
5 facility and reenters that riverboat gambling facility
6 within the same gaming day shall be subject only to the
7 initial admission tax.

8 (2) (Blank).

9 (3) The riverboat licensee may issue tax-free passes to
10 actual and necessary officials and employees of the
11 licensee or other persons actually working on the
12 riverboat.

13 (4) The number and issuance of tax-free passes is
14 subject to the rules of the Board, and a list of all
15 persons to whom the tax-free passes are issued shall be
16 filed with the Board.

17 (a-5) A fee is hereby imposed upon admissions operated by
18 licensed managers on behalf of the State pursuant to Section
19 7.3 at the rates provided in this subsection (a-5). For a
20 licensee that admitted 1,000,000 persons or fewer in the
21 previous calendar year, the rate is \$3 per person admitted; for
22 a licensee that admitted more than 1,000,000 but no more than
23 2,300,000 persons in the previous calendar year, the rate is \$4
24 per person admitted; and for a licensee that admitted more than
25 2,300,000 persons in the previous calendar year, the rate is \$5
26 per person admitted.

1 (1) The admission fee shall be paid for each admission.

2 (2) (Blank).

3 (3) The licensed manager may issue fee-free passes to
4 actual and necessary officials and employees of the manager
5 or other persons actually working on the riverboat.

6 (4) The number and issuance of fee-free passes is
7 subject to the rules of the Board, and a list of all
8 persons to whom the fee-free passes are issued shall be
9 filed with the Board.

10 (b) Except as provided in subsection (b-5), from ~~From~~ the
11 tax imposed under subsection (a) and the fee imposed under
12 subsection (a-5), a municipality shall receive from the State
13 \$1 for each person embarking on a riverboat docked within the
14 municipality or entering a casino located within the
15 municipality, and a county shall receive \$1 for each person
16 entering a casino or embarking on a riverboat docked within the
17 county but outside the boundaries of any municipality. The
18 municipality's or county's share shall be collected by the
19 Board on behalf of the State and remitted quarterly by the
20 State, subject to appropriation, to the treasurer of the unit
21 of local government for deposit in the general fund.

22 (b-5) From the tax imposed under subsection (a) and the fee
23 imposed under subsection (a-5), \$1 for each person embarking on
24 a riverboat designated in paragraph (4) of subsection (e-5) of
25 Section 7 shall be divided equally and remitted monthly,
26 subject to appropriation, to the City of Rockford and Winnebago

1 County.

2 The municipality's or county's share shall be collected by
3 the Board on behalf of the State and remitted quarterly by the
4 State, subject to appropriation, to the treasurer of the unit
5 of local government for deposit in the general fund.

6 (c) The licensed owner shall pay the entire admission tax
7 to the Board and the licensed manager or the casino operator
8 licensee shall pay the entire admission fee to the Board. Such
9 payments shall be made daily. Accompanying each payment shall
10 be a return on forms provided by the Board which shall include
11 other information regarding admissions as the Board may
12 require. Failure to submit either the payment or the return
13 within the specified time may result in suspension or
14 revocation of the owners or managers license.

15 (c-5) A tax is imposed on admissions to electronic gaming
16 facilities at the rate of \$3 per person admitted by an
17 electronic gaming licensee. The tax is imposed upon the
18 electronic gaming licensee.

19 (1) The admission tax shall be paid for each admission,
20 except that a person who exits an electronic gaming
21 facility and reenters that electronic gaming facility
22 within the same gaming day, as the term "gaming day" is
23 defined by the Board by rule, shall be subject only to the
24 initial admission tax. The Board shall establish, by rule,
25 a procedure to determine whether a person admitted to an
26 electronic gaming facility has paid the admission tax.

1 (2) An electronic gaming licensee may issue tax-free
2 passes to actual and necessary officials and employees of
3 the licensee and other persons associated with electronic
4 gaming operations.

5 (3) The number and issuance of tax-free passes is
6 subject to the rules of the Board, and a list of all
7 persons to whom the tax-free passes are issued shall be
8 filed with the Board.

9 (4) The electronic gaming licensee shall pay the entire
10 admission tax to the Board.

11 Such payments shall be made daily. Accompanying each
12 payment shall be a return on forms provided by the Board, which
13 shall include other information regarding admission as the
14 Board may require. Failure to submit either the payment or the
15 return within the specified time may result in suspension or
16 revocation of the electronic gaming license.

17 From the tax imposed under this subsection (c-5), a
18 municipality other than the Village of Stickney or the City of
19 Collinsville in which an electronic gaming facility is located,
20 or if the electronic gaming facility is not located within a
21 municipality, then the county in which the electronic gaming
22 facility is located, except as otherwise provided in this
23 Section, shall receive, subject to appropriation, \$1 for each
24 person who enters the electronic gaming facility. For each
25 admission to the electronic gaming facility in excess of
26 1,500,000 in a year, from the tax imposed under this subsection

1 (c-5), the county in which the electronic gaming facility is
2 located shall receive, subject to appropriation, \$0.30, which
3 shall be in addition to any other moneys paid to the county
4 under this Section.

5 From the tax imposed under this subsection (c-5) on an
6 electronic gaming facility located in the Village of Stickney,
7 \$1 for each person who enters the electronic gaming facility
8 shall be distributed as follows, subject to appropriation:
9 \$0.24 to the Village of Stickney, \$0.49 to the Town of Cicero,
10 \$0.05 to the City of Berwyn, and \$0.17 to the Stickney Public
11 Health District, and \$0.05 to the City of Bridgeview.

12 From the tax imposed under this subsection (c-5) on an
13 electronic gaming facility located in the City of Collinsville,
14 \$1 for each person who enters the electronic gaming facility
15 shall be distributed as follows, subject to appropriation:
16 \$0.45 to the City of Alton, \$0.45 to the City of East St.
17 Louis, and \$0.10 to the City of Collinsville.

18 From the tax imposed under this subsection (c-5) on an
19 electronic gaming facility that is located in an unincorporated
20 area of Cook County and has been awarded standardbred racing
21 dates during 2011 by the Illinois Racing Board, \$1 for each
22 person who enters the electronic gaming facility shall be
23 divided equally and distributed, subject to appropriation, to
24 the Village of Melrose Park, the Village of Maywood, and Cook
25 County.

26 After payments required under this subsection (c-5) have

1 been made, all remaining amounts shall be deposited into the
2 Education Assistance Fund.

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

9 (Source: P.A. 95-663, eff. 10-11-07; 96-1392, eff. 1-1-11.)

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

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

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

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

20 15% of annual adjusted gross receipts up to and
21 including \$25,000,000;

22 20% of annual adjusted gross receipts in excess of
23 \$25,000,000 but not exceeding \$50,000,000;

24 25% of annual adjusted gross receipts in excess of
25 \$50,000,000 but not exceeding \$75,000,000;

1 30% of annual adjusted gross receipts in excess of
2 \$75,000,000 but not exceeding \$100,000,000;

3 35% of annual adjusted gross receipts in excess of
4 \$100,000,000.

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

12 15% of annual adjusted gross receipts up to and
13 including \$25,000,000;

14 22.5% of annual adjusted gross receipts in excess of
15 \$25,000,000 but not exceeding \$50,000,000;

16 27.5% of annual adjusted gross receipts in excess of
17 \$50,000,000 but not exceeding \$75,000,000;

18 32.5% of annual adjusted gross receipts in excess of
19 \$75,000,000 but not exceeding \$100,000,000;

20 37.5% of annual adjusted gross receipts in excess of
21 \$100,000,000 but not exceeding \$150,000,000;

22 45% of annual adjusted gross receipts in excess of
23 \$150,000,000 but not exceeding \$200,000,000;

24 50% of annual adjusted gross receipts in excess of
25 \$200,000,000.

26 (a-3) Beginning July 1, 2003, a privilege tax is imposed on

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

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

9 27.5% of annual adjusted gross receipts in excess of
10 \$25,000,000 but not exceeding \$37,500,000;

11 32.5% of annual adjusted gross receipts in excess of
12 \$37,500,000 but not exceeding \$50,000,000;

13 37.5% of annual adjusted gross receipts in excess of
14 \$50,000,000 but not exceeding \$75,000,000;

15 45% of annual adjusted gross receipts in excess of
16 \$75,000,000 but not exceeding \$100,000,000;

17 50% of annual adjusted gross receipts in excess of
18 \$100,000,000 but not exceeding \$250,000,000;

19 70% of annual adjusted gross receipts in excess of
20 \$250,000,000.

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

26 The privilege tax imposed under this subsection (a-3) shall

1 no longer be imposed beginning on the earlier of (i) July 1,
2 2005; (ii) the first date after June 20, 2003 that riverboat
3 gambling operations are conducted pursuant to a dormant
4 license; or (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. For the purposes of this subsection
8 (a-3), the term "dormant license" means an owners license that
9 is authorized by this Act under which no riverboat gambling
10 operations are being conducted on June 20, 2003.

11 (a-4) Beginning on the first day on which the tax imposed
12 under subsection (a-3) is no longer imposed and ending upon the
13 imposition of the privilege tax under subsection (a-5) of this
14 Section, a privilege tax is imposed on persons engaged in the
15 business of conducting riverboat or casino gambling or
16 electronic gaming operations, other than licensed managers
17 conducting riverboat gambling operations on behalf of the
18 State, based on the adjusted gross receipts received by a
19 licensed owner from gambling games authorized under this Act at
20 the following rates:

21 15% of annual adjusted gross receipts up to and
22 including \$25,000,000;

23 22.5% of annual adjusted gross receipts in excess of
24 \$25,000,000 but not exceeding \$50,000,000;

25 27.5% of annual adjusted gross receipts in excess of
26 \$50,000,000 but not exceeding \$75,000,000;

1 32.5% of annual adjusted gross receipts in excess of
2 \$75,000,000 but not exceeding \$100,000,000;

3 37.5% of annual adjusted gross receipts in excess of
4 \$100,000,000 but not exceeding \$150,000,000;

5 45% of annual adjusted gross receipts in excess of
6 \$150,000,000 but not exceeding \$200,000,000;

7 50% of annual adjusted gross receipts in excess of
8 \$200,000,000.

9 For the imposition of the privilege tax in this subsection
10 (a-4), amounts paid pursuant to item (1) of subsection (b) of
11 Section 56 of the Illinois Horse Racing Act of 1975 shall not
12 be included in the determination of adjusted gross receipts.

13 (a-5) Beginning in the fiscal year following the opening of
14 the casino at which gambling operations are conducted pursuant
15 to the Chicago Casino Development Authority Act, but not before
16 July 1, 2015, a privilege tax is imposed on persons engaged in
17 the business of conducting riverboat or casino gambling or
18 electronic gaming operations, other than licensed managers
19 conducting riverboat gambling operations on behalf of the
20 State, based on the adjusted gross receipts received by such
21 licensee from the gambling games authorized under this Act and
22 the Chicago Casino Development Authority Act. The privilege tax
23 for all gambling games other than table games, including, but
24 not limited to, slot machines, video game of chance gambling,
25 and electronic gambling games shall be at the following rates:

26 10% of annual adjusted gross receipts up to and

1 including \$25,000,000;

2 17.5% of annual adjusted gross receipts in excess of
3 \$25,000,000 but not exceeding \$50,000,000;

4 22.5% of annual adjusted gross receipts in excess of
5 \$50,000,000 but not exceeding \$75,000,000;

6 27.5% of annual adjusted gross receipts in excess of
7 \$75,000,000 but not exceeding \$100,000,000;

8 32.5% of annual adjusted gross receipts in excess of
9 \$100,000,000 but not exceeding \$150,000,000;

10 35% of annual adjusted gross receipts in excess of
11 \$150,000,000 but not exceeding \$200,000,000;

12 40% of annual adjusted gross receipts in excess of
13 \$200,000,000 but not exceeding \$300,000,000;

14 30% of annual adjusted gross receipts in excess of
15 \$300,000,000 but not exceeding \$350,000,000;

16 20% of annual adjusted gross receipts in excess of
17 \$350,000,000, but not exceeding \$800,000,000;

18 50% of annual adjusted gross receipts in excess of
19 \$800,000,000.

20 The privilege tax for table games shall be at the following
21 rates:

22 10% of annual adjusted gross receipts up to and
23 including \$25,000,000;

24 17.5% of annual adjusted gross receipts in excess of
25 \$25,000,000 but not exceeding \$50,000,000;

26 22.5% of annual adjusted gross receipts in excess of

1 \$50,000,000 but not exceeding \$70,000,000;

2 16% of annual adjusted gross receipts in excess of
3 \$70,000,000.

4 For the imposition of the privilege tax in this subsection
5 (a-5), amounts paid pursuant to item (1) of subsection (b) of
6 Section 56 of the Illinois Horse Racing Act of 1975 shall not
7 be included in the determination of adjusted gross receipts.

8 (a-6) From the effective date of this amendatory Act of the
9 98th General Assembly until June 30, 2017, an owners licensee
10 that conducted gambling operations prior to January 1, 2011
11 shall receive a dollar-for-dollar credit against the tax
12 imposed under this Section for any renovation or construction
13 costs paid by the owners licensee, but in no event shall the
14 credit exceed \$2,000,000.

15 Additionally, from the effective date of this amendatory
16 Act of the 98th General Assembly until December 31, 2016, an
17 owners licensee that (i) is located within 15 miles of the
18 Missouri border, and (ii) has at least 3 riverboats, casinos,
19 or their equivalent within a 45-mile radius, may be authorized
20 to relocate to a new location with the approval of both the
21 unit of local government designated as the home dock and the
22 Board, so long as the new location is within the same unit of
23 local government and no more than 3 miles away from its
24 original location. Such owners licensee shall receive a credit
25 against the tax imposed under this Section equal to 8% of the
26 total project costs, as approved by the Board, for any

1 renovation or construction costs paid by the owners licensee
2 for the construction of the new facility, provided that the new
3 facility is operational by July 1, 2016. In determining whether
4 or not to approve a relocation, the Board must consider the
5 extent to which the relocation will diminish the gaming
6 revenues received by other Illinois gaming facilities.

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

10 (a-9) Beginning on January 1, 2014, the calculation of
11 gross receipts or adjusted gross receipts, for the purposes of
12 this Section, for a riverboat, casino, or electronic gaming
13 facility shall not include the dollar amount of non-cashable
14 vouchers, coupons, and electronic promotions redeemed by
15 wagerers upon the riverboat, in the casino, or in the
16 electronic gaming facility up to and including an amount not to
17 exceed 30% of a riverboat casino or electronic gaming
18 facility's adjusted gross receipts.

19 The Illinois Gaming Board shall submit to the General
20 Assembly a comprehensive report no later than March 31, 2017
21 detailing, at a minimum, the effect of removing non-cashable
22 vouchers, coupons, and electronic promotions from this
23 calculation on net gaming revenues to the State in calendar
24 years 2014 through 2016, the increase or reduction in wagerers
25 as a result of removing non-cashable vouchers, coupons, and
26 electronic promotions from this calculation, the effect of the

1 tax rates in subsection (a-5) on net gaming revenues to the
2 State, and proposed modifications to the calculation.

