



Sen. Terry Link

**Filed: 3/6/2013**

09800SB1739sam001

LRB098 10559 AMC 42403 a

1 AMENDMENT TO SENATE BILL 1739

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1739 by replacing  
3 everything after the enacting clause with the following:

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

9 "Authority" means the Chicago Casino Development Authority  
10 created by this Act.

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

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

3 "Casino management contract" means a legally binding  
4 agreement between the Authority and a casino operator licensee  
5 to operate or manage a casino.

6 "Casino operator licensee" means any person or entity  
7 selected by the Authority and approved and licensed by the  
8 Gaming Board to manage and operate a casino within the City of  
9 Chicago pursuant to a casino management contract.

10 "City" means the City of Chicago.

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

13 "Gaming Board" means the Illinois Gaming Board created by  
14 the Illinois Gambling Act.

15 "Mayor" means the Mayor of the City.

16 Section 1-12. Creation of the Authority. There is hereby  
17 created a political subdivision, unit of local government with  
18 only the powers authorized by law, body politic, and municipal  
19 corporation, by the name and style of the Chicago Casino  
20 Development Authority.

21 Section 1-13. Duties of the Authority. It shall be the duty  
22 of the Authority, as an owners licensee under the Illinois  
23 Gambling Act, to promote and maintain a casino in the City. The  
24 Authority shall own, acquire, construct, lease, equip, and

1 maintain grounds, buildings, and facilities for that purpose.  
2 However, the Authority shall contract with a casino operator  
3 licensee to manage and operate the casino and in no event shall  
4 the Authority or City manage or operate the casino. The  
5 Authority may contract pursuant to the procedures set forth in  
6 Section 1-115 with other third parties in order to fulfill its  
7 purpose. The Authority is responsible for the payment of any  
8 fees required of a casino operator under subsection (a) of  
9 Section 7.8 of the Illinois Gambling Act if the casino operator  
10 licensee is late in paying any such fees. The Authority is  
11 granted all rights and powers necessary to perform such duties.  
12 Subject to the provisions of this Act, the Authority and casino  
13 operator licensee are subject to the Illinois Gambling Act and  
14 all of the rules of the Gaming Board, which shall be applied to  
15 the Authority and the casino operator licensee in a manner  
16 consistent with that of other owners licensees under the  
17 Illinois Gambling Act.

18 Section 1-15. Casino Board.

19 (a) The governing and administrative powers of the  
20 Authority shall be vested in a body known as the Chicago Casino  
21 Development Board. The Casino Board shall consist of 5 members  
22 appointed by the Mayor. One of these members shall be  
23 designated by the Mayor to serve as chairperson. All of the  
24 members appointed by the Mayor shall be residents of the City.

25 Each Casino Board appointee shall be subject to a

1 preliminary background investigation completed by the Gaming  
2 Board within 30 days after the appointee's submission of his or  
3 her application to the Gaming Board. If the Gaming Board  
4 determines that there is a substantial likelihood that it will  
5 not find the appointee to be suitable to serve on the Casino  
6 Board (applying similar standards for suitability to the  
7 appointee as the Gaming Board would apply to a member of a  
8 board of directors of a corporate owners licensee under the  
9 Illinois Gambling Act), then the Gaming Board shall provide a  
10 written notice of such determination to the appointee and the  
11 Corporation Counsel of the City. If no such notice is delivered  
12 with respect to a particular appointee, then commencing on the  
13 31st day following the date of the appointee's submission of  
14 his or her application to the Gaming Board, the appointee shall  
15 be deemed an acting member of the Casino Board and shall  
16 participate as a Casino Board member.

17 Each appointee shall be subject to a full background  
18 investigation and final approval by the Gaming Board prior to  
19 the opening of the casino. The Gaming Board shall complete its  
20 full background investigation of the Casino Board appointee  
21 within 3 months after the date of the appointee's submission of  
22 his or her application to the Gaming Board. If the Gaming Board  
23 does not complete its background investigation within the  
24 3-month period, then the Gaming Board shall give a written  
25 explanation to the appointee, as well as the Mayor, the  
26 Governor, the President of the Senate, and the Speaker of the

1 House of Representatives, as to why it has not reached a final  
2 determination and set forth a reasonable time when such  
3 determination shall be made.

4 (b) Casino Board members shall receive \$300 for each day  
5 the Authority meets and shall be entitled to reimbursement of  
6 reasonable expenses incurred in the performance of their  
7 official duties. A Casino Board member who serves in the office  
8 of secretary-treasurer may also receive compensation for  
9 services provided as that officer.

10 Section 1-20. Terms of appointments; resignation and  
11 removal.

12 (a) The Mayor shall appoint 2 members of the Casino Board  
13 for an initial term expiring July 1 of the year following final  
14 approval by the Gaming Board, 2 members for an initial term  
15 expiring July 1 three years following final approval by the  
16 Gaming Board, and one member for an initial term expiring July  
17 1 five years following final approval by the Gaming Board.

18 (b) All successors shall be appointed by the Mayor to hold  
19 office for a term of 5 years from the first day of July of the  
20 year in which they are appointed, except in the case of an  
21 appointment to fill a vacancy. Each member, including the  
22 chairperson, shall hold office until the expiration of his or  
23 her term and until his or her successor is appointed and  
24 qualified. Nothing shall preclude a member from serving  
25 consecutive terms. Any member may resign from office, to take

1 effect when a successor has been appointed and qualified. A  
2 vacancy in office shall occur in the case of a member's death  
3 or indictment, conviction, or plea of guilty to a felony. A  
4 vacancy shall be filled for the unexpired term by the Mayor  
5 subject to the approval of the Gaming Board as provided in this  
6 Section.

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

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

25 Section 1-25. Organization of Casino Board; meetings.

1 After appointment by the Mayor, the Casino Board shall organize  
2 for the transaction of business, provided that the Casino Board  
3 shall not take any formal action until after the Gaming Board  
4 has completed its preliminary background investigation of at  
5 least a quorum of the Casino Board as provided in subsection  
6 (a) of Section 1-15. The Casino Board shall prescribe the time  
7 and place for meetings, the manner in which special meetings  
8 may be called, and the notice that must be given to members.  
9 All actions and meetings of the Casino Board shall be subject  
10 to the provisions of the Open Meetings Act. Three members of  
11 the Casino Board shall constitute a quorum. All substantive  
12 action of the Casino Board shall be by resolution with an  
13 affirmative vote of a majority of the members.

14 Section 1-30. Executive director; officers.

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

17 The executive director shall be subject to a preliminary  
18 background investigation to be completed by the Gaming Board  
19 within 30 days after the executive director's submission of his  
20 or her application to the Gaming Board. If the Gaming Board  
21 determines that there is a substantial likelihood that it will  
22 not find the executive director to be suitable to serve in that  
23 position (applying similar standards for suitability as the  
24 Gaming Board would apply to a member of a board of directors of  
25 a corporate owners licensee under the Illinois Gambling Act),

1 then the Gaming Board shall provide a written notice of such  
2 determination to the appointee and the Corporation Counsel of  
3 the City. If no such notice is delivered, then commencing on  
4 the 31st day following the date of the executive director's  
5 submission of his or her application to the Gaming Board, the  
6 executive director shall commence all duties as the acting  
7 executive director of the Authority.