3 (a-10) The taxes imposed by this Section shall be paid by
4 the licensed owner or the electronic gaming licensee to the
5 Board not later than 5:00 o'clock p.m. of the day after the day
6 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 from
23 riverboat or casino gambling deposited in the State Gaming Fund
24 under this Section, an amount equal to 5% of adjusted gross
25 receipts generated by a riverboat or a casino other than a
26 riverboat designated in paragraph (3) or (4) of subsection

1 (e-5) of Section 7, shall be paid monthly, subject to
2 appropriation by the General Assembly, to the unit of local
3 government in which the casino is located or that is designated
4 as the home dock of the riverboat. From the tax revenue
5 deposited in the State Gaming Fund pursuant to riverboat or
6 casino gambling operations conducted by a licensed manager on
7 behalf of the State, an amount equal to 5% of adjusted gross
8 receipts generated pursuant to those riverboat or casino
9 gambling operations shall be paid monthly, subject to
10 appropriation by the General Assembly, to the unit of local
11 government that is designated as the home dock of the riverboat
12 upon which those riverboat gambling operations are conducted or
13 in which the casino is located. From the tax revenue from
14 riverboat or casino gambling deposited in the State Gaming Fund
15 under this Section, an amount equal to 5% of the adjusted gross
16 receipts generated by a riverboat designated in paragraph (3)
17 of subsection (e-5) of Section 7 shall be divided and remitted
18 monthly, subject to appropriation, as follows: 50% to Waukegan,
19 25% to Park City, and 25% to North Chicago. From the tax
20 revenue from riverboat or casino gambling deposited in the
21 State Gaming Fund under this Section, an amount equal to 5% of
22 the adjusted gross receipts generated by a riverboat designated
23 in paragraph (4) of subsection (e-5) of Section 7 shall be
24 divided equally and remitted monthly, subject to
25 appropriation, to the City of Rockford and Winnebago County.
26 Units of local government may refund any portion of the payment

1 that they receive pursuant to this subsection (b) to the
2 riverboat or casino.

3 (b-5) Beginning on the effective date of this amendatory
4 Act of the 98th General Assembly, from the tax revenue
5 deposited in the State Gaming Fund under this Section, an
6 amount equal to 3% of adjusted gross receipts generated by each
7 electronic gaming facility located outside Madison County
8 shall be paid monthly, subject to appropriation by the General
9 Assembly, to a municipality other than the Village of Stickney
10 in which each electronic gaming facility is located or, if the
11 electronic gaming facility is not located within a
12 municipality, to the county in which the electronic gaming
13 facility is located, except as otherwise provided in this
14 Section. From the tax revenue deposited in the State Gaming
15 Fund under this Section, an amount equal to 3% of adjusted
16 gross receipts generated by each electronic gaming facility
17 that is located in an unincorporated area of Cook County and
18 has been awarded standardbred racing dates during 2011 by the
19 Illinois Racing Board shall be divided equally and distributed,
20 subject to appropriation, to the Village of Melrose Park, the
21 Village of Maywood, and Cook County. From the tax revenue
22 deposited in the State Gaming Fund under this Section, an
23 amount equal to 3% of adjusted gross receipts generated by an
24 electronic gaming facility located in the Village of Stickney
25 shall be paid monthly, subject to appropriation by the General
26 Assembly, as follows: 25% to the Village of Stickney, 5% to the

1 City of Berwyn, 50% to the Town of Cicero, and 20% to the
2 Stickney Public Health District.

3 From the tax revenue deposited in the State Gaming Fund
4 under this Section, an amount equal to 5% of adjusted gross
5 receipts generated by an electronic gaming facility located in
6 the City of Collinsville shall be paid monthly, subject to
7 appropriation by the General Assembly, as follows: 45% to the
8 City of Alton, 45% to the City of East St. Louis, and 10% to the
9 City of Collinsville.

10 Municipalities and counties may refund any portion of the
11 payment that they receive pursuant to this subsection (b-5) to
12 the electronic gaming facility.

13 (b-6) Beginning on the effective date of this amendatory
14 Act of the 98th General Assembly, from the tax revenue
15 deposited in the State Gaming Fund under this Section, an
16 amount equal to 2% of adjusted gross receipts generated by an
17 electronic gaming facility located outside Madison County
18 shall be paid monthly, subject to appropriation by the General
19 Assembly, to the county in which the electronic gaming facility
20 is located for the purposes of its criminal justice system or
21 health care system.

22 Counties may refund any portion of the payment that they
23 receive pursuant to this subsection (b-6) to the electronic
24 gaming facility.

25 (b-7) Beginning on the effective date of this amendatory
26 Act of the 98th General Assembly, from the tax revenue

1 deposited in the State Gaming Fund under this Section,
2 \$5,000,000 shall be paid annually, subject to appropriation, to
3 the Department of Human Services for the administration of
4 programs to treat problem gambling.

5 (b-8) Beginning in the fiscal year following the opening of
6 the casino at which gambling operations are conducted pursuant
7 to the Chicago Casino Development Authority Act, but not before
8 July 1, 2015, from the tax revenue deposited in the State
9 Gaming Fund under this Section, \$5,000,000 shall be transferred
10 into the State Fairgrounds Capital Improvements Fund annually.

11 (b-9) Beginning in the fiscal year following the opening of
12 the casino at which gambling operations are conducted pursuant
13 to the Chicago Casino Development Authority Act, but not before
14 July 1, 2015, from the tax revenue deposited in the State
15 Gaming Fund under this Section, an amount equal to 5% of the
16 wagering taxes paid by the riverboats and casino created
17 pursuant to subsection (e-5) of Section 7 shall be transferred
18 into the Depressed Communities Economic Development Fund
19 annually.

20 (b-10) Beginning in the fiscal year following the opening
21 of the casino at which gambling operations are conducted
22 pursuant to the Chicago Casino Development Authority Act, but
23 not before July 1, 2015, from the tax revenue deposited in the
24 State Gaming Fund under this Section, an amount equal to 2.5%
25 of the wagering taxes paid by the riverboats and casino created
26 pursuant to subsection (e-5) of Section 7 shall be transferred

1 into the Latino Community Economic Development Fund annually.

2 (b-11) The State and County Fair Assistance Fund is created
3 as a special fund in the State treasury. The Fund shall be
4 administered by the Department of Agriculture. Beginning in the
5 fiscal year following the opening of the casino at which
6 gambling operations are conducted pursuant to the Chicago
7 Casino Development Authority Act, but not before July 1, 2015,
8 from the tax revenue deposited in the State Gaming Fund under
9 this Section, an amount equal to 1% of adjusted gross receipts,
10 not to exceed \$3,000,000, shall be transferred into the State
11 and County Fair Assistance Fund annually. No moneys shall be
12 expended from the State and County Fair Assistance Fund except
13 as appropriated by the General Assembly. Deposits made pursuant
14 to this subsection (b-11) shall supplement, and not supplant,
15 other State funding for these purposes.

16 The Department of Agriculture shall award grants from the
17 moneys appropriated from the State and County Fair Assistance
18 Fund for the development, expansion, or support of county fairs
19 that showcase Illinois agriculture products or byproducts. No
20 grant may exceed \$100,000, except for an annual grant of
21 \$1,000,000 that shall be made to the Illinois Standardbred
22 Breeders Fund and used for Illinois-bred harness racing purses
23 and the Illinois State Fair race track. Not more than one grant
24 under this Section may be made to any one county fair board.
25 Additionally, grants under this subsection (b-11) shall be
26 available to the Illinois State Fair and the DuQuoin State

1 Fair.

2 (b-12) Beginning in the fiscal year following the opening
3 of the casino at which gambling operations are conducted
4 pursuant to the Chicago Casino Development Authority Act, but
5 not before July 1, 2015, from the tax revenue from electronic
6 gaming deposited in the State Gaming Fund under this Section,
7 (i) \$6,250,000 shall be transferred annually into the Partners
8 for Conservation Fund for grants to soil and water conservation
9 districts and (ii) \$2,500,000 shall be transferred annually
10 into the State Cooperative Service Trust Fund for grants to the
11 State's cooperative extensions. Transfers made pursuant to
12 this subsection (b-12) shall supplement, and not supplant,
13 other State funding for these purposes.

14 (b-13) Beginning in the fiscal year following the opening
15 of the casino at which gambling operations are conducted
16 pursuant to the Chicago Casino Development Authority Act, but
17 not before July 1, 2015, from the tax revenue deposited in the
18 State Gaming Fund under this Section, \$75,000 shall be paid
19 annually, subject to appropriation, to a county forest preserve
20 district for the maintenance of a botanic garden that was
21 created by Section 43 of the Cook County Forest Preserve
22 District Act.

23 (b-14) Beginning in the fiscal year following the opening
24 of the casino at which gambling operations are conducted
25 pursuant to the Chicago Casino Development Authority Act, but
26 not before July 1, 2015, from the tax revenue deposited in the

1 State Gaming Fund under this Section, \$125,000 shall be
2 transferred annually into the Illinois Racing Quarter Horse
3 Breeders Fund.

4 (b-15) From January 1, 2015 until December 31, 2017, if the
5 total amount paid to the Education Assistance Fund annually
6 pursuant to this Act will result in the Education Assistance
7 Fund receiving less revenue from the State Gaming Fund than it
8 received in calendar year 2011, an amount equal to that
9 shortfall shall be transferred from the Capital Projects Fund
10 to the Education Assistance Fund, except that no such transfer
11 shall exceed the amount deposited into the Capital Projects
12 Fund pursuant to subsection (c-4) of this Section.

13 (c) Appropriations, as approved by the General Assembly,
14 may be made from the State Gaming Fund to the Board (i) for the
15 administration and enforcement of this Act, the Chicago Casino
16 Development Authority Act, and the Video Gaming Act, (ii) for
17 distribution to the Department of State Police and to the
18 Department of Revenue for the enforcement of this Act, the
19 Chicago Casino Development Authority Act, and the Video Gaming
20 Act, and (iii) to the Department of Human Services for the
21 administration of programs to treat problem gambling. The
22 Board's annual appropriations request must separately state
23 its funding needs for the regulation of electronic gaming,
24 riverboat gaming, casino gaming within the City of Chicago, and
25 video gaming. From the tax revenue deposited in the Gaming
26 Facilities Fee Revenue Fund, the first \$50,000,000 shall be

1 paid to the Board, subject to appropriation, for the
2 administration and enforcement of the provisions of this
3 amendatory Act of the 98th General Assembly.

4 (c-3) Appropriations, as approved by the General Assembly,
5 may be made from the tax revenue deposited into the State
6 Gaming Fund from electronic gaming pursuant to this Section for
7 the administration and enforcement of this Act.

8 (c-4) After payments required under subsection (b-5), (c),
9 and (c-3) have been made from the tax revenue from electronic
10 gaming deposited into the State Gaming Fund under this Section,
11 all remaining amounts from electronic gaming shall be deposited
12 into the Education Assistance Fund.

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

1 State Gaming Fund into the Horse Racing Equity Fund.

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

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

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

23 (c-25) After the payments required under subsections (b),
24 (c), (c-5) and (c-15) have been made, an amount equal to 2% of
25 the adjusted gross receipts of (1) an owners licensee that
26 relocates pursuant to Section 11.2, (2) an owners licensee

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

7 (d) From time to time, the Board shall transfer the
8 remainder of the funds generated by this Act into the Education
9 Assistance Fund, created by Public Act 86-0018, of the State of
10 Illinois.

11 (e) Nothing in this Act shall prohibit the unit of local
12 government designated as the home dock of the riverboat from
13 entering into agreements with other units of local government
14 in this State or in other states to share its portion of the
15 tax revenue.

16 (f) To the extent practicable, the Board shall administer
17 and collect the wagering taxes imposed by this Section in a
18 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
19 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
20 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
21 Penalty and Interest Act.

22 (Source: P.A. 95-331, eff. 8-21-07; 95-1008, eff. 12-15-08;
23 96-37, eff. 7-13-09; 96-1392, eff. 1-1-11.)

24 (230 ILCS 10/14) (from Ch. 120, par. 2414)

25 Sec. 14. Licensees - Records - Reports - Supervision.

1 (a) Licensed owners and electronic gaming licensees ~~A~~
2 ~~licensed owner~~ shall keep ~~his~~ books and records so as to
3 clearly show the following:

4 (1) The amount received daily from admission fees.

5 (2) The total amount of gross receipts.

6 (3) The total amount of the adjusted gross receipts.

7 (b) Licensed owners and electronic gaming licensees ~~The~~
8 ~~licensed owner~~ shall furnish to the Board reports and
9 information as the Board may require with respect to its
10 activities on forms designed and supplied for such purpose by
11 the Board.

12 (c) The books and records kept by a licensed owner as
13 provided by this Section are public records and the
14 examination, publication, and dissemination of the books and
15 records are governed by the provisions of The Freedom of
16 Information Act.

17 (Source: P.A. 86-1029.)

18 (230 ILCS 10/15) (from Ch. 120, par. 2415)

19 Sec. 15. Audit of Licensee Operations. Annually, the
20 licensed owner, ~~or~~ manager, or electronic gaming licensee shall
21 transmit to the Board an audit of the financial transactions
22 and condition of the licensee's or manager's total operations.
23 Additionally, within 90 days after the end of each quarter of
24 each fiscal year, the licensed owner, ~~or~~ manager, or electronic
25 gaming licensee shall transmit to the Board a compliance report

1 on engagement procedures determined by the Board. All audits
2 and compliance engagements shall be conducted by certified
3 public accountants selected by the Board. Each certified public
4 accountant must be registered in the State of Illinois under
5 the Illinois Public Accounting Act. The compensation for each
6 certified public accountant shall be paid directly by the
7 licensed owner, ~~or~~ manager, or electronic gaming licensee to
8 the certified public accountant.

9 (Source: P.A. 96-1392, eff. 1-1-11.)

10 (230 ILCS 10/16) (from Ch. 120, par. 2416)

11 Sec. 16. Annual Report of Board. The Board shall make an
12 annual report to the Governor, for the period ending December
13 31 of each year. Included in the report shall be an account of
14 the Board actions, its financial position and results of
15 operation under this Act and the Chicago Casino Development
16 Authority Act, the practical results attained under this Act
17 and the Chicago Casino Development Authority Act and any
18 recommendations for legislation which the Board deems
19 advisable.

20 (Source: P.A. 86-1029.)

21 (230 ILCS 10/17) (from Ch. 120, par. 2417)

22 Sec. 17. Administrative Procedures. The Illinois
23 Administrative Procedure Act shall apply to all administrative
24 rules and procedures of the Board under this Act, the Chicago

1 Casino Development Authority Act, and ~~or~~ the Video Gaming Act,
2 except that: (1) subsection (b) of Section 5-10 of the Illinois
3 Administrative Procedure Act does not apply to final orders,
4 decisions and opinions of the Board; (2) subsection (a) of
5 Section 5-10 of the Illinois Administrative Procedure Act does
6 not apply to forms established by the Board for use under this
7 Act, the Chicago Casino Development Authority Act, and or the
8 Video Gaming Act; (3) the provisions of Section 10-45 of the
9 Illinois Administrative Procedure Act regarding proposals for
10 decision are excluded under this Act, the Chicago Casino
11 Development Authority Act, and ~~or~~ the Video Gaming Act; and (4)
12 the provisions of subsection (d) of Section 10-65 of the
13 Illinois Administrative Procedure Act do not apply so as to
14 prevent summary suspension of any license pending revocation or
15 other action, which suspension shall remain in effect unless
16 modified by the Board or unless the Board's decision is
17 reversed on the merits upon judicial review.