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

21 (b) The Casino Board shall fix the compensation of the  
22 executive director. Subject to the general control of the  
23 Casino Board, the executive director shall be responsible for  
24 the management of the business, properties, and employees of  
25 the Authority. The executive director shall direct the  
26 enforcement of all resolutions, rules, and regulations of the



1 Casino Board, and shall perform such other duties as may be  
2 prescribed from time to time by the Casino Board. All employees  
3 and independent contractors, consultants, engineers,  
4 architects, accountants, attorneys, financial experts,  
5 construction experts and personnel, superintendents, managers,  
6 and other personnel appointed or employed pursuant to this Act  
7 shall report to the executive director. In addition to any  
8 other duties set forth in this Act, the executive director  
9 shall do or shall delegate to an employee or agent of the  
10 Authority to do all of the following:

11 (1) Direct and supervise the administrative affairs  
12 and activities of the Authority in accordance with its  
13 rules, regulations, and policies.

14 (2) Attend meetings of the Casino Board.

15 (3) Keep minutes of all proceedings of the Casino  
16 Board.

17 (4) Approve all accounts for salaries, per diem  
18 payments, and allowable expenses of the Casino Board and  
19 its employees and consultants.

20 (5) Report and make recommendations to the Casino Board  
21 concerning the terms and conditions of any casino  
22 management contract.

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

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

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

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

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

7 (1) Adopt and alter an official seal.

8 (2) Establish and change its fiscal year.

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

12 (4) Adopt, amend, and repeal bylaws, rules, and  
13 regulations consistent with the furtherance of the powers  
14 and duties provided for.

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

17 (6) Select locations in the City for a temporary and a  
18 permanent casino.

19 (7) Subject to the bidding procedures of Section 1-115  
20 of this Act, retain or employ, either as regular employees  
21 or independent contractors, consultants, engineers,  
22 architects, accountants, attorneys, financial experts,  
23 construction experts and personnel, superintendents,  
24 managers and other professional personnel, and such other  
25 personnel as may be necessary in the judgment of the Casino

1 Board, and fix their compensation; however, employees of  
2 the Authority shall be hired pursuant to and in accordance  
3 with the rules and policies the Authority may adopt.

4 (8) Pursuant to Section 1-115 of this Act, own,  
5 acquire, construct, equip, lease, operate, manage, and  
6 maintain grounds, buildings, and facilities to carry out  
7 its corporate purposes and duties.

8 (9) Pursuant to Section 1-115, and subject to the  
9 oversight, review, and approval of the Gaming Board, enter  
10 into, revoke, and modify contracts in accordance with the  
11 rules of the Gaming Board as consistently applied to all  
12 owners licensees under the Illinois Gambling Act, provided  
13 that the Authority may enter into contracts for the design,  
14 construction, and outfitting of a temporary casino prior to  
15 the Gaming Board's final approval of the Authority's  
16 executive director and the members of the Casino Board and  
17 prior to the Gaming Board's issuance of the Authority's  
18 owners license. In no event, however, shall the Authority  
19 open a casino until after the Gaming Board has finally  
20 approved the Authority's executive director and the  
21 members of the Casino Board and the Gaming Board has issued  
22 the Authority's owners license and the casino operator's  
23 casino operator license.

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

26 (11) Develop, or cause to be developed by a third

1 party, a master plan for the design, planning, and  
2 development of a casino.

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

7 (13) Receive and disburse funds for its own corporate  
8 purposes or as otherwise specified in this Act.

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

20 (15) Issue bonds as provided for under this Act.

21 (16) Receive and accept from any source, private or  
22 public, contributions, gifts, or grants of money or  
23 property to the Authority.

24 (17) Provide for the insurance of any property,  
25 operations, officers, members, agents, or employees of the  
26 Authority against any risk or hazard, to self-insure or

1 participate in joint self-insurance pools or entities to  
2 insure against such risk or hazard, and to provide for the  
3 indemnification of its officers, members, employees,  
4 contractors, or agents against any and all risks.

5 (18) Exercise all the corporate powers granted  
6 Illinois corporations under the Business Corporation Act  
7 of 1983, except to the extent that powers are inconsistent  
8 with those of a body politic and municipal corporation.

9 (19) Do all things necessary or convenient to carry out  
10 the powers granted by this Act.

11 (b) The Casino Board shall comply with all applicable legal  
12 requirements imposed on other owners licensees to conduct all  
13 background investigations required under the Illinois Gambling  
14 Act and the rules of the Gaming Board. This requirement shall  
15 also extend to senior legal, financial, and administrative  
16 staff of the Authority.

17 Section 1-32. Ethical conduct.

18 (a) Casino Board members and employees of the Authority  
19 must carry out their duties and responsibilities in such a  
20 manner as to promote and preserve public trust and confidence  
21 in the integrity and conduct of gaming.

22 (b) Except as may be required in the conduct of official  
23 duties, Casino Board members and employees of the Authority  
24 shall not engage in gambling on any riverboat, in any casino,  
25 or in an electronic gaming facility licensed by the Illinois

1 Gaming Board or engage in legalized gambling in any  
2 establishment identified by Gaming Board action that, in the  
3 judgment of the Gaming Board, could represent a potential for a  
4 conflict of interest.

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

9 (d) Casino Board members and employees of the Authority  
10 shall not hold or pursue employment, office, position,  
11 business, or occupation that may conflict with his or her  
12 official duties. Employees may engage in other gainful  
13 employment so long as that employment does not interfere or  
14 conflict with their duties. Such employment must be disclosed  
15 to the executive director and approved by the Casino Board.

16 (e) Casino Board members, employees of the Authority, and  
17 elected officials and employees of the City may not engage in  
18 employment, communications, or any activity identified by the  
19 Casino Board or Gaming Board that, in the judgment of either  
20 entity, could represent the potential for or the appearance of  
21 a conflict of interest.

22 (f) Casino Board members, employees of the Authority, and  
23 elected officials and employees of the City may not have a  
24 financial interest, directly or indirectly, in his or her own  
25 name or in the name of any other person, partnership,  
26 association, trust, corporation, or other entity in any

1 contract or subcontract for the performance of any work for the  
2 Authority. This prohibition shall extend to the holding or  
3 acquisition of an interest in any entity identified by the  
4 Casino Board or the Gaming Board that, in the judgment of  
5 either entity, could represent the potential for or the  
6 appearance of a financial interest. The holding or acquisition  
7 of an interest in such entities through an indirect means, such  
8 as through a mutual fund, shall not be prohibited, except that  
9 the Gaming Board may identify specific investments or funds  
10 that, in its judgment, are so influenced by gaming holdings as  
11 to represent the potential for or the appearance of a conflict  
12 of interest.

13 (g) Casino Board members, employees of the Authority, and  
14 elected officials and employees of the City may not accept any  
15 gift, gratuity, service, compensation, travel, lodging, or  
16 thing of value, with the exception of unsolicited items of an  
17 incidental nature, from any person, corporation, or entity  
18 doing business with the Authority.

19 (h) No Casino Board member, employee of the Authority, or  
20 elected official or employee of the City may, during employment  
21 or within a period of 2 years immediately after termination of  
22 employment, knowingly accept employment or receive  
23 compensation or fees for services from a person or entity, or  
24 its parent or affiliate, that has engaged in business with the  
25 Authority that resulted in contracts with an aggregate value of  
26 at least \$25,000 or if that Casino Board member or employee has

1 made a decision that directly applied to the person or entity,  
2 or its parent or affiliate.

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

20 (j) A spouse, child, or parent of a Casino Board member,  
21 employee of the Authority, or elected official or employee of  
22 the City may not accept any gift, gratuity, service,  
23 compensation, travel, lodging, or thing of value, with the  
24 exception of unsolicited items of an incidental nature, from  
25 any person, corporation, or entity doing business with the  
26 Authority.



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

13           (l) No Casino Board member, employee of the Authority, or  
14 elected official or employee of the City may attempt, in any  
15 way, to influence any person or corporation doing business with  
16 the Authority or any officer, agent, or employee thereof to  
17 hire or contract with any person or corporation for any  
18 compensated work.

19           (m) No Casino Board member, employee of the Authority, or  
20 elected official or employee of the City shall use or attempt  
21 to use his or her official position to secure, or attempt to  
22 secure, any privilege, advantage, favor, or influence for  
23 himself or herself or others. No Casino Board member, employee  
24 of the Authority, or elected official or employee of the City  
25 shall, within one year immediately preceding appointment by the  
26 Mayor or employment, have been employed or received

1 compensation or fees for services from a person or entity, or  
2 its parent or affiliate, that has engaged in business with the  
3 Casino Board, a licensee under this Act, or a licensee under  
4 the Illinois Gambling Act.

5 (n) Any communication between an elected official of the  
6 City and any applicant for or party to a casino management  
7 contract with the Authority, or an officer, director, or  
8 employee thereof, concerning any matter relating in any way to  
9 gaming or the Authority shall be disclosed to the Casino Board  
10 and the Gaming Board. Such disclosure shall be in writing by  
11 the official within 30 days after the communication and shall  
12 be filed with the Casino Board. Disclosure must consist of the  
13 date of the communication, the identity and job title of the  
14 person with whom the communication was made, a brief summary of  
15 the communication, the action requested or recommended, all  
16 responses made, the identity and job title of the person making  
17 the response, and any other pertinent information.

18 Public disclosure of the written summary provided to the  
19 Casino Board and the Gaming Board shall be subject to the  
20 exemptions provided under Section 7 of the Freedom of  
21 Information Act.

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

26 (o) For purposes of this Section:

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

3 "Routine matters" includes the application for, issuance,  
4 renewal, and other processes associated with City permits and  
5 licenses.

6 "Employee of the City" means only those employees of the  
7 City who provide services to the Authority or otherwise  
8 influence the decisions of the Authority or the Casino Board.

9 (p) Any Board member or employee of the Authority who  
10 violates any provision of this Section is guilty of a Class 4  
11 felony.

12 Section 1-45. Casino management contracts.

13 (a) In accordance with all applicable procurement laws and  
14 rules, the Casino Board shall develop and administer a  
15 competitive sealed bidding process for the selection of a  
16 potential casino operator licensee to develop or operate a  
17 casino within the City. The Casino Board shall issue one or  
18 more requests for proposals. The Casino Board may establish  
19 minimum financial and investment requirements to determine the  
20 eligibility of persons to respond to the Casino Board's  
21 requests for proposal, and may establish and consider such  
22 other criteria as it deems appropriate. The Casino Board may  
23 impose a reasonable fee upon persons who respond to requests  
24 for proposal, in order to reimburse the Casino Board for its  
25 costs in preparing and issuing the requests and reviewing the

1 proposals. At least 15 days prior to the commencement of the  
2 competitive bidding process, the Gaming Board shall be given an  
3 opportunity to review the competitive bidding process  
4 established by the Casino Board. During the competitive bidding  
5 process, the Casino Board shall keep the Gaming Board apprised  
6 of the process and the responses received in connection with  
7 the Casino Board's request for proposals.

8 (b) Within 5 business days after the time limit for  
9 submitting bids and proposals has passed, the Casino Board  
10 shall make all bids and proposals public, provided, however,  
11 the Casino Board shall not be required to disclose any  
12 information which would be exempt from disclosure under Section  
13 7 of the Freedom of Information Act. Thereafter, the Casino  
14 Board shall evaluate the responses to its requests for proposal  
15 and the ability of all persons or entities responding to its  
16 requests for proposal to meet the requirements of this Act and  
17 any relevant provisions of the Illinois Gambling Act and to  
18 undertake and perform the obligations set forth in its requests  
19 for proposal.

20 (c) After reviewing proposals, the Casino Board shall enter  
21 into a casino management contract authorizing the operation of  
22 a casino. The casino operator shall be subject to a background  
23 investigation and approval by the Gaming Board. The Gaming  
24 Board shall complete its background investigation and approval  
25 of the casino operator within 6 months after the date that the  
26 proposed casino operator submits its application to the Gaming

1 Board. If the Gaming Board does not complete its background  
2 investigation and approval within the 6-month period, then the  
3 Gaming Board shall give a written explanation to the proposed  
4 casino operator and the chief legal officer of the Authority as  
5 to why it has not reached a final determination. The Gaming  
6 Board shall then complete its investigation within 3 months  
7 after giving such written explanation. Validity of the casino  
8 management contract is contingent upon the issuance of a casino  
9 operator license to the successful bidder. If the Gaming Board  
10 grants a casino operator license, the Casino Board shall  
11 transmit a copy of the executed casino management contract to  
12 the Gaming Board.

13 (d) After (1) the Authority has been issued a casino  
14 license, (2) the Gaming Board has issued a casino operator  
15 license, and (3) the Gaming Board has approved the members of  
16 the Casino Board, the Authority may conduct gaming operations  
17 at a temporary facility for no longer than 24 months after  
18 gaming operations begin. The Gaming Board may, after holding a  
19 public hearing, grant an extension so long as a permanent  
20 facility is not operational and the Authority is working in  
21 good faith to complete the permanent facility. The Gaming Board  
22 may grant additional extensions following further public  
23 hearings. Each extension may be for a period of no longer than  
24 6 months.

25 (e) Fifty percent of any initial consideration received by  
26 the Authority that was paid as an inducement pursuant to a bid

1 for a casino management contract or an executed casino  
2 management contract must be transmitted to the State and  
3 deposited into the Gaming Facilities Fee Revenue Fund. The  
4 initial consideration shall not include (1) any amounts paid to  
5 the Authority as reimbursement for its costs in preparing or  
6 issuing the requests for proposals and reviewing the proposals  
7 or (2) any amounts loaned to the Authority or paid by an entity  
8 on behalf of the Authority for the design, construction,  
9 outfitting, or equipping of the casino, pre-opening expenses,  
10 bank roll or similar expenses required to open and operate the  
11 casino, or any license or per position fees imposed pursuant to  
12 the Illinois Gambling Act or any other financial obligation of  
13 the Authority.

14 Section 1-47. Freedom of Information Act. The Authority  
15 shall be a public body as defined in the Freedom of Information  
16 Act and shall be subject to the provisions of the Freedom of  
17 Information Act.