18 (Source: P.A. 96-34, eff. 7-13-09.)

19 (230 ILCS 10/17.1) (from Ch. 120, par. 2417.1)

20 Sec. 17.1. Judicial Review.

21 (a) Jurisdiction and venue for the judicial review of a
22 final order of the Board relating to licensed owners,
23 suppliers, electronic gaming licensees, and ~~or~~ special event
24 licenses is vested in the Appellate Court of the judicial
25 district in which Sangamon County is located. A petition for

1 judicial review of a final order of the Board must be filed in
2 the Appellate Court, within 35 days from the date that a copy
3 of the decision sought to be reviewed was served upon the party
4 affected by the decision.

5 (b) Judicial review of all other final orders of the Board
6 shall be conducted in accordance with the Administrative Review
7 Law.

8 (Source: P.A. 88-1.)

9 (230 ILCS 10/18) (from Ch. 120, par. 2418)

10 Sec. 18. Prohibited Activities - Penalty.

11 (a) A person is guilty of a Class A misdemeanor for doing
12 any of the following:

13 (1) Conducting gambling where wagering is used or to be
14 used without a license issued by the Board.

15 (2) Conducting gambling where wagering is permitted
16 other than in the manner specified by Section 11.

17 (b) A person is guilty of a Class B misdemeanor for doing
18 any of the following:

19 (1) permitting a person under 21 years to make a wager;

20 or

21 (2) violating paragraph (12) of subsection (a) of
22 Section 11 of this Act.

23 (c) A person wagering or accepting a wager at any location
24 outside the riverboat, casino, or electronic gaming facility in
25 violation of paragraph ~~is subject to the penalties in~~

1 ~~paragraphs~~ (1) or (2) of subsection (a) of Section 28-1 of the
2 Criminal Code of 2012 is subject to the penalties provided in
3 that Section.

4 (d) A person commits a Class 4 felony and, in addition,
5 shall be barred for life from gambling operations ~~riverboats~~
6 under the jurisdiction of the Board, if the person does any of
7 the following:

8 (1) Offers, promises, or gives anything of value or
9 benefit to a person who is connected with a riverboat or
10 casino owner or electronic gaming licensee, including, but
11 not limited to, an officer or employee of a licensed owner,
12 electronic gaming licensee, or holder of an occupational
13 license pursuant to an agreement or arrangement or with the
14 intent that the promise or thing of value or benefit will
15 influence the actions of the person to whom the offer,
16 promise, or gift was made in order to affect or attempt to
17 affect the outcome of a gambling game, or to influence
18 official action of a member of the Board.

19 (2) Solicits or knowingly accepts or receives a promise
20 of anything of value or benefit while the person is
21 connected with a riverboat, casino, or electronic gaming
22 facility, including, but not limited to, an officer or
23 employee of a licensed owner or electronic gaming licensee,
24 or the holder of an occupational license, pursuant to an
25 understanding or arrangement or with the intent that the
26 promise or thing of value or benefit will influence the

1 actions of the person to affect or attempt to affect the
2 outcome of a gambling game, or to influence official action
3 of a member of the Board.

4 (3) Uses or possesses with the intent to use a device
5 to assist:

6 (i) In projecting the outcome of the game.

7 (ii) In keeping track of the cards played.

8 (iii) In analyzing the probability of the
9 occurrence of an event relating to the gambling game.

10 (iv) In analyzing the strategy for playing or
11 betting to be used in the game except as permitted by
12 the Board.

13 (4) Cheats at a gambling game.

14 (5) Manufactures, sells, or distributes any cards,
15 chips, dice, game or device which is intended to be used to
16 violate any provision of this Act or the Chicago Casino
17 Development Authority Act.

18 (6) Alters or misrepresents the outcome of a gambling
19 game on which wagers have been made after the outcome is
20 made sure but before it is revealed to the players.

21 (7) Places a bet after acquiring knowledge, not
22 available to all players, of the outcome of the gambling
23 game which is subject of the bet or to aid a person in
24 acquiring the knowledge for the purpose of placing a bet
25 contingent on that outcome.

26 (8) Claims, collects, or takes, or attempts to claim,

1 collect, or take, money or anything of value in or from the
2 gambling games, with intent to defraud, without having made
3 a wager contingent on winning a gambling game, or claims,
4 collects, or takes an amount of money or thing of value of
5 greater value than the amount won.

6 (9) Uses counterfeit chips or tokens in a gambling
7 game.

8 (10) Possesses any key or device designed for the
9 purpose of opening, entering, or affecting the operation of
10 a gambling game, drop box, or an electronic or mechanical
11 device connected with the gambling game or for removing
12 coins, tokens, chips or other contents of a gambling game.
13 This paragraph (10) does not apply to a gambling licensee
14 or employee of a gambling licensee acting in furtherance of
15 the employee's employment.

16 (e) The possession of more than one of the devices
17 described in subsection (d), paragraphs (3), (5), or (10)
18 permits a rebuttable presumption that the possessor intended to
19 use the devices for cheating.

20 (f) A person under the age of 21 who, except as authorized
21 under paragraph (10) of Section 11, enters upon a riverboat or
22 in a casino or electronic gaming facility commits a petty
23 offense and is subject to a fine of not less than \$100 or more
24 than \$250 for a first offense and of not less than \$200 or more
25 than \$500 for a second or subsequent offense.

26 An action to prosecute any crime occurring on a riverboat

1 shall be tried in the county of the dock at which the riverboat
2 is based. An action to prosecute any crime occurring in a
3 casino or electronic gaming facility shall be tried in the
4 county in which the casino or electronic gaming facility is
5 located.

6 (Source: P.A. 96-1392, eff. 1-1-11; 97-1150, eff. 1-25-13.)

7 (230 ILCS 10/18.1)

8 Sec. 18.1. Distribution of certain fines. If a fine is
9 imposed on an owner licensee or an electronic gaming licensee
10 for knowingly sending marketing or promotional materials to any
11 person placed on the self-exclusion list, then the Board shall
12 distribute an amount equal to 15% of the fine imposed to the
13 unit of local government in which the casino, riverboat, or
14 electronic gaming facility is located for the purpose of
15 awarding grants to non-profit entities that assist gambling
16 addicts.

17 (Source: P.A. 96-224, eff. 8-11-09.)

18 (230 ILCS 10/18.2 new)

19 Sec. 18.2. Prohibition on political contributions from
20 certain licensees and applicants.

21 (a) The General Assembly has a compelling interest in
22 protecting the integrity of both the electoral process and the
23 legislative process by preventing corruption and the
24 appearance of corruption which may arise through permitting

1 certain political campaign contributions by certain persons
2 involved in the gaming industry and regulated by the State.
3 Unlike most other regulated industries, gaming is especially
4 susceptible to corruption and potential criminal influence.

5 In Illinois, only licensed gaming activities are legal and
6 all other gaming activities are strictly prohibited. Given
7 these circumstances, it is imperative to eliminate any
8 potential corrupt influence in the gaming industry and the
9 electoral process. Banning political campaign contributions by
10 certain persons subject to this Section to State officeholders
11 and candidates for such offices and to county and municipal
12 officeholders and candidates for such offices in counties and
13 municipalities that receive financial benefits from gaming
14 activities is necessary to prevent corruption and the
15 appearance of corruption that may arise when political campaign
16 contributions and gaming that is regulated by the State and
17 that confers benefits on counties and municipalities are
18 intermingled.

19 The General Assembly has prohibited political campaign
20 contributions to certain State and local officeholders and
21 candidates for such offices by certain persons with State of
22 Illinois and Metropolitan Pier and Exposition Authority
23 contracts and pending bids or proposals for contracts of over
24 \$50,000 and certain individuals and entities affiliated with
25 such persons. Certain gaming licensees will receive receipts
26 far in excess of the base level of contract amounts subject to

1 such other campaign contribution prohibitions.

2 (b) As used in this Section:

3 "Affiliated entity" means (i) any corporate parent and each
4 operating subsidiary of the business entity applying for or
5 holding a license, (ii) each operating subsidiary of the
6 corporate parent of the business entity applying for or holding
7 a license, (iii) any organization recognized by the United
8 States Internal Revenue Service as a tax-exempt organization
9 described in Section 501(c) of the Internal Revenue Code of
10 1986 (or any successor provision of federal tax law)
11 established by one or more business entities seeking or holding
12 a license, any affiliated entity of such business entity, or
13 any affiliated person of such business entity, and (iv) any
14 political committee for which the business entity applying for
15 or holding a license, or any 501(c) organization described in
16 item (iii) related to that business entity, is the sponsoring
17 entity, as defined in Section 9-3 of the Election Code. For
18 purposes of item (iv), the funding of all business entities
19 applying for or holding a license shall be aggregated in
20 determining whether such political committee is an affiliated
21 entity.

22 "Affiliated person" means (i) any person with any ownership
23 interest or distributive share in excess of 7.5% of any
24 business entity applying for or holding a license, (ii)
25 executive employees of any such business entity, (iii) any
26 person designated as a key person under this Act, and (iv) the

1 spouse of such persons.

2 "Contribution" means a contribution as defined in Section
3 9-1.4 of the Election Code.

4 "Declared candidate" means a person who has filed a
5 statement of candidacy and petition for nomination or election
6 in the principal office of the State Board of Elections, or in
7 the office of the appropriate election authority for any county
8 or municipality in which a casino or electronic gaming device
9 is located or proposed or which receives any gaming revenue.

10 "Executive employee" means any person who is (i) an officer
11 or director or who fulfills duties equivalent to those of an
12 officer or director of a business entity applying for or
13 holding a license and (ii) any employee of such business entity
14 who is required to register under the Lobbyist Registration
15 Act.

16 "License" means any owner, electronic gaming, or manager
17 license issued pursuant to this Act.

18 "Officeholder" means the Governor, Lieutenant Governor,
19 Attorney General, Secretary of State, Comptroller, Treasurer,
20 member of the General Assembly, or any officeholder in any
21 county or municipality in which a riverboat, casino, or
22 electronic gaming device is located or proposed or which
23 receives any gaming revenue.

24 "Business entity" means any entity doing business for
25 profit, whether organized as a corporation, partnership, sole
26 proprietorship, limited liability company, or partnership or

1 otherwise.

2 (c) Any person or business entity applying for or holding a
3 license, any affiliated entities or persons of such business
4 entity, and any entities or persons soliciting a contribution
5 or causing a contribution to be made on behalf of such person
6 or business entity, are prohibited from making any contribution
7 to any officeholder or declared candidate or any political
8 committee affiliated with any officeholder or declared
9 candidate, as defined in Section 9-1.8 of the Election Code.
10 This prohibition shall commence upon filing of an application
11 for a license and shall continue for a period of 2 years after
12 termination, suspension, or revocation of the license.

13 The Board shall have authority to suspend, revoke, or
14 restrict the license and to impose civil penalties of up to
15 \$100,000 for each violation of this subsection (c). A notice of
16 each such violation and the penalty imposed shall be published
17 on the Board's website and in the Illinois Register. Payments
18 received by the State pursuant to this subsection (c) shall be
19 deposited into the General Revenue Fund.

20 Any officeholder or declared candidate or any political
21 committee affiliated with any officeholder or declared
22 candidate that has received a contribution in violation of this
23 subsection (c) shall pay an amount equal to the value of the
24 contribution to the State no more than 30 days after notice of
25 the violation concerning the contribution appears in the
26 Illinois Register. Payments received by the State pursuant to

1 this subsection (c) shall be deposited into the General Revenue
2 Fund.

3 (d) The Board shall post on its website a list of all
4 persons, business entities, and affiliated entities prohibited
5 from making contributions to any officeholder or declared
6 candidate political committee pursuant to subsection (c),
7 which list shall be updated and published on, at a minimum, a
8 semiannual basis.

9 Any person, business entity, or affiliated entity
10 prohibited from making contributions to any officeholder or
11 declared candidate political committee pursuant to subsection
12 (c) shall notify the Board within 7 days after discovering any
13 necessary change or addition to the information relating to
14 that person, business entity, or affiliated entity contained in
15 the list.

16 An individual who acts in good faith and in reliance on any
17 information contained in the list shall not be subject to any
18 penalties or liability imposed for a violation of this Section.

19 (e) If any provision of this Section is held invalid or its
20 application to any person or circumstance is held invalid, the
21 invalidity of that provision or application does not affect the
22 other provisions or applications of this Section that can be
23 given effect without the invalid application or provision.

24 (230 ILCS 10/19) (from Ch. 120, par. 2419)

25 Sec. 19. Forfeiture of property.

1 (a) Except as provided in subsection (b), any riverboat,
2 casino, or electronic gaming facility used for the conduct of
3 gambling games in violation of this Act shall be considered a
4 gambling place in violation of Section 28-3 of the Criminal
5 Code of 2012. Every gambling device found on a riverboat, in a
6 casino, or at an electronic gaming facility operating gambling
7 games in violation of this Act and every slot machine and video
8 game of chance found at an electronic gaming facility operating
9 gambling games in violation of this Act or the Chicago Casino
10 Development Authority Act shall be subject to seizure,
11 confiscation and destruction as provided in Section 28-5 of the
12 Criminal Code of 2012.

13 (b) It is not a violation of this Act for a riverboat or
14 other watercraft which is licensed for gaming by a contiguous
15 state to dock on the shores of this State if the municipality
16 having jurisdiction of the shores, or the county in the case of
17 unincorporated areas, has granted permission for docking and no
18 gaming is conducted on the riverboat or other watercraft while
19 it is docked on the shores of this State. No gambling device
20 shall be subject to seizure, confiscation or destruction if the
21 gambling device is located on a riverboat or other watercraft
22 which is licensed for gaming by a contiguous state and which is
23 docked on the shores of this State if the municipality having
24 jurisdiction of the shores, or the county in the case of
25 unincorporated areas, has granted permission for docking and no
26 gaming is conducted on the riverboat or other watercraft while

1 it is docked on the shores of this State.

2 (Source: P.A. 97-1150, eff. 1-25-13.)

3 (230 ILCS 10/20) (from Ch. 120, par. 2420)

4 Sec. 20. Prohibited activities - civil penalties. Any
5 person who conducts a gambling operation without first
6 obtaining a license to do so, or who continues to conduct such
7 games after revocation of his license, or any licensee who
8 conducts or allows to be conducted any unauthorized gambling
9 games on a riverboat, in a casino, or at an electronic gaming
10 facility where it is authorized to conduct its ~~riverboat~~
11 gambling operation, in addition to other penalties provided,
12 shall be subject to a civil penalty equal to the amount of
13 gross receipts derived from wagering on the gambling games,
14 whether unauthorized or authorized, conducted on that day as
15 well as confiscation and forfeiture of all gambling game
16 equipment used in the conduct of unauthorized gambling games.