18 Section 1-50. Transfer of funds. The revenues received by  
19 the Authority (other than amounts required to be paid pursuant  
20 to the Illinois Gambling Act and amounts required to pay the  
21 operating expenses of the Authority, to pay amounts due the  
22 casino operator licensee pursuant to a casino management  
23 contract, to repay any borrowing of the Authority made pursuant  
24 to Section 1-31, to pay debt service on any bonds issued under

1 Section 1-75, and to pay any expenses in connection with the  
2 issuance of such bonds pursuant to Section 1-75 or derivative  
3 products pursuant to Section 1-85) shall be transferred to the  
4 City by the Authority. Moneys transferred to the City pursuant  
5 to this Section shall be expended or obligated by the City for  
6 the construction and maintenance of infrastructure and for  
7 related purposes within the City. Such infrastructure may  
8 include, but is not limited to, roads, bridges, transit  
9 infrastructure, water and sewer infrastructure, schools,  
10 parks, and municipal facilities.

11 Section 1-60. Auditor General.

12 (a) Prior to the issuance of bonds under this Act, the  
13 Authority shall submit to the Auditor General a certification  
14 that:

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

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

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

20 (4) after payment of costs of issuance and necessary  
21 deposits to funds and accounts established with respect to  
22 debt service on the bonds, the net bond proceeds (exclusive  
23 of any proceeds to be used to refund outstanding bonds)  
24 will be used only for the purposes set forth in this Act.

25 The Authority also shall submit to the Auditor General its

1 projections on revenues to be generated and pledged to  
2 repayment of the bonds as scheduled and such other information  
3 as the Auditor General may reasonably request.

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

13 The Auditor General shall submit a bill to the Authority  
14 for costs associated with the examinations and report required  
15 under this Section. The Authority shall reimburse in a timely  
16 manner.

17 (b) The Authority shall enter into an intergovernmental  
18 agreement with the Auditor General authorizing the Auditor  
19 General to, every 2 years, (i) review the financial audit of  
20 the Authority performed by the Authority's certified public  
21 accountants, (ii) perform a management audit of the Authority,  
22 and (iii) perform a management audit of the casino operator  
23 licensee. The Auditor General shall provide the Authority and  
24 the General Assembly with the audits and shall post on his or  
25 her Internet website such portions of the audit or other  
26 financial information as generally would be made publicly



1 available for other owners licensees under the Illinois  
2 Gambling Act. The Auditor General shall submit a bill to the  
3 Authority for costs associated with the review and the audit  
4 required under this Section, which costs shall not exceed  
5 \$100,000, and the Authority shall reimburse the Auditor General  
6 for such costs in a timely manner.

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

17 The Committee shall consist of 9 members as provided in  
18 this Section. Five members shall be selected by the Governor  
19 and 4 members shall be selected by the Mayor. The Governor and  
20 Mayor shall each appoint at least one current member of the  
21 General Assembly. The Advisory Committee shall meet  
22 periodically and shall report the information to the Mayor of  
23 the City and to the General Assembly by December 31st of every  
24 year.

25 The Advisory Committee shall be dissolved on the date that

1 casino gambling operations are first conducted at a permanent  
2 facility under the license authorized under Section 7 of the  
3 Illinois Gambling Act. For the purposes of this Section, the  
4 terms "female" and "minority person" have the meanings provided  
5 in Section 2 of the Business Enterprise for Minorities,  
6 Females, and Persons with Disabilities Act.

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

15 Section 1-67. Limitations on gaming at Chicago airports.  
16 The Authority may conduct gaming operations in an airport under  
17 the administration or control of the Chicago Department of  
18 Aviation. Gaming operations may be conducted pursuant to this  
19 Section so long as (i) gaming operations are conducted in a  
20 secured area that is beyond the Transportation Security  
21 Administration security checkpoints and only available to  
22 airline passengers at least 21 years of age who are members of  
23 a private club, and not to the general public, (ii) gaming  
24 operations are limited to slot machines, as defined in Section

1 4 of the Illinois Gambling Act, and (iii) the combined number  
2 of gaming positions operating in the City at the airports and  
3 at the temporary and permanent casino facility does not exceed  
4 the maximum number of gaming positions authorized pursuant to  
5 subsection (h) of Section 7 of the Illinois Gambling Act.  
6 Gaming operations at an airport are subject to all applicable  
7 laws and rules that apply to any other gaming facility under  
8 this Act or the Illinois Gambling Act.

9 Section 1-70. Local regulation. The casino facilities and  
10 operations therein shall be subject to all ordinances and  
11 regulations of the City. The construction, development, and  
12 operation of the casino shall comply with all ordinances,  
13 regulations, rules, and controls of the City, including, but  
14 not limited to, those relating to zoning and planned  
15 development, building, fire prevention, and land use. However,  
16 the regulation of gaming operations is subject to the exclusive  
17 jurisdiction of the Gaming Board. The Gaming Board shall be  
18 responsible for the investigation for and issuance of all  
19 licenses required by this Act and the Illinois Gambling Act.  
20 For the purposes of this Section, "gaming operations" means  
21 those activities directly related to the conduct of gambling  
22 activity in the casino and "operations" means those activities  
23 not directly related to the conduct of gambling, and includes  
24 activities customarily carried out by similarly-sized  
25 facilities not involved in gambling activity.

1 Section 1-75. Borrowing.

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

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

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

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

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

23 (2) Bonds issued pursuant to this Section may be  
24 payable on such dates and times as may be provided for by  
25 the resolution or indenture authorizing the issuance of  
26 such bonds; provided, however, that such bonds shall mature

1 no later than 30 years from the date of issuance.

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

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

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

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

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

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

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

24 (d) The Authority shall adopt a procurement program with  
25 respect to contracts relating to underwriters, bond counsel,  
26 financial advisors, and accountants. The program shall include

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

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

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

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

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

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

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

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

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

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

25          (f) No member of the Casino Board, nor any person executing  
26 the bonds, shall be liable personally on the bonds or subject



1 to any personal liability by reason of the issuance of the  
2 bonds.

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

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

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

1           (j) The bonds of the Authority shall not be indebtedness of  
2 the State. The bonds of the Authority are not general  
3 obligations of the State and are not secured by a pledge of the  
4 full faith and credit of the State and the holders of bonds of  
5 the Authority may not require, except as provided in this Act,  
6 the application of State revenues or funds to the payment of  
7 bonds of the Authority.

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

19           (l) No person holding an elective office in the City, in  
20 Cook County, or in this State, holding a seat in the General  
21 Assembly, or serving as a board member, trustee, officer, or  
22 employee of the Authority, including the spouse of that person,  
23 may receive a legal, banking, consulting, or other fee related  
24 to the issuance of bonds. This prohibition shall also apply to  
25 a company or firm that employs a person holding an elective  
26 office in the City, in Cook County, or in this State, holding a

1 seat in the General Assembly, or serving as a board member,  
2 trustee, officer, or employee of the Authority, including the  
3 spouse of that person, if the person or his or her spouse has  
4 greater than 7.5% ownership of the company or firm.

5 Section 1-85. Derivative products. With respect to all or  
6 part of any issue of its bonds, the Authority may enter into  
7 agreements or contracts with any necessary or appropriate  
8 person, which will have the benefit of providing to the  
9 Authority an interest rate basis, cash flow basis, or other  
10 basis different from that provided in the bonds for the payment  
11 of interest. Such agreements or contracts may include, without  
12 limitation, agreements or contracts commonly known as  
13 "interest rate swap agreements", "forward payment conversion  
14 agreements", "futures", "options", "puts", or "calls" and  
15 agreements or contracts providing for payments based on levels  
16 of or changes in interest rates, agreements or contracts to  
17 exchange cash flows or a series of payments, or to hedge  
18 payment, rate spread, or similar exposure.