17 (Source: P.A. 86-1029.)

18 (230 ILCS 10/21) (from Ch. 120, par. 2421)

19 Sec. 21. Limitation on taxation of licensees. Licensees
20 shall not be subjected to any excise tax, license tax, permit
21 tax, privilege tax, occupation tax or excursion tax which is
22 imposed exclusively upon the licensee by the State or any
23 political subdivision thereof, except as provided in this Act
24 or the Chicago Casino Development Authority Act.

1 (Source: P.A. 86-1029.)

2 (230 ILCS 10/23) (from Ch. 120, par. 2423)

3 Sec. 23. The State Gaming Fund. On or after the effective
4 date of this Act, except as provided for payments into the
5 Horse Racing Equity Trust Fund under subsection (a) of Section
6 7, all of the fees and taxes collected pursuant to this Act or
7 the Chicago Casino Development Authority Act shall be deposited
8 into the State Gaming Fund, a special fund in the State
9 Treasury, which is hereby created. The adjusted gross receipts
10 of any riverboat gambling operations conducted by a licensed
11 manager on behalf of the State remaining after the payment of
12 the fees and expenses of the licensed manager shall be
13 deposited into the State Gaming Fund. Fines and penalties
14 collected pursuant to this Act or the Chicago Casino
15 Development Authority Act shall be deposited into the Education
16 Assistance Fund, created by Public Act 86-0018, of the State of
17 Illinois.

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

19 (230 ILCS 10/24)

20 Sec. 24. Applicability of this ~~Illinois Riverboat Gambling~~
21 Act. The provisions of the this ~~Illinois Riverboat Gambling~~
22 Act, and all rules promulgated thereunder, shall apply to the
23 the Chicago Casino Development Authority Act and the Video
24 Gaming Act, except where there is a conflict between the ~~2~~

1 Acts. In the event of a conflict between this Act and the
2 Chicago Casino Development Authority Act, the terms of the
3 Chicago Casino Development Authority Act shall prevail. In the
4 event of a conflict between this Act and the Video Gaming Act,
5 the terms of this Act shall prevail.

6 (Source: P.A. 96-37, eff. 7-13-09.)

7 Section 90-42. The Video Gaming Act is amended by changing
8 Sections 5, 25, 45, 79, and 80 and by adding Section 81 as
9 follows:

10 (230 ILCS 40/5)

11 Sec. 5. Definitions. As used in this Act:

12 "Board" means the Illinois Gaming Board.

13 "Credit" means one, 5, 10, or 25 cents either won or
14 purchased by a player.

15 "Distributor" means an individual, partnership,
16 corporation, or limited liability company licensed under this
17 Act to buy, sell, lease, or distribute video gaming terminals
18 or major components or parts of video gaming terminals to or
19 from terminal operators.

20 "Terminal operator" means an individual, partnership,
21 corporation, or limited liability company that is licensed
22 under this Act and that owns, services, and maintains video
23 gaming terminals for placement in licensed establishments,
24 licensed truck stop establishments, licensed fraternal

1 establishments, or licensed veterans establishments.

2 "Licensed technician" means an individual who is licensed
3 under this Act to repair, service, and maintain video gaming
4 terminals.

5 "Licensed terminal handler" means a person, including but
6 not limited to an employee or independent contractor working
7 for a manufacturer, distributor, supplier, technician, or
8 terminal operator, who is licensed under this Act to possess or
9 control a video gaming terminal or to have access to the inner
10 workings of a video gaming terminal. A licensed terminal
11 handler does not include an individual, partnership,
12 corporation, or limited liability company defined as a
13 manufacturer, distributor, supplier, technician, or terminal
14 operator under this Act.

15 "Manufacturer" means an individual, partnership,
16 corporation, or limited liability company that is licensed
17 under this Act and that manufactures or assembles video gaming
18 terminals.

19 "Supplier" means an individual, partnership, corporation,
20 or limited liability company that is licensed under this Act to
21 supply major components or parts to video gaming terminals to
22 licensed terminal operators.

23 "Net terminal income" means money put into a video gaming
24 terminal minus credits paid out to players.

25 "Video gaming terminal" means any electronic video game
26 machine that, upon insertion of cash, is available to play or

1 simulate the play of a video game, including but not limited to
2 video poker, line up, and blackjack, as authorized by the Board
3 utilizing a video display and microprocessors in which the
4 player may receive free games or credits that can be redeemed
5 for cash. The term does not include a machine that directly
6 dispenses coins, cash, or tokens or is for amusement purposes
7 only.

8 "Licensed establishment" means any licensed retail
9 establishment where alcoholic liquor is drawn, poured, mixed,
10 or otherwise served for consumption on the premises and
11 includes any such establishment that has a contractual
12 relationship with an inter-track wagering location licensee
13 licensed under the Illinois Horse Racing Act of 1975, provided
14 any contractual relationship shall not include any transfer or
15 offer of revenue from the operation of video gaming under this
16 Act to any licensee licensed under the Illinois Horse Racing
17 Act of 1975. Provided, however, that the licensed establishment
18 that has such a contractual relationship with an inter-track
19 wagering location licensee may not, itself, be (i) an
20 inter-track wagering location licensee, (ii) the corporate
21 parent or subsidiary of any licensee licensed under the
22 Illinois Horse Racing Act of 1975, or (iii) the corporate
23 subsidiary of a corporation that is also the corporate parent
24 or subsidiary of any licensee licensed under the Illinois Horse
25 Racing Act of 1975. "Licensed establishment" does not include a
26 facility operated by an organization licensee, an inter-track

1 wagering licensee, or an inter-track wagering location
2 licensee licensed under the Illinois Horse Racing Act of 1975
3 or a riverboat licensed under the Illinois ~~Riverboat~~ Gambling
4 Act, except as provided in this paragraph.

5 "Licensed fraternal establishment" means the location
6 where a qualified fraternal organization that derives its
7 charter from a national fraternal organization regularly
8 meets.

9 "Licensed veterans establishment" means the location where
10 a qualified veterans organization that derives its charter from
11 a national veterans organization regularly meets.

12 "Licensed truck stop establishment" means a facility (i)
13 that is at least a 3-acre facility with a convenience store,
14 (ii) with separate diesel islands for fueling commercial motor
15 vehicles, (iii) that sells at retail more than 10,000 gallons
16 of diesel or biodiesel fuel per month, and (iv) with parking
17 spaces for commercial motor vehicles. "Commercial motor
18 vehicles" has the same meaning as defined in Section 18b-101 of
19 the Illinois Vehicle Code. The requirement of item (iii) of
20 this paragraph may be met by showing that estimated future
21 sales or past sales average at least 10,000 gallons per month.

22 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09;
23 96-1410, eff. 7-30-10; 96-1479, eff. 8-23-10; 97-333, eff.
24 8-12-11.)

1 Sec. 25. Restriction of licensees.

2 (a) Manufacturer. A person may not be licensed as a
3 manufacturer of a video gaming terminal in Illinois unless the
4 person has a valid manufacturer's license issued under this
5 Act. A manufacturer may only sell video gaming terminals for
6 use in Illinois to persons having a valid distributor's
7 license.

8 (b) Distributor. A person may not sell, distribute, or
9 lease or market a video gaming terminal in Illinois unless the
10 person has a valid distributor's license issued under this Act.
11 A distributor may only sell video gaming terminals for use in
12 Illinois to persons having a valid distributor's or terminal
13 operator's license.

14 (c) Terminal operator. A person may not own, maintain, or
15 place a video gaming terminal unless he has a valid terminal
16 operator's license issued under this Act. A terminal operator
17 may only place video gaming terminals for use in Illinois in
18 licensed establishments, licensed truck stop establishments,
19 licensed fraternal establishments, and licensed veterans
20 establishments. No terminal operator may give anything of
21 value, including but not limited to a loan or financing
22 arrangement, to a licensed establishment, licensed truck stop
23 establishment, licensed fraternal establishment, or licensed
24 veterans establishment as any incentive or inducement to locate
25 video terminals in that establishment. Of the after-tax profits
26 from a video gaming terminal, 50% shall be paid to the terminal

1 operator and 50% shall be paid to the licensed establishment,
2 licensed truck stop establishment, licensed fraternal
3 establishment, or licensed veterans establishment,
4 notwithstanding any agreement to the contrary. A video terminal
5 operator that violates one or more requirements of this
6 subsection is guilty of a Class 4 felony and is subject to
7 termination of his or her license by the Board.

8 (d) Licensed technician. A person may not service,
9 maintain, or repair a video gaming terminal in this State
10 unless he or she (1) has a valid technician's license issued
11 under this Act, (2) is a terminal operator, or (3) is employed
12 by a terminal operator, distributor, or manufacturer.

13 (d-5) Licensed terminal handler. No person, including, but
14 not limited to, an employee or independent contractor working
15 for a manufacturer, distributor, supplier, technician, or
16 terminal operator licensed pursuant to this Act, shall have
17 possession or control of a video gaming terminal, or access to
18 the inner workings of a video gaming terminal, unless that
19 person possesses a valid terminal handler's license issued
20 under this Act.

21 (e) Licensed establishment. No video gaming terminal may be
22 placed in any licensed establishment, licensed veterans
23 establishment, licensed truck stop establishment, or licensed
24 fraternal establishment unless the owner or agent of the owner
25 of the licensed establishment, licensed veterans
26 establishment, licensed truck stop establishment, or licensed

1 fraternal establishment has entered into a written use
2 agreement with the terminal operator for placement of the
3 terminals. A copy of the use agreement shall be on file in the
4 terminal operator's place of business and available for
5 inspection by individuals authorized by the Board. A licensed
6 establishment, licensed truck stop establishment, licensed
7 veterans establishment, or licensed fraternal establishment
8 may operate up to 5 video gaming terminals on its premises at
9 any time.

10 (f) (Blank).

11 (g) Financial interest restrictions. As used in this Act,
12 "substantial interest" in a partnership, a corporation, an
13 organization, an association, a business, or a limited
14 liability company means:

15 (A) When, with respect to a sole proprietorship, an
16 individual or his or her spouse owns, operates, manages, or
17 conducts, directly or indirectly, the organization,
18 association, or business, or any part thereof; or

19 (B) When, with respect to a partnership, the individual
20 or his or her spouse shares in any of the profits, or
21 potential profits, of the partnership activities; or

22 (C) When, with respect to a corporation, an individual
23 or his or her spouse is an officer or director, or the
24 individual or his or her spouse is a holder, directly or
25 beneficially, of 5% or more of any class of stock of the
26 corporation; or

1 (D) When, with respect to an organization not covered
2 in (A), (B) or (C) above, an individual or his or her
3 spouse is an officer or manages the business affairs, or
4 the individual or his or her spouse is the owner of or
5 otherwise controls 10% or more of the assets of the
6 organization; or

7 (E) When an individual or his or her spouse furnishes
8 5% or more of the capital, whether in cash, goods, or
9 services, for the operation of any business, association,
10 or organization during any calendar year; or

11 (F) When, with respect to a limited liability company,
12 an individual or his or her spouse is a member, or the
13 individual or his or her spouse is a holder, directly or
14 beneficially, of 5% or more of the membership interest of
15 the limited liability company.

16 For purposes of this subsection (g), "individual" includes
17 all individuals or their spouses whose combined interest would
18 qualify as a substantial interest under this subsection (g) and
19 whose activities with respect to an organization, association,
20 or business are so closely aligned or coordinated as to
21 constitute the activities of a single entity.

22 (h) Location restriction. A licensed establishment,
23 licensed truck stop establishment, licensed fraternal
24 establishment, or licensed veterans establishment that is (i)
25 located within 1,000 feet of a facility operated by an
26 organization licensee or an inter-track wagering licensee

1 licensed under the Illinois Horse Racing Act of 1975 or the
2 home dock of a riverboat licensed under the Illinois Riverboat
3 Gambling Act or (ii) located within 100 feet of a school or a
4 place of worship under the Religious Corporation Act, is
5 ineligible to operate a video gaming terminal. The location
6 restrictions in this subsection (h) do not apply if a facility
7 operated by an organization licensee, an inter-track wagering
8 licensee, or an inter-track wagering location licensee, a
9 school, or a place of worship moves to or is established within
10 the restricted area after a licensed establishment, licensed
11 truck stop establishment, licensed fraternal establishment, or
12 licensed veterans establishment becomes licensed under this
13 Act. For the purpose of this subsection, "school" means an
14 elementary or secondary public school, or an elementary or
15 secondary private school registered with or recognized by the
16 State Board of Education.

17 Notwithstanding the provisions of this subsection (h), the
18 Board may waive the requirement that a licensed establishment,
19 licensed truck stop establishment, licensed fraternal
20 establishment, or licensed veterans establishment not be
21 located within 1,000 feet from a facility operated by an
22 organization licensee, an inter-track wagering licensee, or an
23 inter-track wagering location licensee licensed under the
24 Illinois Horse Racing Act of 1975 or the home dock of a
25 riverboat licensed under the Illinois Riverboat Gambling Act.
26 The Board shall not grant such waiver if there is any common

1 ownership or control, shared business activity, or contractual
2 arrangement of any type between the establishment and the
3 organization licensee, inter-track wagering licensee,
4 inter-track wagering location licensee, or owners licensee of a
5 riverboat. The Board shall adopt rules to implement the
6 provisions of this paragraph.

7 (i) Undue economic concentration. In addition to
8 considering all other requirements under this Act, in deciding
9 whether to approve the operation of video gaming terminals by a
10 terminal operator in a location, the Board shall consider the
11 impact of any economic concentration of such operation of video
12 gaming terminals. The Board shall not allow a terminal operator
13 to operate video gaming terminals if the Board determines such
14 operation will result in undue economic concentration. For
15 purposes of this Section, "undue economic concentration" means
16 that a terminal operator would have such actual or potential
17 influence over video gaming terminals in Illinois as to:

18 (1) substantially impede or suppress competition among
19 terminal operators;

20 (2) adversely impact the economic stability of the
21 video gaming industry in Illinois; or

22 (3) negatively impact the purposes of the Video Gaming
23 Act.

24 The Board shall adopt rules concerning undue economic
25 concentration with respect to the operation of video gaming
26 terminals in Illinois. The rules shall include, but not be

1 limited to, (i) limitations on the number of video gaming
2 terminals operated by any terminal operator within a defined
3 geographic radius and (ii) guidelines on the discontinuation of
4 operation of any such video gaming terminals the Board
5 determines will cause undue economic concentration.

6 (j) The provisions of the Illinois Antitrust Act are fully
7 and equally applicable to the activities of any licensee under
8 this Act.

9 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
10 eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1410, eff. 7-30-10;
11 96-1479, eff. 8-23-10; 97-333, eff. 8-12-11.)