19 Section 1-90. Legality for investment. The State of  
20 Illinois, all governmental entities, all public officers,  
21 banks, bankers, trust companies, savings banks and  
22 institutions, building and loan associations, savings and loan  
23 associations, investment companies, and other persons carrying  
24 on a banking business, insurance companies, insurance

1 associations, and other persons carrying on an insurance  
2 business, and all executors, administrators, guardians,  
3 trustees, and other fiduciaries may legally invest any sinking  
4 funds, moneys, or other funds belonging to them or within their  
5 control in any bonds issued under this Act. However, nothing in  
6 this Section shall be construed as relieving any person, firm,  
7 or corporation from any duty of exercising reasonable care in  
8 selecting securities for purchase or investment.

9 Section 1-105. Budgets and reporting.

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

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

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

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

18           (a) All funds deposited by the Authority in any bank or  
19 savings and loan association shall be placed in the name of the  
20 Authority and shall be withdrawn or paid out only by check or  
21 draft upon the bank or savings and loan association, signed by  
22 2 officers or employees designated by the Casino Board.  
23 Notwithstanding any other provision of this Section, the Casino  
24 Board may designate any of its members or any officer or  
25 employee of the Authority to authorize the wire transfer of

1 funds deposited by the secretary-treasurer of funds in a bank  
2 or savings and loan association for the payment of payroll and  
3 employee benefits-related expenses.

4 No bank or savings and loan association shall receive  
5 public funds as permitted by this Section unless it has  
6 complied with the requirements established pursuant to Section  
7 6 of the Public Funds Investment Act.

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

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

17 (a) A bidder, respondent, offeror, or contractor for  
18 contracts with the Authority or casino operator licensee shall  
19 disclose the identity of all officers and directors and every  
20 owner, beneficiary, or person with beneficial interest of more  
21 than 1% or shareholder entitled to receive more than 1% of the  
22 total distributable income of any corporation having any  
23 interest in the contract or in the bidder, respondent, offeror,  
24 or contractor. The disclosure shall be in writing and attested  
25 to by an owner, trustee, corporate official, or agent. If stock

1 in a corporation is publicly traded and there is no readily  
2 known individual having greater than a 1% interest, then a  
3 statement to that effect attested to by an officer or agent of  
4 the corporation shall fulfill the disclosure statement  
5 requirement of this Section. A bidder, respondent, offeror, or  
6 contractor shall notify the Authority of any changes in  
7 officers, directors, ownership, or individuals having a  
8 beneficial interest of more than 1%. Notwithstanding the  
9 provisions of this subsection (a), the Gaming Board may adopt  
10 rules in connection with contractors for contracts with the  
11 Authority or the casino operator.

12 (b) A bidder, respondent, offeror, or contractor for  
13 contracts with an annual value of \$25,000 or more or for a  
14 period to exceed one year shall disclose all political  
15 contributions of the bidder, respondent, offeror, or  
16 contractor and any affiliated person or entity. Disclosure  
17 shall include at least the names and addresses of the  
18 contributors and the dollar amounts of any contributions to any  
19 political committee made within the previous 2 years. The  
20 disclosure must be submitted to the Gaming Board with a copy of  
21 the contract. All such disclosures shall be posted on the  
22 websites of the Authority and the Gaming Board.

23 (c) As used in this Section:

24 "Contribution" means contribution as defined in Section  
25 9-1.4 of the Election Code.

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

1 interest or distributive share of the bidding, responding, or  
2 contracting entity in excess of 1%, (ii) executive employees of  
3 the bidding, responding, or contracting entity, and (iii) the  
4 spouse, minor children, and parents of any such persons.

5 "Affiliated entity" means (i) any parent or subsidiary of  
6 the bidding or contracting entity, (ii) any member of the same  
7 unitary business group, or (iii) any political committee for  
8 which the bidding, responding, or contracting entity is the  
9 sponsoring entity.

10 (d) The Gaming Board may direct the Authority or a casino  
11 operator licensee to void a contract if a violation of this  
12 Section occurs. The Authority may direct a casino operator  
13 licensee to void a contract if a violation of this Section  
14 occurs.

15 (e) All contracts pertaining to the actual operation of the  
16 casino and related gaming activities shall be entered into by  
17 the casino operator licensee and not the Authority and shall be  
18 subject to the regulation, oversight, and approval of the  
19 Gaming Board, applying the same regulation, oversight, and  
20 approval requirements as would be applied to any other owners  
21 licensee under the Illinois Gambling Act.

22 Section 1-115. Purchasing.

23 (a) The Casino Board shall designate an officer of the  
24 Authority to serve as the Chief Procurement Officer for the  
25 Authority. The Chief Procurement Officer shall have all powers



1 and duties set forth in Section 15 of Division 10 of Article 8  
2 of the Illinois Municipal Code. Except as otherwise provided in  
3 this Section, the Chief Procurement Officer of the Authority  
4 shall conduct procurements on behalf of the Authority subject  
5 to Title 2, Chapter 92 of the Municipal Code of Chicago, which  
6 by its terms incorporates Division 10 of Article 8 of the  
7 Illinois Municipal Code.

8 (b) All contracts for amounts greater than \$25,000 must be  
9 approved by the Casino Board and executed by the chairperson of  
10 the Casino Board and executive director of the Authority.  
11 Contracts for amounts of \$25,000 or less may be approved and  
12 executed by the Chief Procurement Officer for the Authority and  
13 executive director of the Authority, with approval by the chief  
14 legal counsel for the Authority as to form and legality.

15 (c) All construction contracts and contracts for supplies,  
16 materials, equipment, and services for amounts greater than  
17 \$25,000 shall be let by a competitive selection process to the  
18 lowest responsible proposer, after advertising for proposals,  
19 except for the following:

20 (1) when repair parts, accessories, equipment, or  
21 services are required for equipment or services previously  
22 furnished or contracted for;

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

26 (3) casino management contracts, which shall be

1 awarded as set forth in Section 1-45 of this Act;

2 (4) contracts where there is only one economically  
3 feasible source;

4 (5) when a purchase is needed on an immediate,  
5 emergency basis because there exists a threat to public  
6 health or public safety, or when immediate expenditure is  
7 necessary for repairs to Authority property in order to  
8 protect against further loss of or damage to Authority  
9 property, to prevent or minimize serious disruption in  
10 Authority services or to ensure the integrity of Authority  
11 records;

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

15 (7) contracts for the use, purchase, delivery,  
16 movement, or installation of (i) data processing  
17 equipment, software, and services and (ii)  
18 telecommunications equipment, software, and services.

19 (d) Contracts for professional services for a term of more  
20 than one year or contracts that may require payment in excess  
21 of \$25,000 in one year shall be let by a competitive bidding  
22 process to the most highly qualified firm that agrees to  
23 compensation and other terms of engagement that are both  
24 reasonable and acceptable to the Casino Board.

25 (e) All contracts involving less than \$25,000 shall be let  
26 by competitive selection process whenever possible, and in any

1 event in a manner calculated to ensure the best interests of  
2 the public.