12 (230 ILCS 40/45)

13 Sec. 45. Issuance of license.

14 (a) The burden is upon each applicant to demonstrate his
15 suitability for licensure. Each video gaming terminal
16 manufacturer, distributor, supplier, operator, handler,
17 licensed establishment, licensed truck stop establishment,
18 licensed fraternal establishment, and licensed veterans
19 establishment shall be licensed by the Board. The Board may
20 issue or deny a license under this Act to any person pursuant
21 to the same criteria set forth in Section 9 of the Illinois
22 ~~Riverboat~~ Gambling Act.

23 (a-5) The Board shall not grant a license to a person who
24 has facilitated, enabled, or participated in the use of
25 coin-operated devices for gambling purposes or who is under the

1 significant influence or control of such a person. For the
2 purposes of this Act, "facilitated, enabled, or participated in
3 the use of coin-operated amusement devices for gambling
4 purposes" means that the person has been convicted of any
5 violation of Article 28 of the Criminal Code of 1961 or the
6 Criminal Code of 2012. If there is pending legal action against
7 a person for any such violation, then the Board shall delay the
8 licensure of that person until the legal action is resolved.

9 (b) Each person seeking and possessing a license as a video
10 gaming terminal manufacturer, distributor, supplier, operator,
11 handler, licensed establishment, licensed truck stop
12 establishment, licensed fraternal establishment, or licensed
13 veterans establishment shall submit to a background
14 investigation conducted by the Board with the assistance of the
15 State Police or other law enforcement. The background
16 investigation shall include each beneficiary of a trust, each
17 partner of a partnership, and each director and officer and all
18 stockholders of 5% or more in a parent or subsidiary
19 corporation of a video gaming terminal manufacturer,
20 distributor, supplier, operator, or licensed establishment,
21 licensed truck stop establishment, licensed fraternal
22 establishment, or licensed veterans establishment.

23 (c) Each person seeking and possessing a license as a video
24 gaming terminal manufacturer, distributor, supplier, operator,
25 handler, licensed establishment, licensed truck stop
26 establishment, licensed fraternal establishment, or licensed

1 veterans establishment shall disclose the identity of every
2 person, association, trust, corporation, or limited liability
3 company having a greater than 1% direct or indirect pecuniary
4 interest in the video gaming terminal operation for which the
5 license is sought. If the disclosed entity is a trust, the
6 application shall disclose the names and addresses of the
7 beneficiaries; if a corporation, the names and addresses of all
8 stockholders and directors; if a limited liability company, the
9 names and addresses of all members; or if a partnership, the
10 names and addresses of all partners, both general and limited.

11 (d) No person may be licensed as a video gaming terminal
12 manufacturer, distributor, supplier, operator, handler,
13 licensed establishment, licensed truck stop establishment,
14 licensed fraternal establishment, or licensed veterans
15 establishment if that person has been found by the Board to:

16 (1) have a background, including a criminal record,
17 reputation, habits, social or business associations, or
18 prior activities that pose a threat to the public interests
19 of the State or to the security and integrity of video
20 gaming;

21 (2) create or enhance the dangers of unsuitable,
22 unfair, or illegal practices, methods, and activities in
23 the conduct of video gaming; or

24 (3) present questionable business practices and
25 financial arrangements incidental to the conduct of video
26 gaming activities.

1 (e) Any applicant for any license under this Act has the
 2 burden of proving his or her qualifications to the satisfaction
 3 of the Board. The Board may adopt rules to establish additional
 4 qualifications and requirements to preserve the integrity and
 5 security of video gaming in this State.

6 (f) A non-refundable application fee shall be paid at the
 7 time an application for a license is filed with the Board in
 8 the following amounts:

- 9 (1) Manufacturer \$5,000
- 10 (2) Distributor..... \$5,000
- 11 (3) Terminal operator..... \$5,000
- 12 (4) Supplier \$2,500
- 13 (5) Technician \$100
- 14 (6) Terminal Handler \$50

15 (g) The Board shall establish an annual fee for each
 16 license not to exceed the following:

- 17 (1) Manufacturer \$10,000
- 18 (2) Distributor..... \$10,000
- 19 (3) Terminal operator..... \$5,000
- 20 (4) Supplier \$2,000
- 21 (5) Technician \$100
- 22 (6) Licensed establishment, licensed truck stop
 23 establishment, licensed fraternal establishment,
 24 or licensed veterans establishment \$100
- 25 (7) Video gaming terminal..... \$100
- 26 (8) Terminal Handler \$50

1 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,
2 eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1410, eff. 7-30-10;
3 97-1150, eff. 1-25-13.)

4 (230 ILCS 40/79)

5 Sec. 79. Investigators. Investigators appointed by the
6 Board pursuant to the powers conferred upon the Board by
7 paragraph (20.6) of subsection (c) of Section 5 of the Illinois
8 ~~Riverboat~~ Gambling Act and Section 80 of this Act shall have
9 authority to conduct investigations, searches, seizures,
10 arrests, and other duties imposed under this Act and the
11 Illinois ~~Riverboat~~ Gambling Act, as deemed necessary by the
12 Board. These investigators have and may exercise all of the
13 rights and powers of peace officers, provided that these powers
14 shall be (1) limited to offenses or violations occurring or
15 committed in connection with conduct subject to this Act,
16 including, but not limited to, the manufacture, distribution,
17 supply, operation, placement, service, maintenance, or play of
18 video gaming terminals and the distribution of profits and
19 collection of revenues resulting from such play, and (2)
20 exercised, to the fullest extent practicable, in cooperation
21 with the local police department of the applicable municipality
22 or, if these powers are exercised outside the boundaries of an
23 incorporated municipality or within a municipality that does
24 not have its own police department, in cooperation with the
25 police department whose jurisdiction encompasses the

1 applicable locality.

2 (Source: P.A. 97-809, eff. 7-13-12.)

3 (230 ILCS 40/80)

4 Sec. 80. Applicability of Illinois ~~Riverboat~~ Gambling Act.

5 The provisions of the Illinois ~~Riverboat~~ Gambling Act, and all
6 rules promulgated thereunder, shall apply to the Video Gaming
7 Act, except where there is a conflict between the 2 Acts. In
8 the event of a conflict between the 2 Acts, the provisions of
9 the Illinois Gambling Act shall prevail. All provisions of the
10 Uniform Penalty and Interest Act shall apply, as far as
11 practicable, to the subject matter of this Act to the same
12 extent as if such provisions were included herein.

13 (Source: P.A. 96-37, eff. 7-13-09.)

14 (230 ILCS 40/81 new)

15 Sec. 81. Prohibition of political contributions from
16 certain licensees and applicants.

17 (a) The General Assembly has a compelling interest in
18 protecting the integrity of both the electoral process and the
19 legislative process by preventing corruption and the
20 appearance of corruption which may arise through permitting
21 certain political campaign contributions by certain persons
22 involved in the gaming industry and regulated by the State.
23 Unlike most other regulated industries, gaming is especially
24 susceptible to corruption and potential criminal influence.

1 In Illinois, only licensed gaming activities are legal and
2 all other gaming activities are strictly prohibited. Given
3 these circumstances, it is imperative to eliminate any
4 potential corrupt influence in the gaming industry and the
5 electoral process. Banning political campaign contributions by
6 certain persons subject to this Section to State officeholders
7 and candidates for such offices and, where necessary, to county
8 and municipal officeholders and candidates for such offices in
9 counties and municipalities that receive financial benefits
10 from gaming activities is necessary to prevent corruption and
11 the appearance of corruption that may arise when political
12 campaign contributions and gaming that is regulated by the
13 State and that confers benefits on counties and municipalities
14 are intermingled.

15 (b) As used in this Section:

16 "Affiliated entity" means (i) any corporate parent and each
17 operating subsidiary of the business entity applying for or
18 holding a license, (ii) each operating subsidiary of the
19 corporate parent of the business entity applying for or holding
20 a license, (iii) any organization recognized by the United
21 States Internal Revenue Service as a tax-exempt organization
22 described in Section 501(c) of the Internal Revenue Code of
23 1986 (or any successor provision of federal tax law)
24 established by one or more business entities seeking or holding
25 a license, any affiliated entity of such business entity, or
26 any affiliated person of such business entity, and (iv) any

1 political committee for which the business entity applying for
2 or holding a license, or any 501(c) organization described in
3 item (iii) related to that business entity, is the sponsoring
4 entity, as defined in Section 9-3 of the Election Code. For
5 purposes of item (iv), the funding of all business entities
6 applying for or holding a license shall be aggregated in
7 determining whether such political committee is an affiliated
8 entity.

9 "Affiliated person" means (i) any person with any ownership
10 interest or distributive share in excess of 7.5% of any
11 business entity applying for or holding a license, (ii)
12 executive employees of any such business entity, (iii) any
13 person designated as a person of significant influence and
14 control under the Video Gaming Act, and (iv) the spouse of such
15 persons.

16 "Business entity" means any entity doing business for
17 profit, whether organized as a corporation, partnership, sole
18 proprietorship, limited liability company, or partnership or
19 otherwise.

20 "Contribution" means a contribution as defined in Section
21 9-1.4 of the Election Code.

22 "Declared candidate" means a person who has filed a
23 statement of candidacy and petition for nomination or election
24 in the principal office of the State Board of Elections, or in
25 the office of the appropriate election authority for any county
26 or municipality in which a video gaming terminal is located or

1 proposed or which receives any video gaming revenue, for the
2 office of Governor, Lieutenant Governor, Attorney General,
3 Secretary of State, Comptroller, Treasurer, member of the
4 General Assembly, chief executive or any member of the
5 legislative body of any municipality in which a video gaming
6 terminal is located or proposed or which receives any video
7 gaming revenue, or chief executive or any member of the
8 legislative body of any county containing any unincorporated
9 area in which a video gaming terminal is located or which
10 receives any video gaming revenue.

11 "Executive employee" means any person who is an officer or
12 director or who fulfills duties equivalent to those of an
13 officer or director of a business entity applying for or
14 holding a license; and (ii) any employee of such business
15 entity who is required to register under the Lobbyist
16 Registration Act.

17 "License" means any license issued pursuant to this Act.

18 "Officeholder" means the Governor, the Lieutenant
19 Governor, the Attorney General, the Secretary of State, the
20 Comptroller, the Treasurer, a member of the General Assembly,
21 the chief executive or any member of the legislative body of
22 any municipality in which a video gaming terminal is located or
23 proposed or which receives any video gaming revenue, or the
24 chief executive or any member of the legislative body of any
25 county containing any unincorporated area in which a video
26 gaming terminal is located or which receives any video gaming

1 revenue.

2 (c) Any person or business entity applying for or holding a
3 manufacturer or distributor license, any affiliated entities
4 or persons of such business entity, and any entities or persons
5 soliciting a contribution or causing a contribution to be made
6 on behalf of such person or business entity, are prohibited
7 from making any contribution to any officeholder or declared
8 candidate or any political committee affiliated with any
9 officeholder or declared candidate, as defined in Section 9-1.8
10 of the Election Code.

11 The Board shall have authority to suspend, revoke, or
12 restrict the license and to impose civil penalties of up to
13 \$100,000, for each violation of this subsection (c). A notice
14 of each such violation and the penalty imposed shall be
15 published on the Board's website and in the Illinois Register.
16 Payments received by the State pursuant to this subsection
17 shall be deposited into the General Revenue Fund.

18 Any person or business entity applying for or holding a
19 terminal operator license, any affiliated entities or persons
20 of such business entity, and any entities or persons soliciting
21 a contribution or causing a contribution to be made on behalf
22 of such person or business entity, are prohibited from making
23 any contribution to any officeholder or declared candidate or
24 any political committee affiliated with any officeholder or
25 declared candidate, as defined in Section 9-1.8 of the Election
26 Code, except that any such person or entity may make a

1 contribution to the chief executive or any member of the
2 legislative body of any municipality in which a video gaming
3 terminal is located or proposed or which receives any video
4 gaming revenue, the chief executive or any member of the
5 legislative body of any county containing any unincorporated
6 area in which a video gaming terminal is located or which
7 receives any video gaming revenue, or any declared candidates
8 for such offices, so long as the video gaming terminal
9 associated with the terminal operator license held or applied
10 for is not located in the same municipality or county in which
11 the officeholder or declared candidate holds or is seeking
12 office. This prohibition shall commence upon filing of an
13 application for a license and shall continue for a period of 2
14 years after termination, suspension, or revocation of the
15 license.

16 Any officeholder or declared candidate or any political
17 committee affiliated with any officeholder or declared
18 candidate that has received a contribution in violation of this
19 subsection (c) shall pay an amount equal to the value of the
20 contribution to the State no more than 30 days after notice of
21 the violation concerning the contribution appears in the
22 Illinois Register. Payments received by the State pursuant to
23 this subsection shall be deposited into the General Revenue
24 Fund.

25 (d) The Board shall post on its website a list of all
26 persons, business entities, and affiliated entities prohibited

1 from making contributions to any officeholder or declared
2 candidate political committee pursuant to subsection (c),
3 which list shall be updated and published on, at a minimum, a
4 semiannual basis.

5 Any person, business entity, or affiliated entity
6 prohibited from making contributions to any officeholder or
7 declared candidate political committee pursuant to subsection
8 (c) of this Section shall notify the Board within 7 days after
9 discovering any necessary change or addition to the information
10 relating to that person, business entity, or affiliated entity
11 contained in the list.

12 An individual who acts in good faith and in reliance on any
13 information contained in the list shall not be subject to any
14 penalties or liability imposed for a violation of this Section.

15 (e) If any provision of this Section is held invalid or its
16 application to any person or circumstance is held invalid, the
17 invalidity of that provision or application does not affect the
18 other provisions or applications of this Section that can be
19 given effect without the invalid application or provision.

20 Section 90-45. The Liquor Control Act of 1934 is amended by
21 changing Sections 5-1 and 6-30 as follows:

22 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

23 Sec. 5-1. Licenses issued by the Illinois Liquor Control
24 Commission shall be of the following classes:

1 (a) Manufacturer's license - Class 1. Distiller, Class 2.
2 Rectifier, Class 3. Brewer, Class 4. First Class Wine
3 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.
4 First Class Winemaker, Class 7. Second Class Winemaker, Class
5 8. Limited Wine Manufacturer, Class 9. Craft Distiller, Class
6 10. Craft Brewer,

7 (b) Distributor's license,

8 (c) Importing Distributor's license,

9 (d) Retailer's license,

10 (e) Special Event Retailer's license (not-for-profit),

11 (f) Railroad license,

12 (g) Boat license,

13 (h) Non-Beverage User's license,

14 (i) Wine-maker's premises license,

15 (j) Airplane license,

16 (k) Foreign importer's license,

17 (l) Broker's license,

18 (m) Non-resident dealer's license,

19 (n) Brew Pub license,

20 (o) Auction liquor license,

21 (p) Caterer retailer license,

22 (q) Special use permit license,

23 (r) Winery shipper's license.

24 No person, firm, partnership, corporation, or other legal
25 business entity that is engaged in the manufacturing of wine
26 may concurrently obtain and hold a wine-maker's license and a

1 wine manufacturer's license.