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

19 (g) The Authority shall have the right to reject all  
20 proposals and to re-advertise for proposals. If after any such  
21 re-advertisement, no responsible and satisfactory proposals,  
22 within the terms of the re-advertisement, is received, the  
23 Authority may award such contract without competitive  
24 selection. The contract must not be less advantageous to the  
25 Authority than any valid proposal received pursuant to  
26 advertisement.

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

13           (i) All proposals in response to advertisements shall be  
14 sealed and shall be publicly opened by the Authority. All  
15 proposers shall be entitled to be present in person or by  
16 representatives. Cash or a certified or satisfactory cashier's  
17 check, as a deposit of good faith, in a reasonable amount to be  
18 fixed by the Authority before advertising for proposals, shall  
19 be required with the proposal. A bond for faithful performance  
20 of the contract with surety or sureties satisfactory to the  
21 Authority and adequate insurance may be required in reasonable  
22 amounts to be fixed by the Authority before advertising for  
23 proposals.

24           (j) The contract shall be awarded as promptly as possible  
25 after the opening of proposals. The proposal of the successful  
26 proposer, as well as the bids of the unsuccessful proposers,

1 shall be placed on file and be open to public inspection  
2 subject to the exemptions from disclosure provided under  
3 Section 7 of the Freedom of Information Act. All proposals  
4 shall be void if any disclosure of the terms of any proposals  
5 in response to an advertisement is made or permitted to be made  
6 by the Authority before the time fixed for opening proposals.

7 (k) Notice of each and every contract that is offered,  
8 including renegotiated contracts and change orders, shall be  
9 published in an online bulletin. The online bulletin must  
10 include at least the date first offered, the date submission of  
11 offers is due, the location that offers are to be submitted to,  
12 a brief purchase description, the method of source selection,  
13 information of how to obtain a comprehensive purchase  
14 description and any disclosure and contract forms, and  
15 encouragement to prospective vendors to hire qualified  
16 veterans, as defined by Section 45-67 of the Illinois  
17 Procurement Code, and Illinois residents discharged from any  
18 Illinois adult correctional center subject to Gaming Board  
19 licensing and eligibility rules. Notice of each and every  
20 contract that is let or awarded, including renegotiated  
21 contracts and change orders, shall be published in the online  
22 bulletin and must include at least all of the information  
23 specified in this subsection (k), as well as the name of the  
24 successful responsible proposer or offeror, the contract  
25 price, and the number of unsuccessful responsive proposers and  
26 any other disclosure specified in this Section. This notice

1 must be posted in the online electronic bulletin prior to  
2 execution of the contract.

3 Section 1-130. Affirmative action and equal opportunity  
4 obligations of Authority.

5 (a) The Authority is subject to the requirements of Article  
6 IV of Chapter 2-92 (Sections 2-92-650 through 2-92-720  
7 inclusive) of the Chicago Municipal Code, as now or hereafter  
8 amended, renumbered, or succeeded, concerning a Minority-Owned  
9 and Women-Owned Business Enterprise Procurement Program for  
10 construction contracts, and Section 2-92-420 et seq. of the  
11 Chicago Municipal Code, as now or hereafter amended,  
12 renumbered, or succeeded, concerning a Minority-Owned and  
13 Women-Owned Business Enterprise Procurement Program.

14 (b) The Authority is authorized to enter into agreements  
15 with contractors' associations, labor unions, and the  
16 contractors working on the development of the casino to  
17 establish an apprenticeship preparedness training program to  
18 provide for an increase in the number of minority and female  
19 journeymen and apprentices in the building trades and to enter  
20 into agreements with community college districts or other  
21 public or private institutions to provide readiness training.  
22 The Authority is further authorized to enter into contracts  
23 with public and private educational institutions and persons in  
24 the gaming, entertainment, hospitality, and tourism industries  
25 to provide training for employment in those industries.

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

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

14           Section 1-145. Prohibition of political contributions from  
15 casino operator licensees and applicants.

16           (a) The General Assembly has a compelling interest in  
17 protecting the integrity of both the electoral process and the  
18 legislative process by preventing corruption and the  
19 appearance of corruption which may arise through permitting  
20 certain political campaign contributions by certain persons  
21 involved in the gaming industry and regulated by the State.  
22 Unlike most other regulated industries, gaming is especially  
23 susceptible to corruption and potential criminal influence. In

1 Illinois, only licensed gaming activities are legal and all  
2 other gaming activities are strictly prohibited. Given these  
3 circumstances, it is imperative to eliminate any potential  
4 corrupt influence in the gaming industry and the electoral  
5 process.

6 Banning political campaign contributions by certain  
7 persons subject to this Section to State officeholders and  
8 candidates for such offices and to county and municipal  
9 officeholders and candidates for such offices in counties and  
10 municipalities that receive financial benefits from gaming  
11 activities is necessary to prevent corruption and the  
12 appearance of corruption that may arise when political campaign  
13 contributions and gaming that is regulated by the State and  
14 that confers benefits on counties and municipalities are  
15 intermingled.

16 The General Assembly has prohibited political campaign  
17 contributions to certain State and local officeholders and  
18 candidates for such offices by certain persons with State of  
19 Illinois and Metropolitan Pier and Exposition Authority  
20 contracts and pending bids or proposals for contracts of over  
21 \$50,000 and certain individuals and entities affiliated with  
22 such persons. Certain gaming licensees will receive receipts  
23 far in excess of the base level of contract amounts subject to  
24 such other campaign contribution prohibitions.

25 (b) As used in this Section:

26 "Affiliated entity" means (i) any corporate parent and



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

19 "Affiliated person" means (i) any person with any ownership  
20 interest or distributive share in excess of 7.5% of any  
21 business entity applying for or holding a license, (ii)  
22 executive employees of any such business entity, (iii) any  
23 person designated as a key person under the Illinois Gambling  
24 Act, and (iv) the spouse of the persons described in items (i)  
25 through (iii).

26 "Business entity" means any entity doing business for

1 profit, whether organized as a corporation, partnership, sole  
2 proprietorship, limited liability company, or partnership or  
3 otherwise.

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

6 "Declared candidate" means a person who has filed a  
7 statement of candidacy and petition for nomination or election  
8 in the principal office of the State Board of Elections, or in  
9 the office of the appropriate election authority for any county  
10 or municipality in which a casino is located or proposed or  
11 which receives any gaming revenue.

12 "Executive employee" means (i) any person who is an officer  
13 or director or who fulfills duties equivalent to those of an  
14 officer or director of a business entity applying for or  
15 holding a license and (ii) any employee of such business entity  
16 who is required to register under the Lobbyist Registration  
17 Act.

18 "License" means the casino operator license issued  
19 pursuant to this Act.

20 "Officeholder" means the Governor, Lieutenant Governor,  
21 Attorney General, Secretary of State, Comptroller, Treasurer,  
22 member of the General Assembly, or any officeholder in any  
23 county or municipality in which a riverboat, casino, or  
24 electronic gaming device is located or proposed or that  
25 receives any gaming revenue.

26 (c) Any person or business entity applying for or holding a

1 license, any affiliated entities or persons of such business  
2 entity, and any entities or persons soliciting a contribution  
3 or causing a contribution to be made on behalf of such person  
4 or business entity, are prohibited from making any contribution  
5 to any officeholder or declared candidate or any political  
6 committee affiliated with any officeholder or declared  
7 candidate, as defined in Section 9-1.8 of the Election Code.  
8 This prohibition shall commence upon filing of an application  
9 for a license and shall continue for a period of 2 years after  
10 termination, suspension or revocation of the license.