2 (a) A manufacturer's license shall allow the manufacture,
3 importation in bulk, storage, distribution and sale of
4 alcoholic liquor to persons without the State, as may be
5 permitted by law and to licensees in this State as follows:

6 Class 1. A Distiller may make sales and deliveries of
7 alcoholic liquor to distillers, rectifiers, importing
8 distributors, distributors and non-beverage users and to no
9 other licensees.

10 Class 2. A Rectifier, who is not a distiller, as defined
11 herein, may make sales and deliveries of alcoholic liquor to
12 rectifiers, importing distributors, distributors, retailers
13 and non-beverage users and to no other licensees.

14 Class 3. A Brewer may make sales and deliveries of beer to
15 importing distributors and distributors and may make sales as
16 authorized under subsection (e) of Section 6-4 of this Act.

17 Class 4. A first class wine-manufacturer may make sales and
18 deliveries of up to 50,000 gallons of wine to manufacturers,
19 importing distributors and distributors, and to no other
20 licensees.

21 Class 5. A second class Wine manufacturer may make sales
22 and deliveries of more than 50,000 gallons of wine to
23 manufacturers, importing distributors and distributors and to
24 no other licensees.

25 Class 6. A first-class wine-maker's license shall allow the
26 manufacture of up to 50,000 gallons of wine per year, and the

1 storage and sale of such wine to distributors in the State and
2 to persons without the State, as may be permitted by law. A
3 person who, prior to the effective date of this amendatory Act
4 of the 95th General Assembly, is a holder of a first-class
5 wine-maker's license and annually produces more than 25,000
6 gallons of its own wine and who distributes its wine to
7 licensed retailers shall cease this practice on or before July
8 1, 2008 in compliance with this amendatory Act of the 95th
9 General Assembly.

10 Class 7. A second-class wine-maker's license shall allow
11 the manufacture of between 50,000 and 150,000 gallons of wine
12 per year, and the storage and sale of such wine to distributors
13 in this State and to persons without the State, as may be
14 permitted by law. A person who, prior to the effective date of
15 this amendatory Act of the 95th General Assembly, is a holder
16 of a second-class wine-maker's license and annually produces
17 more than 25,000 gallons of its own wine and who distributes
18 its wine to licensed retailers shall cease this practice on or
19 before July 1, 2008 in compliance with this amendatory Act of
20 the 95th General Assembly.

21 Class 8. A limited wine-manufacturer may make sales and
22 deliveries not to exceed 40,000 gallons of wine per year to
23 distributors, and to non-licensees in accordance with the
24 provisions of this Act.

25 Class 9. A craft distiller license shall allow the
26 manufacture of up to 15,000 gallons of spirits by distillation

1 per year and the storage of such spirits. If a craft distiller
2 licensee is not affiliated with any other manufacturer, then
3 the craft distiller licensee may sell such spirits to
4 distributors in this State and non-licensees to the extent
5 permitted by any exemption approved by the Commission pursuant
6 to Section 6-4 of this Act.

7 Any craft distiller licensed under this Act who on the
8 effective date of this amendatory Act of the 96th General
9 Assembly was licensed as a distiller and manufactured no more
10 spirits than permitted by this Section shall not be required to
11 pay the initial licensing fee.

12 Class 10. A craft brewer's license, which may only be
13 issued to a licensed brewer or licensed non-resident dealer,
14 shall allow the manufacture of up to 465,000 gallons of beer
15 per year. A craft brewer licensee may make sales and deliveries
16 to importing distributors and distributors and to retail
17 licensees in accordance with the conditions set forth in
18 paragraph (18) of subsection (a) of Section 3-12 of this Act.

19 (a-1) A manufacturer which is licensed in this State to
20 make sales or deliveries of alcoholic liquor and which enlists
21 agents, representatives, or individuals acting on its behalf
22 who contact licensed retailers on a regular and continual basis
23 in this State must register those agents, representatives, or
24 persons acting on its behalf with the State Commission.

25 Registration of agents, representatives, or persons acting
26 on behalf of a manufacturer is fulfilled by submitting a form

1 to the Commission. The form shall be developed by the
2 Commission and shall include the name and address of the
3 applicant, the name and address of the manufacturer he or she
4 represents, the territory or areas assigned to sell to or
5 discuss pricing terms of alcoholic liquor, and any other
6 questions deemed appropriate and necessary. All statements in
7 the forms required to be made by law or by rule shall be deemed
8 material, and any person who knowingly misstates any material
9 fact under oath in an application is guilty of a Class B
10 misdemeanor. Fraud, misrepresentation, false statements,
11 misleading statements, evasions, or suppression of material
12 facts in the securing of a registration are grounds for
13 suspension or revocation of the registration.

14 (b) A distributor's license shall allow the wholesale
15 purchase and storage of alcoholic liquors and sale of alcoholic
16 liquors to licensees in this State and to persons without the
17 State, as may be permitted by law.

18 (c) An importing distributor's license may be issued to and
19 held by those only who are duly licensed distributors, upon the
20 filing of an application by a duly licensed distributor, with
21 the Commission and the Commission shall, without the payment of
22 any fee, immediately issue such importing distributor's
23 license to the applicant, which shall allow the importation of
24 alcoholic liquor by the licensee into this State from any point
25 in the United States outside this State, and the purchase of
26 alcoholic liquor in barrels, casks or other bulk containers and

1 the bottling of such alcoholic liquors before resale thereof,
2 but all bottles or containers so filled shall be sealed,
3 labeled, stamped and otherwise made to comply with all
4 provisions, rules and regulations governing manufacturers in
5 the preparation and bottling of alcoholic liquors. The
6 importing distributor's license shall permit such licensee to
7 purchase alcoholic liquor from Illinois licensed non-resident
8 dealers and foreign importers only.

9 (d) A retailer's license shall allow the licensee to sell
10 and offer for sale at retail, only in the premises specified in
11 the license, alcoholic liquor for use or consumption, but not
12 for resale in any form. Nothing in this amendatory Act of the
13 95th General Assembly shall deny, limit, remove, or restrict
14 the ability of a holder of a retailer's license to transfer,
15 deliver, or ship alcoholic liquor to the purchaser for use or
16 consumption subject to any applicable local law or ordinance.
17 Any retail license issued to a manufacturer shall only permit
18 the manufacturer to sell beer at retail on the premises
19 actually occupied by the manufacturer. For the purpose of
20 further describing the type of business conducted at a retail
21 licensed premises, a retailer's licensee may be designated by
22 the State Commission as (i) an on premise consumption retailer,
23 (ii) an off premise sale retailer, or (iii) a combined on
24 premise consumption and off premise sale retailer.

25 Notwithstanding any other provision of this subsection
26 (d), a retail licensee may sell alcoholic liquors to a special

1 event retailer licensee for resale to the extent permitted
2 under subsection (e).

3 (e) A special event retailer's license (not-for-profit)
4 shall permit the licensee to purchase alcoholic liquors from an
5 Illinois licensed distributor (unless the licensee purchases
6 less than \$500 of alcoholic liquors for the special event, in
7 which case the licensee may purchase the alcoholic liquors from
8 a licensed retailer) and shall allow the licensee to sell and
9 offer for sale, at retail, alcoholic liquors for use or
10 consumption, but not for resale in any form and only at the
11 location and on the specific dates designated for the special
12 event in the license. An applicant for a special event retailer
13 license must (i) furnish with the application: (A) a resale
14 number issued under Section 2c of the Retailers' Occupation Tax
15 Act or evidence that the applicant is registered under Section
16 2a of the Retailers' Occupation Tax Act, (B) a current, valid
17 exemption identification number issued under Section 1g of the
18 Retailers' Occupation Tax Act, and a certification to the
19 Commission that the purchase of alcoholic liquors will be a
20 tax-exempt purchase, or (C) a statement that the applicant is
21 not registered under Section 2a of the Retailers' Occupation
22 Tax Act, does not hold a resale number under Section 2c of the
23 Retailers' Occupation Tax Act, and does not hold an exemption
24 number under Section 1g of the Retailers' Occupation Tax Act,
25 in which event the Commission shall set forth on the special
26 event retailer's license a statement to that effect; (ii)

1 submit with the application proof satisfactory to the State
2 Commission that the applicant will provide dram shop liability
3 insurance in the maximum limits; and (iii) show proof
4 satisfactory to the State Commission that the applicant has
5 obtained local authority approval.

6 (f) A railroad license shall permit the licensee to import
7 alcoholic liquors into this State from any point in the United
8 States outside this State and to store such alcoholic liquors
9 in this State; to make wholesale purchases of alcoholic liquors
10 directly from manufacturers, foreign importers, distributors
11 and importing distributors from within or outside this State;
12 and to store such alcoholic liquors in this State; provided
13 that the above powers may be exercised only in connection with
14 the importation, purchase or storage of alcoholic liquors to be
15 sold or dispensed on a club, buffet, lounge or dining car
16 operated on an electric, gas or steam railway in this State;
17 and provided further, that railroad licensees exercising the
18 above powers shall be subject to all provisions of Article VIII
19 of this Act as applied to importing distributors. A railroad
20 license shall also permit the licensee to sell or dispense
21 alcoholic liquors on any club, buffet, lounge or dining car
22 operated on an electric, gas or steam railway regularly
23 operated by a common carrier in this State, but shall not
24 permit the sale for resale of any alcoholic liquors to any
25 licensee within this State. A license shall be obtained for
26 each car in which such sales are made.

1 (g) A boat license shall allow the sale of alcoholic liquor
 2 in individual drinks, on any passenger boat regularly operated
 3 as a common carrier on navigable waters in this State or on any
 4 riverboat operated under the Illinois ~~Riverboat~~ Gambling Act,
 5 which boat or riverboat maintains a public dining room or
 6 restaurant thereon.

7 (h) A non-beverage user's license shall allow the licensee
 8 to purchase alcoholic liquor from a licensed manufacturer or
 9 importing distributor, without the imposition of any tax upon
 10 the business of such licensed manufacturer or importing
 11 distributor as to such alcoholic liquor to be used by such
 12 licensee solely for the non-beverage purposes set forth in
 13 subsection (a) of Section 8-1 of this Act, and such licenses
 14 shall be divided and classified and shall permit the purchase,
 15 possession and use of limited and stated quantities of
 16 alcoholic liquor as follows:

- 17 Class 1, not to exceed 500 gallons
- 18 Class 2, not to exceed 1,000 gallons
- 19 Class 3, not to exceed 5,000 gallons
- 20 Class 4, not to exceed 10,000 gallons
- 21 Class 5, not to exceed 50,000 gallons

22 (i) A wine-maker's premises license shall allow a licensee
 23 that concurrently holds a first-class wine-maker's license to
 24 sell and offer for sale at retail in the premises specified in
 25 such license not more than 50,000 gallons of the first-class
 26 wine-maker's wine that is made at the first-class wine-maker's

1 licensed premises per year for use or consumption, but not for
2 resale in any form. A wine-maker's premises license shall allow
3 a licensee who concurrently holds a second-class wine-maker's
4 license to sell and offer for sale at retail in the premises
5 specified in such license up to 100,000 gallons of the
6 second-class wine-maker's wine that is made at the second-class
7 wine-maker's licensed premises per year for use or consumption
8 but not for resale in any form. A wine-maker's premises license
9 shall allow a licensee that concurrently holds a first-class
10 wine-maker's license or a second-class wine-maker's license to
11 sell and offer for sale at retail at the premises specified in
12 the wine-maker's premises license, for use or consumption but
13 not for resale in any form, any beer, wine, and spirits
14 purchased from a licensed distributor. Upon approval from the
15 State Commission, a wine-maker's premises license shall allow
16 the licensee to sell and offer for sale at (i) the wine-maker's
17 licensed premises and (ii) at up to 2 additional locations for
18 use and consumption and not for resale. Each location shall
19 require additional licensing per location as specified in
20 Section 5-3 of this Act. A wine-maker's premises licensee shall
21 secure liquor liability insurance coverage in an amount at
22 least equal to the maximum liability amounts set forth in
23 subsection (a) of Section 6-21 of this Act.

24 (j) An airplane license shall permit the licensee to import
25 alcoholic liquors into this State from any point in the United
26 States outside this State and to store such alcoholic liquors

1 in this State; to make wholesale purchases of alcoholic liquors
2 directly from manufacturers, foreign importers, distributors
3 and importing distributors from within or outside this State;
4 and to store such alcoholic liquors in this State; provided
5 that the above powers may be exercised only in connection with
6 the importation, purchase or storage of alcoholic liquors to be
7 sold or dispensed on an airplane; and provided further, that
8 airplane licensees exercising the above powers shall be subject
9 to all provisions of Article VIII of this Act as applied to
10 importing distributors. An airplane licensee shall also permit
11 the sale or dispensing of alcoholic liquors on any passenger
12 airplane regularly operated by a common carrier in this State,
13 but shall not permit the sale for resale of any alcoholic
14 liquors to any licensee within this State. A single airplane
15 license shall be required of an airline company if liquor
16 service is provided on board aircraft in this State. The annual
17 fee for such license shall be as determined in Section 5-3.

18 (k) A foreign importer's license shall permit such licensee
19 to purchase alcoholic liquor from Illinois licensed
20 non-resident dealers only, and to import alcoholic liquor other
21 than in bulk from any point outside the United States and to
22 sell such alcoholic liquor to Illinois licensed importing
23 distributors and to no one else in Illinois; provided that (i)
24 the foreign importer registers with the State Commission every
25 brand of alcoholic liquor that it proposes to sell to Illinois
26 licensees during the license period, (ii) the foreign importer

1 complies with all of the provisions of Section 6-9 of this Act
2 with respect to registration of such Illinois licensees as may
3 be granted the right to sell such brands at wholesale, and
4 (iii) the foreign importer complies with the provisions of
5 Sections 6-5 and 6-6 of this Act to the same extent that these
6 provisions apply to manufacturers.

7 (1) (i) A broker's license shall be required of all persons
8 who solicit orders for, offer to sell or offer to supply
9 alcoholic liquor to retailers in the State of Illinois, or who
10 offer to retailers to ship or cause to be shipped or to make
11 contact with distillers, rectifiers, brewers or manufacturers
12 or any other party within or without the State of Illinois in
13 order that alcoholic liquors be shipped to a distributor,
14 importing distributor or foreign importer, whether such
15 solicitation or offer is consummated within or without the
16 State of Illinois.

17 No holder of a retailer's license issued by the Illinois
18 Liquor Control Commission shall purchase or receive any
19 alcoholic liquor, the order for which was solicited or offered
20 for sale to such retailer by a broker unless the broker is the
21 holder of a valid broker's license.

22 The broker shall, upon the acceptance by a retailer of the
23 broker's solicitation of an order or offer to sell or supply or
24 deliver or have delivered alcoholic liquors, promptly forward
25 to the Illinois Liquor Control Commission a notification of
26 said transaction in such form as the Commission may by

1 regulations prescribe.

2 (ii) A broker's license shall be required of a person
3 within this State, other than a retail licensee, who, for a fee
4 or commission, promotes, solicits, or accepts orders for
5 alcoholic liquor, for use or consumption and not for resale, to
6 be shipped from this State and delivered to residents outside
7 of this State by an express company, common carrier, or
8 contract carrier. This Section does not apply to any person who
9 promotes, solicits, or accepts orders for wine as specifically
10 authorized in Section 6-29 of this Act.