11 The Gaming Board shall have authority to suspend, revoke,  
12 or restrict the license and to impose civil penalties of up to  
13 \$100,000 for each violation of this subsection (c). A notice of  
14 each such violation and the penalty imposed shall be published  
15 on the Gaming Board's Internet website and in the Illinois  
16 Register. Payments received by the State pursuant to this  
17 subsection (c) shall be deposited into the General Revenue  
18 Fund.

19 Any officeholder or declared candidate or any political  
20 committee affiliated with any officeholder or declared  
21 candidate that has received a contribution in violation of this  
22 subsection (c) shall pay an amount equal to the value of the  
23 contribution to the State no more than 30 days after notice of  
24 the violation concerning the contribution appears in the  
25 Illinois Register. Payments received by the State pursuant to  
26 this subsection (c) shall be deposited into the General Revenue

1 Fund.

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

8 Any person, business entity, or affiliated entity  
9 prohibited from making contributions to any officeholder or  
10 declared candidate political committee pursuant to subsection  
11 (c) shall notify the Gaming Board within 7 days after  
12 discovering any necessary change or addition to the information  
13 relating to that person, business entity, or affiliated entity  
14 contained in the list.

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

18 (e) If any provision of this Section is held invalid or its  
19 application to any person or circumstance is held invalid, the  
20 invalidity of that provision or application does not affect the  
21 other provisions or applications of this Section that can be  
22 given effect without the invalid application or provision.

23 ARTICLE 90.

24 Section 90-1. Findings. The General Assembly makes all of

1 the following findings:

2 (1) That the cumulative reduction to pre-K through 12  
3 education funding since 2009 is approximately  
4 \$861,000,000.

5 (2) That during the last 2 years, general state aid to  
6 Illinois common schools has been underfunded as a result of  
7 budget cuts, resulting in pro-rated payments to school  
8 districts that are less than the foundational level of  
9 \$6,119 per pupil, which represents the minimum each pupil  
10 needs to be educated.

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

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

18 (5) That the Illinois horse racing industry is on the  
19 verge of extinction due to fierce competition from fully  
20 developed horse racing and gaming operations in other  
21 states.

22 (6) That allowing the State's horse racing venues,  
23 currently licensed gaming destinations, to maximize their  
24 capacities with gaming machines, would generate up to \$120  
25 million to \$200 million for the State in the form of extra  
26 licensing fees, plus an additional \$100 million to \$300

1 million in recurring annual tax revenue for the State to  
2 help ensure that school, road, and other building projects  
3 promised under the capital plan occur on schedule.

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

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

13 (9) That gaming machines at Illinois horse racing  
14 tracks would create an estimated 1,200 to 1,500 permanent  
15 jobs, and an estimated capital investment of up to \$200  
16 million to \$400 million at these race tracks would prompt  
17 additional trade organization jobs necessary to construct  
18 new facilities or remodel race tracks to operate electronic  
19 gaming.

20 Section 90-2. The Illinois Administrative Procedure Act is  
21 amended by changing Section 5-45 as follows:

22 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

23 Sec. 5-45. Emergency rulemaking.

24 (a) "Emergency" means the existence of any situation that

1 any agency finds reasonably constitutes a threat to the public  
2 interest, safety, or welfare.

3 (b) If any agency finds that an emergency exists that  
4 requires adoption of a rule upon fewer days than is required by  
5 Section 5-40 and states in writing its reasons for that  
6 finding, the agency may adopt an emergency rule without prior  
7 notice or hearing upon filing a notice of emergency rulemaking  
8 with the Secretary of State under Section 5-70. The notice  
9 shall include the text of the emergency rule and shall be  
10 published in the Illinois Register. Consent orders or other  
11 court orders adopting settlements negotiated by an agency may  
12 be adopted under this Section. Subject to applicable  
13 constitutional or statutory provisions, an emergency rule  
14 becomes effective immediately upon filing under Section 5-65 or  
15 at a stated date less than 10 days thereafter. The agency's  
16 finding and a statement of the specific reasons for the finding  
17 shall be filed with the rule. The agency shall take reasonable  
18 and appropriate measures to make emergency rules known to the  
19 persons who may be affected by them.

20 (c) An emergency rule may be effective for a period of not  
21 longer than 150 days, but the agency's authority to adopt an  
22 identical rule under Section 5-40 is not precluded. No  
23 emergency rule may be adopted more than once in any 24 month  
24 period, except that this limitation on the number of emergency  
25 rules that may be adopted in a 24 month period does not apply  
26 to (i) emergency rules that make additions to and deletions

1 from the Drug Manual under Section 5-5.16 of the Illinois  
2 Public Aid Code or the generic drug formulary under Section  
3 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)  
4 emergency rules adopted by the Pollution Control Board before  
5 July 1, 1997 to implement portions of the Livestock Management  
6 Facilities Act, (iii) emergency rules adopted by the Illinois  
7 Department of Public Health under subsections (a) through (i)  
8 of Section 2 of the Department of Public Health Act when  
9 necessary to protect the public's health, (iv) emergency rules  
10 adopted pursuant to subsection (n) of this Section, (v)  
11 emergency rules adopted pursuant to subsection (o) of this  
12 Section, or (vi) emergency rules adopted pursuant to subsection  
13 (c-5) of this Section. Two or more emergency rules having  
14 substantially the same purpose and effect shall be deemed to be  
15 a single rule for purposes of this Section.

16 (c-5) To facilitate the maintenance of the program of group  
17 health benefits provided to annuitants, survivors, and retired  
18 employees under the State Employees Group Insurance Act of  
19 1971, rules to alter the contributions to be paid by the State,  
20 annuitants, survivors, retired employees, or any combination  
21 of those entities, for that program of group health benefits,  
22 shall be adopted as emergency rules. The adoption of those  
23 rules shall be considered an emergency and necessary for the  
24 public interest, safety, and welfare.

25 (d) In order to provide for the expeditious and timely  
26 implementation of the State's fiscal year 1999 budget,



1 emergency rules to implement any provision of Public Act 90-587  
2 or 90-588 or any other budget initiative for fiscal year 1999  
3 may be adopted in accordance with this Section by the agency  
4 charged with administering that provision or initiative,  
5 except that the 24-month limitation on the adoption of  
6 emergency rules and the provisions of Sections 5-115 and 5-125  
7 do not apply to rules adopted under this subsection (d). The  
8 adoption of emergency rules authorized by this subsection (d)  
9 shall be deemed to be necessary for the public interest,  
10 safety, and welfare.

11 (e) In order to provide for the expeditious and timely  
12 implementation of the State's fiscal year 2000 budget,  
13 emergency rules to implement any provision of this amendatory  
14 Act of the 91st General Assembly or any other budget initiative  
15 for fiscal year 2000 may be adopted in accordance with this  
16 Section by the agency charged with administering that provision  
17 or initiative, except that the 24-month limitation on the  
18 adoption of emergency rules and the provisions of Sections  
19 5-115 and 5-125 do not apply to rules adopted under this  
20 subsection (e). The adoption of emergency rules authorized by  
21 this subsection (e) shall be deemed to be necessary for the  
22 public interest, safety, and welfare.