11 A broker's license under this subsection (1) shall not
12 entitle the holder to buy or sell any alcoholic liquors for his
13 own account or to take or deliver title to such alcoholic
14 liquors.

15 This subsection (1) shall not apply to distributors,
16 employees of distributors, or employees of a manufacturer who
17 has registered the trademark, brand or name of the alcoholic
18 liquor pursuant to Section 6-9 of this Act, and who regularly
19 sells such alcoholic liquor in the State of Illinois only to
20 its registrants thereunder.

21 Any agent, representative, or person subject to
22 registration pursuant to subsection (a-1) of this Section shall
23 not be eligible to receive a broker's license.

24 (m) A non-resident dealer's license shall permit such
25 licensee to ship into and warehouse alcoholic liquor into this
26 State from any point outside of this State, and to sell such

1 alcoholic liquor to Illinois licensed foreign importers and
2 importing distributors and to no one else in this State;
3 provided that (i) said non-resident dealer shall register with
4 the Illinois Liquor Control Commission each and every brand of
5 alcoholic liquor which it proposes to sell to Illinois
6 licensees during the license period, (ii) it shall comply with
7 all of the provisions of Section 6-9 hereof with respect to
8 registration of such Illinois licensees as may be granted the
9 right to sell such brands at wholesale, and (iii) the
10 non-resident dealer shall comply with the provisions of
11 Sections 6-5 and 6-6 of this Act to the same extent that these
12 provisions apply to manufacturers.

13 (n) A brew pub license shall allow the licensee (i) to
14 manufacture beer only on the premises specified in the license,
15 (ii) to make sales of the beer manufactured on the premises or,
16 with the approval of the Commission, beer manufactured on
17 another brew pub licensed premises that is substantially owned
18 and operated by the same licensee to importing distributors,
19 distributors, and to non-licensees for use and consumption,
20 (iii) to store the beer upon the premises, and (iv) to sell and
21 offer for sale at retail from the licensed premises, provided
22 that a brew pub licensee shall not sell for off-premises
23 consumption more than 50,000 gallons per year. A person who
24 holds a brew pub license may simultaneously hold a craft brewer
25 license if he or she otherwise qualifies for the craft brewer
26 license and the craft brewer license is for a location separate

1 from the brew pub's licensed premises. A brew pub license shall
2 permit a person who has received prior approval from the
3 Commission to annually transfer no more than a total of 50,000
4 gallons of beer manufactured on premises to all other licensed
5 brew pubs that are substantially owned and operated by the same
6 person.

7 (o) A caterer retailer license shall allow the holder to
8 serve alcoholic liquors as an incidental part of a food service
9 that serves prepared meals which excludes the serving of snacks
10 as the primary meal, either on or off-site whether licensed or
11 unlicensed.

12 (p) An auction liquor license shall allow the licensee to
13 sell and offer for sale at auction wine and spirits for use or
14 consumption, or for resale by an Illinois liquor licensee in
15 accordance with provisions of this Act. An auction liquor
16 license will be issued to a person and it will permit the
17 auction liquor licensee to hold the auction anywhere in the
18 State. An auction liquor license must be obtained for each
19 auction at least 14 days in advance of the auction date.

20 (q) A special use permit license shall allow an Illinois
21 licensed retailer to transfer a portion of its alcoholic liquor
22 inventory from its retail licensed premises to the premises
23 specified in the license hereby created, and to sell or offer
24 for sale at retail, only in the premises specified in the
25 license hereby created, the transferred alcoholic liquor for
26 use or consumption, but not for resale in any form. A special

1 use permit license may be granted for the following time
2 periods: one day or less; 2 or more days to a maximum of 15 days
3 per location in any 12 month period. An applicant for the
4 special use permit license must also submit with the
5 application proof satisfactory to the State Commission that the
6 applicant will provide dram shop liability insurance to the
7 maximum limits and have local authority approval.

8 (r) A winery shipper's license shall allow a person with a
9 first-class or second-class wine manufacturer's license, a
10 first-class or second-class wine-maker's license, or a limited
11 wine manufacturer's license or who is licensed to make wine
12 under the laws of another state to ship wine made by that
13 licensee directly to a resident of this State who is 21 years
14 of age or older for that resident's personal use and not for
15 resale. Prior to receiving a winery shipper's license, an
16 applicant for the license must provide the Commission with a
17 true copy of its current license in any state in which it is
18 licensed as a manufacturer of wine. An applicant for a winery
19 shipper's license must also complete an application form that
20 provides any other information the Commission deems necessary.
21 The application form shall include an acknowledgement
22 consenting to the jurisdiction of the Commission, the Illinois
23 Department of Revenue, and the courts of this State concerning
24 the enforcement of this Act and any related laws, rules, and
25 regulations, including authorizing the Department of Revenue
26 and the Commission to conduct audits for the purpose of

1 ensuring compliance with this amendatory Act.

2 A winery shipper licensee must pay to the Department of
3 Revenue the State liquor gallonage tax under Section 8-1 for
4 all wine that is sold by the licensee and shipped to a person
5 in this State. For the purposes of Section 8-1, a winery
6 shipper licensee shall be taxed in the same manner as a
7 manufacturer of wine. A licensee who is not otherwise required
8 to register under the Retailers' Occupation Tax Act must
9 register under the Use Tax Act to collect and remit use tax to
10 the Department of Revenue for all gallons of wine that are sold
11 by the licensee and shipped to persons in this State. If a
12 licensee fails to remit the tax imposed under this Act in
13 accordance with the provisions of Article VIII of this Act, the
14 winery shipper's license shall be revoked in accordance with
15 the provisions of Article VII of this Act. If a licensee fails
16 to properly register and remit tax under the Use Tax Act or the
17 Retailers' Occupation Tax Act for all wine that is sold by the
18 winery shipper and shipped to persons in this State, the winery
19 shipper's license shall be revoked in accordance with the
20 provisions of Article VII of this Act.

21 A winery shipper licensee must collect, maintain, and
22 submit to the Commission on a semi-annual basis the total
23 number of cases per resident of wine shipped to residents of
24 this State. A winery shipper licensed under this subsection (r)
25 must comply with the requirements of Section 6-29 of this
26 amendatory Act.

1 (Source: P.A. 96-1367, eff. 7-28-10; 97-5, eff. 6-1-11; 97-455,
2 eff. 8-19-11; 97-813, eff. 7-13-12.)

3 (235 ILCS 5/6-30) (from Ch. 43, par. 144f)

4 Sec. 6-30. Notwithstanding any other provision of this Act,
5 the Illinois Gaming Board shall have exclusive authority to
6 establish the hours for sale and consumption of alcoholic
7 liquor on board a riverboat during riverboat gambling
8 excursions and in a casino conducted in accordance with the
9 Illinois Riverboat Gambling Act.

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

11 Section 90-50. The Criminal Code of 2012 is amended by
12 changing Sections 28-1, 28-1.1, 28-3, 28-5, and 28-7 as
13 follows:

14 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

15 Sec. 28-1. Gambling.

16 (a) A person commits gambling when he or she:

17 (1) knowingly plays a game of chance or skill for money
18 or other thing of value, unless excepted in subsection (b)
19 of this Section;

20 (2) knowingly makes a wager upon the result of any
21 game, contest, or any political nomination, appointment or
22 election;

23 (3) knowingly operates, keeps, owns, uses, purchases,

1 exhibits, rents, sells, bargains for the sale or lease of,
2 manufactures or distributes any gambling device;

3 (4) contracts to have or give himself or herself or
4 another the option to buy or sell, or contracts to buy or
5 sell, at a future time, any grain or other commodity
6 whatsoever, or any stock or security of any company, where
7 it is at the time of making such contract intended by both
8 parties thereto that the contract to buy or sell, or the
9 option, whenever exercised, or the contract resulting
10 therefrom, shall be settled, not by the receipt or delivery
11 of such property, but by the payment only of differences in
12 prices thereof; however, the issuance, purchase, sale,
13 exercise, endorsement or guarantee, by or through a person
14 registered with the Secretary of State pursuant to Section
15 8 of the Illinois Securities Law of 1953, or by or through
16 a person exempt from such registration under said Section
17 8, of a put, call, or other option to buy or sell
18 securities which have been registered with the Secretary of
19 State or which are exempt from such registration under
20 Section 3 of the Illinois Securities Law of 1953 is not
21 gambling within the meaning of this paragraph (4);

22 (5) knowingly owns or possesses any book, instrument or
23 apparatus by means of which bets or wagers have been, or
24 are, recorded or registered, or knowingly possesses any
25 money which he has received in the course of a bet or
26 wager;

1 (6) knowingly sells pools upon the result of any game
2 or contest of skill or chance, political nomination,
3 appointment or election;

4 (7) knowingly sets up or promotes any lottery or sells,
5 offers to sell or transfers any ticket or share for any
6 lottery;

7 (8) knowingly sets up or promotes any policy game or
8 sells, offers to sell or knowingly possesses or transfers
9 any policy ticket, slip, record, document or other similar
10 device;

11 (9) knowingly drafts, prints or publishes any lottery
12 ticket or share, or any policy ticket, slip, record,
13 document or similar device, except for such activity
14 related to lotteries, bingo games and raffles authorized by
15 and conducted in accordance with the laws of Illinois or
16 any other state or foreign government;

17 (10) knowingly advertises any lottery or policy game,
18 except for such activity related to lotteries, bingo games
19 and raffles authorized by and conducted in accordance with
20 the laws of Illinois or any other state;

21 (11) knowingly transmits information as to wagers,
22 betting odds, or changes in betting odds by telephone,
23 telegraph, radio, semaphore or similar means; or knowingly
24 installs or maintains equipment for the transmission or
25 receipt of such information; except that nothing in this
26 subdivision (11) prohibits transmission or receipt of such

1 information for use in news reporting of sporting events or
2 contests; or

3 (12) knowingly establishes, maintains, or operates an
4 Internet site that permits a person to play a game of
5 chance or skill for money or other thing of value by means
6 of the Internet or to make a wager upon the result of any
7 game, contest, political nomination, appointment, or
8 election by means of the Internet. This item (12) does not
9 apply to activities referenced in items (6) and (6.1) of
10 subsection (b) of this Section.

11 (b) Participants in any of the following activities shall
12 not be convicted of gambling:

13 (1) Agreements to compensate for loss caused by the
14 happening of chance including without limitation contracts
15 of indemnity or guaranty and life or health or accident
16 insurance.

17 (2) Offers of prizes, award or compensation to the
18 actual contestants in any bona fide contest for the
19 determination of skill, speed, strength or endurance or to
20 the owners of animals or vehicles entered in such contest.

21 (3) Pari-mutuel betting as authorized by the law of
22 this State.

23 (4) Manufacture of gambling devices, including the
24 acquisition of essential parts therefor and the assembly
25 thereof, for transportation in interstate or foreign
26 commerce to any place outside this State when such

1 transportation is not prohibited by any applicable Federal
2 law; or the manufacture, distribution, or possession of
3 video gaming terminals, as defined in the Video Gaming Act,
4 by manufacturers, distributors, and terminal operators
5 licensed to do so under the Video Gaming Act.

6 (5) The game commonly known as "bingo", when conducted
7 in accordance with the Bingo License and Tax Act.

8 (6) Lotteries when conducted by the State of Illinois
9 in accordance with the Illinois Lottery Law. This exemption
10 includes any activity conducted by the Department of
11 Revenue to sell lottery tickets pursuant to the provisions
12 of the Illinois Lottery Law and its rules.

13 (6.1) The purchase of lottery tickets through the
14 Internet for a lottery conducted by the State of Illinois
15 under the program established in Section 7.12 of the
16 Illinois Lottery Law.

17 (7) Possession of an antique slot machine that is
18 neither used nor intended to be used in the operation or
19 promotion of any unlawful gambling activity or enterprise.
20 For the purpose of this subparagraph (b)(7), an antique
21 slot machine is one manufactured 25 years ago or earlier.

22 (8) Raffles when conducted in accordance with the
23 Raffles Act.

24 (9) Charitable games when conducted in accordance with
25 the Charitable Games Act.

26 (10) Pull tabs and jar games when conducted under the

1 Illinois Pull Tabs and Jar Games Act.

2 (11) Gambling games ~~conducted on riverboats~~ when
3 authorized by the Illinois Riverboat Gambling Act.

4 (12) Video gaming terminal games at a licensed
5 establishment, licensed truck stop establishment, licensed
6 fraternal establishment, or licensed veterans
7 establishment when conducted in accordance with the Video
8 Gaming Act.

9 (13) Games of skill or chance where money or other
10 things of value can be won but no payment or purchase is
11 required to participate.

12 (c) Sentence.

13 Gambling is a Class A misdemeanor. A second or subsequent
14 conviction under subsections (a) (3) through (a) (12), is a Class
15 4 felony.

16 (d) Circumstantial evidence.

17 In prosecutions under this Section circumstantial evidence
18 shall have the same validity and weight as in any criminal
19 prosecution.

20 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09;
21 96-1203, eff. 7-22-10; 97-1108, eff. 1-1-13.)

22 (720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

23 Sec. 28-1.1. Syndicated gambling.

24 (a) Declaration of Purpose. Recognizing the close
25 relationship between professional gambling and other organized

1 crime, it is declared to be the policy of the legislature to
2 restrain persons from engaging in the business of gambling for
3 profit in this State. This Section shall be liberally construed
4 and administered with a view to carrying out this policy.

5 (b) A person commits syndicated gambling when he or she
6 operates a "policy game" or engages in the business of
7 bookmaking.

8 (c) A person "operates a policy game" when he or she
9 knowingly uses any premises or property for the purpose of
10 receiving or knowingly does receive from what is commonly
11 called "policy":

12 (1) money from a person other than the bettor or player
13 whose bets or plays are represented by the money; or

14 (2) written "policy game" records, made or used over
15 any period of time, from a person other than the bettor or
16 player whose bets or plays are represented by the written
17 record.

18 (d) A person engages in bookmaking when he or she knowingly
19 receives or accepts more than five bets or wagers upon the
20 result of any trials or contests of skill, speed or power of
21 endurance or upon any lot, chance, casualty, unknown or
22 contingent event whatsoever, which bets or wagers shall be of
23 such size that the total of the amounts of money paid or
24 promised to be paid to the bookmaker on account thereof shall
25 exceed \$2,000. Bookmaking is the receiving or accepting of bets
26 or wagers regardless of the form or manner in which the

1 bookmaker records them.

2 (e) Participants in any of the following activities shall
3 not be convicted of syndicated gambling:

4 (1) Agreements to compensate for loss caused by the
5 happening of chance including without limitation contracts
6 of indemnity or guaranty and life or health or accident
7 insurance;

8 (2) Offers of prizes, award or compensation to the
9 actual contestants in any bona fide contest for the
10 determination of skill, speed, strength or endurance or to
11 the owners of animals or vehicles entered in the contest;

12 (3) Pari-mutuel betting as authorized by law of this
13 State;

14 (4) Manufacture of gambling devices, including the
15 acquisition of essential parts therefor and the assembly
16 thereof, for transportation in interstate or foreign
17 commerce to any place outside this State when the
18 transportation is not prohibited by any applicable Federal
19 law;

20 (5) Raffles when conducted in accordance with the
21 Raffles Act;

22 (6) Gambling games conducted on riverboats, in
23 casinos, or at electronic gaming facilities when
24 authorized by the Illinois Riverboat ~~Riverboat~~ Gambling Act; and

25 (7) Video gaming terminal games at a licensed
26 establishment, licensed truck stop establishment, licensed

1 fraternal establishment, or licensed veterans
2 establishment when conducted in accordance with the Video
3 Gaming Act.

4 (f) Sentence. Syndicated gambling is a Class 3 felony.
5 (Source: P.A. 96-34, eff. 7-13-09; 97-1108, eff. 1-1-13.)

6 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

7 Sec. 28-3. Keeping a Gambling Place. A "gambling place" is
8 any real estate, vehicle, boat or any other property whatsoever
9 used for the purposes of gambling other than gambling conducted
10 in the manner authorized by the Illinois ~~Riverboat~~ Gambling Act
11 or the Video Gaming Act. Any person who knowingly permits any
12 premises or property owned or occupied by him or under his
13 control to be used as a gambling place commits a Class A
14 misdemeanor. Each subsequent offense is a Class 4 felony. When
15 any premises is determined by the circuit court to be a
16 gambling place:

17 (a) Such premises is a public nuisance and may be proceeded
18 against as such, and

19 (b) All licenses, permits or certificates issued by the
20 State of Illinois or any subdivision or public agency thereof
21 authorizing the serving of food or liquor on such premises
22 shall be void; and no license, permit or certificate so
23 cancelled shall be reissued for such premises for a period of
24 60 days thereafter; nor shall any person convicted of keeping a
25 gambling place be reissued such license for one year from his

1 conviction and, after a second conviction of keeping a gambling
2 place, any such person shall not be reissued such license, and

3 (c) Such premises of any person who knowingly permits
4 thereon a violation of any Section of this Article shall be
5 held liable for, and may be sold to pay any unsatisfied
6 judgment that may be recovered and any unsatisfied fine that
7 may be levied under any Section of this Article.

8 (Source: P.A. 96-34, eff. 7-13-09.)

9 (720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

10 Sec. 28-5. Seizure of gambling devices and gambling funds.

11 (a) Every device designed for gambling which is incapable
12 of lawful use or every device used unlawfully for gambling
13 shall be considered a "gambling device", and shall be subject
14 to seizure, confiscation and destruction by the Department of
15 State Police or by any municipal, or other local authority,
16 within whose jurisdiction the same may be found. As used in
17 this Section, a "gambling device" includes any slot machine,
18 and includes any machine or device constructed for the
19 reception of money or other thing of value and so constructed
20 as to return, or to cause someone to return, on chance to the
21 player thereof money, property or a right to receive money or
22 property. With the exception of any device designed for
23 gambling which is incapable of lawful use, no gambling device
24 shall be forfeited or destroyed unless an individual with a
25 property interest in said device knows of the unlawful use of

1 the device.

2 (b) Every gambling device shall be seized and forfeited to
3 the county wherein such seizure occurs. Any money or other
4 thing of value integrally related to acts of gambling shall be
5 seized and forfeited to the county wherein such seizure occurs.

6 (c) If, within 60 days after any seizure pursuant to
7 subparagraph (b) of this Section, a person having any property
8 interest in the seized property is charged with an offense, the
9 court which renders judgment upon such charge shall, within 30
10 days after such judgment, conduct a forfeiture hearing to
11 determine whether such property was a gambling device at the
12 time of seizure. Such hearing shall be commenced by a written
13 petition by the State, including material allegations of fact,
14 the name and address of every person determined by the State to
15 have any property interest in the seized property, a
16 representation that written notice of the date, time and place
17 of such hearing has been mailed to every such person by
18 certified mail at least 10 days before such date, and a request
19 for forfeiture. Every such person may appear as a party and
20 present evidence at such hearing. The quantum of proof required
21 shall be a preponderance of the evidence, and the burden of
22 proof shall be on the State. If the court determines that the
23 seized property was a gambling device at the time of seizure,
24 an order of forfeiture and disposition of the seized property
25 shall be entered: a gambling device shall be received by the
26 State's Attorney, who shall effect its destruction, except that

1 valuable parts thereof may be liquidated and the resultant
2 money shall be deposited in the general fund of the county
3 wherein such seizure occurred; money and other things of value
4 shall be received by the State's Attorney and, upon
5 liquidation, shall be deposited in the general fund of the
6 county wherein such seizure occurred. However, in the event
7 that a defendant raises the defense that the seized slot
8 machine is an antique slot machine described in subparagraph
9 (b) (7) of Section 28-1 of this Code and therefore he is exempt
10 from the charge of a gambling activity participant, the seized
11 antique slot machine shall not be destroyed or otherwise
12 altered until a final determination is made by the Court as to
13 whether it is such an antique slot machine. Upon a final
14 determination by the Court of this question in favor of the
15 defendant, such slot machine shall be immediately returned to
16 the defendant. Such order of forfeiture and disposition shall,
17 for the purposes of appeal, be a final order and judgment in a
18 civil proceeding.

19 (d) If a seizure pursuant to subparagraph (b) of this
20 Section is not followed by a charge pursuant to subparagraph
21 (c) of this Section, or if the prosecution of such charge is
22 permanently terminated or indefinitely discontinued without
23 any judgment of conviction or acquittal (1) the State's
24 Attorney shall commence an in rem proceeding for the forfeiture
25 and destruction of a gambling device, or for the forfeiture and
26 deposit in the general fund of the county of any seized money

1 or other things of value, or both, in the circuit court and (2)
2 any person having any property interest in such seized gambling
3 device, money or other thing of value may commence separate
4 civil proceedings in the manner provided by law.

5 (e) Any gambling device displayed for sale to a riverboat
6 gambling operation, casino gambling operation, or electronic
7 gaming facility or used to train occupational licensees of a
8 riverboat gambling operation, casino gambling operation, or
9 electronic gaming facility as authorized under the Illinois
10 ~~Riverboat~~ Gambling Act is exempt from seizure under this
11 Section.

12 (f) Any gambling equipment, devices and supplies provided
13 by a licensed supplier in accordance with the Illinois
14 ~~Riverboat~~ Gambling Act which are removed from a the riverboat,
15 casino, or electronic gaming facility for repair are exempt
16 from seizure under this Section.

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

18 (720 ILCS 5/28-7) (from Ch. 38, par. 28-7)

19 Sec. 28-7. Gambling contracts void.

20 (a) All promises, notes, bills, bonds, covenants,
21 contracts, agreements, judgments, mortgages, or other
22 securities or conveyances made, given, granted, drawn, or
23 entered into, or executed by any person whatsoever, where the
24 whole or any part of the consideration thereof is for any money
25 or thing of value, won or obtained in violation of any Section

1 of this Article are null and void.

2 (b) Any obligation void under this Section may be set aside
3 and vacated by any court of competent jurisdiction, upon a
4 complaint filed for that purpose, by the person so granting,
5 giving, entering into, or executing the same, or by his
6 executors or administrators, or by any creditor, heir, legatee,
7 purchaser or other person interested therein; or if a judgment,
8 the same may be set aside on motion of any person stated above,
9 on due notice thereof given.

10 (c) No assignment of any obligation void under this Section
11 may in any manner affect the defense of the person giving,
12 granting, drawing, entering into or executing such obligation,
13 or the remedies of any person interested therein.

14 (d) This Section shall not prevent a licensed owner of a
15 riverboat gambling operation, casino gambling operation, or an
16 electronic gaming licensee under the Illinois Gambling Act and
17 the Illinois Horse Racing Act of 1975 from instituting a cause
18 of action to collect any amount due and owing under an
19 extension of credit to a ~~riverboat~~ gambling patron as
20 authorized under Section 11.1 of the Illinois Riverboat
21 Gambling Act.

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

23 Section 90-55. The Eminent Domain Act is amended by adding
24 Section 15-5-47 as follows:

1 (735 ILCS 30/15-5-47 new)

2 Sec. 15-5-47. Eminent domain powers in new Acts. The
3 following provisions of law may include express grants of the
4 power to acquire property by condemnation or eminent domain:

5 Chicago Casino Development Authority Act; City of Chicago; for
6 the purposes of the Act.

7 Section 90-60. The Payday Loan Reform Act is amended by
8 changing Section 3-5 as follows:

9 (815 ILCS 122/3-5)

10 Sec. 3-5. Licensure.

11 (a) A license to make a payday loan shall state the
12 address, including city and state, at which the business is to
13 be conducted and shall state fully the name of the licensee.
14 The license shall be conspicuously posted in the place of
15 business of the licensee and shall not be transferable or
16 assignable.

17 (b) An application for a license shall be in writing and in
18 a form prescribed by the Secretary. The Secretary may not issue
19 a payday loan license unless and until the following findings
20 are made:

21 (1) that the financial responsibility, experience,
22 character, and general fitness of the applicant are such as
23 to command the confidence of the public and to warrant the

1 belief that the business will be operated lawfully and
2 fairly and within the provisions and purposes of this Act;
3 and

4 (2) that the applicant has submitted such other
5 information as the Secretary may deem necessary.

6 (c) A license shall be issued for no longer than one year,
7 and no renewal of a license may be provided if a licensee has
8 substantially violated this Act and has not cured the violation
9 to the satisfaction of the Department.

10 (d) A licensee shall appoint, in writing, the Secretary as
11 attorney-in-fact upon whom all lawful process against the
12 licensee may be served with the same legal force and validity
13 as if served on the licensee. A copy of the written
14 appointment, duly certified, shall be filed in the office of
15 the Secretary, and a copy thereof certified by the Secretary
16 shall be sufficient evidence to subject a licensee to
17 jurisdiction in a court of law. This appointment shall remain
18 in effect while any liability remains outstanding in this State
19 against the licensee. When summons is served upon the Secretary
20 as attorney-in-fact for a licensee, the Secretary shall
21 immediately notify the licensee by registered mail, enclosing
22 the summons and specifying the hour and day of service.

23 (e) A licensee must pay an annual fee of \$1,000. In
24 addition to the license fee, the reasonable expense of any
25 examination or hearing by the Secretary under any provisions of
26 this Act shall be borne by the licensee. If a licensee fails to

1 renew its license by December 31, its license shall
2 automatically expire; however, the Secretary, in his or her
3 discretion, may reinstate an expired license upon:

4 (1) payment of the annual fee within 30 days of the
5 date of expiration; and

6 (2) proof of good cause for failure to renew.

7 (f) Not more than one place of business shall be maintained
8 under the same license, but the Secretary may issue more than
9 one license to the same licensee upon compliance with all the
10 provisions of this Act governing issuance of a single license.
11 The location, except those locations already in existence as of
12 June 1, 2005, may not be within one mile of a horse race track
13 subject to the Illinois Horse Racing Act of 1975, within one
14 mile of a facility at which gambling is conducted under the
15 Illinois Riverboat ~~Gambling Act~~, within one mile of the
16 location at which a riverboat subject to the Illinois Riverboat
17 ~~Gambling Act~~ docks, or within one mile of any State of Illinois
18 or United States military base or naval installation.

19 (g) No licensee shall conduct the business of making loans
20 under this Act within any office, suite, room, or place of
21 business in which (1) any loans are offered or made under the
22 Consumer Installment Loan Act other than title secured loans as
23 defined in subsection (a) of Section 15 of the Consumer
24 Installment Loan Act and governed by Title 38, Section 110.330
25 of the Illinois Administrative Code or (2) any other business
26 is solicited or engaged in unless the other business is

1 licensed by the Department or, in the opinion of the Secretary,
2 the other business would not be contrary to the best interests
3 of consumers and is authorized by the Secretary in writing.

4 (g-5) Notwithstanding subsection (g) of this Section, a
5 licensee may obtain a license under the Consumer Installment
6 Loan Act (CILA) for the exclusive purpose and use of making
7 title secured loans, as defined in subsection (a) of Section 15
8 of CILA and governed by Title 38, Section 110.300 of the
9 Illinois Administrative Code. A licensee may continue to
10 service Consumer Installment Loan Act loans that were
11 outstanding as of the effective date of this amendatory Act of
12 the 96th General Assembly.

13 (h) The Secretary shall maintain a list of licensees that
14 shall be available to interested consumers and lenders and the
15 public. The Secretary shall maintain a toll-free number whereby
16 consumers may obtain information about licensees. The
17 Secretary shall also establish a complaint process under which
18 an aggrieved consumer may file a complaint against a licensee
19 or non-licensee who violates any provision of this Act.

20 (Source: P.A. 96-936, eff. 3-21-11.)

21 Section 90-65. The Travel Promotion Consumer Protection
22 Act is amended by changing Section 2 as follows:

23 (815 ILCS 420/2) (from Ch. 121 1/2, par. 1852)

24 Sec. 2. Definitions.

1 (a) "Travel promoter" means a person, including a tour
2 operator, who sells, provides, furnishes, contracts for,
3 arranges or advertises that he or she will arrange wholesale or
4 retail transportation by air, land, sea or navigable stream,
5 either separately or in conjunction with other services.
6 "Travel promoter" does not include (1) an air carrier; (2) a
7 sea carrier; (3) an officially appointed agent of an air
8 carrier who is a member in good standing of the Airline
9 Reporting Corporation; (4) a travel promoter who has in force
10 \$1,000,000 or more of liability insurance coverage for
11 professional errors and omissions and a surety bond or
12 equivalent surety in the amount of \$100,000 or more for the
13 benefit of consumers in the event of a bankruptcy on the part
14 of the travel promoter; or (5) a riverboat subject to
15 regulation under the Illinois Riverboat Gambling Act.

16 (b) "Advertise" means to make any representation in the
17 solicitation of passengers and includes communication with
18 other members of the same partnership, corporation, joint
19 venture, association, organization, group or other entity.

20 (c) "Passenger" means a person on whose behalf money or
21 other consideration has been given or is to be given to
22 another, including another member of the same partnership,
23 corporation, joint venture, association, organization, group
24 or other entity, for travel.

25 (d) "Ticket or voucher" means a writing or combination of
26 writings which is itself good and sufficient to obtain

1 transportation and other services for which the passenger has
2 contracted.

3 (Source: P.A. 91-357, eff. 7-29-99.)

4 (30 ILCS 105/5.490 rep.)

5 Section 90-70. The State Finance Act is amended by
6 repealing Section 5.490.

7 (230 ILCS 5/54 rep.)

8 Section 90-75. The Illinois Horse Racing Act of 1975 is
9 amended by repealing Section 54.

10 ARTICLE 99.

11 Section 99-97. Severability. The provisions of this Act are
12 severable under Section 1.31 of the Statute on Statutes.

13 Section 99-99. Effective date. This Act takes effect upon
14 becoming law.