23 (f) In order to provide for the expeditious and timely  
24 implementation of the State's fiscal year 2001 budget,  
25 emergency rules to implement any provision of this amendatory  
26 Act of the 91st General Assembly or any other budget initiative

1 for fiscal year 2001 may be adopted in accordance with this  
2 Section by the agency charged with administering that provision  
3 or initiative, except that the 24-month limitation on the  
4 adoption of emergency rules and the provisions of Sections  
5 5-115 and 5-125 do not apply to rules adopted under this  
6 subsection (f). The adoption of emergency rules authorized by  
7 this subsection (f) shall be deemed to be necessary for the  
8 public interest, safety, and welfare.

9 (g) In order to provide for the expeditious and timely  
10 implementation of the State's fiscal year 2002 budget,  
11 emergency rules to implement any provision of this amendatory  
12 Act of the 92nd General Assembly or any other budget initiative  
13 for fiscal year 2002 may be adopted in accordance with this  
14 Section by the agency charged with administering that provision  
15 or initiative, except that the 24-month limitation on the  
16 adoption of emergency rules and the provisions of Sections  
17 5-115 and 5-125 do not apply to rules adopted under this  
18 subsection (g). The adoption of emergency rules authorized by  
19 this subsection (g) shall be deemed to be necessary for the  
20 public interest, safety, and welfare.

21 (h) In order to provide for the expeditious and timely  
22 implementation of the State's fiscal year 2003 budget,  
23 emergency rules to implement any provision of this amendatory  
24 Act of the 92nd General Assembly or any other budget initiative  
25 for fiscal year 2003 may be adopted in accordance with this  
26 Section by the agency charged with administering that provision

1 or initiative, except that the 24-month limitation on the  
2 adoption of emergency rules and the provisions of Sections  
3 5-115 and 5-125 do not apply to rules adopted under this  
4 subsection (h). The adoption of emergency rules authorized by  
5 this subsection (h) shall be deemed to be necessary for the  
6 public interest, safety, and welfare.

7 (i) In order to provide for the expeditious and timely  
8 implementation of the State's fiscal year 2004 budget,  
9 emergency rules to implement any provision of this amendatory  
10 Act of the 93rd General Assembly or any other budget initiative  
11 for fiscal year 2004 may be adopted in accordance with this  
12 Section by the agency charged with administering that provision  
13 or initiative, except that the 24-month limitation on the  
14 adoption of emergency rules and the provisions of Sections  
15 5-115 and 5-125 do not apply to rules adopted under this  
16 subsection (i). The adoption of emergency rules authorized by  
17 this subsection (i) shall be deemed to be necessary for the  
18 public interest, safety, and welfare.

19 (j) In order to provide for the expeditious and timely  
20 implementation of the provisions of the State's fiscal year  
21 2005 budget as provided under the Fiscal Year 2005 Budget  
22 Implementation (Human Services) Act, emergency rules to  
23 implement any provision of the Fiscal Year 2005 Budget  
24 Implementation (Human Services) Act may be adopted in  
25 accordance with this Section by the agency charged with  
26 administering that provision, except that the 24-month

1 limitation on the adoption of emergency rules and the  
2 provisions of Sections 5-115 and 5-125 do not apply to rules  
3 adopted under this subsection (j). The Department of Public Aid  
4 may also adopt rules under this subsection (j) necessary to  
5 administer the Illinois Public Aid Code and the Children's  
6 Health Insurance Program Act. The adoption of emergency rules  
7 authorized by this subsection (j) shall be deemed to be  
8 necessary for the public interest, safety, and welfare.

9 (k) In order to provide for the expeditious and timely  
10 implementation of the provisions of the State's fiscal year  
11 2006 budget, emergency rules to implement any provision of this  
12 amendatory Act of the 94th General Assembly or any other budget  
13 initiative for fiscal year 2006 may be adopted in accordance  
14 with this Section by the agency charged with administering that  
15 provision or initiative, except that the 24-month limitation on  
16 the adoption of emergency rules and the provisions of Sections  
17 5-115 and 5-125 do not apply to rules adopted under this  
18 subsection (k). The Department of Healthcare and Family  
19 Services may also adopt rules under this subsection (k)  
20 necessary to administer the Illinois Public Aid Code, the  
21 Senior Citizens and Disabled Persons Property Tax Relief Act,  
22 the Senior Citizens and Disabled Persons Prescription Drug  
23 Discount Program Act (now the Illinois Prescription Drug  
24 Discount Program Act), and the Children's Health Insurance  
25 Program Act. The adoption of emergency rules authorized by this  
26 subsection (k) shall be deemed to be necessary for the public

1 interest, safety, and welfare.

2 (l) In order to provide for the expeditious and timely  
3 implementation of the provisions of the State's fiscal year  
4 2007 budget, the Department of Healthcare and Family Services  
5 may adopt emergency rules during fiscal year 2007, including  
6 rules effective July 1, 2007, in accordance with this  
7 subsection to the extent necessary to administer the  
8 Department's responsibilities with respect to amendments to  
9 the State plans and Illinois waivers approved by the federal  
10 Centers for Medicare and Medicaid Services necessitated by the  
11 requirements of Title XIX and Title XXI of the federal Social  
12 Security Act. The adoption of emergency rules authorized by  
13 this subsection (l) shall be deemed to be necessary for the  
14 public interest, safety, and welfare.

15 (m) In order to provide for the expeditious and timely  
16 implementation of the provisions of the State's fiscal year  
17 2008 budget, the Department of Healthcare and Family Services  
18 may adopt emergency rules during fiscal year 2008, including  
19 rules effective July 1, 2008, in accordance with this  
20 subsection to the extent necessary to administer the  
21 Department's responsibilities with respect to amendments to  
22 the State plans and Illinois waivers approved by the federal  
23 Centers for Medicare and Medicaid Services necessitated by the  
24 requirements of Title XIX and Title XXI of the federal Social  
25 Security Act. The adoption of emergency rules authorized by  
26 this subsection (m) shall be deemed to be necessary for the

1 public interest, safety, and welfare.

2 (n) In order to provide for the expeditious and timely  
3 implementation of the provisions of the State's fiscal year  
4 2010 budget, emergency rules to implement any provision of this  
5 amendatory Act of the 96th General Assembly or any other budget  
6 initiative authorized by the 96th General Assembly for fiscal  
7 year 2010 may be adopted in accordance with this Section by the  
8 agency charged with administering that provision or  
9 initiative. The adoption of emergency rules authorized by this  
10 subsection (n) shall be deemed to be necessary for the public  
11 interest, safety, and welfare. The rulemaking authority  
12 granted in this subsection (n) shall apply only to rules  
13 promulgated during Fiscal Year 2010.

14 (o) In order to provide for the expeditious and timely  
15 implementation of the provisions of the State's fiscal year  
16 2011 budget, emergency rules to implement any provision of this  
17 amendatory Act of the 96th General Assembly or any other budget  
18 initiative authorized by the 96th General Assembly for fiscal  
19 year 2011 may be adopted in accordance with this Section by the  
20 agency charged with administering that provision or  
21 initiative. The adoption of emergency rules authorized by this  
22 subsection (o) is deemed to be necessary for the public  
23 interest, safety, and welfare. The rulemaking authority  
24 granted in this subsection (o) applies only to rules  
25 promulgated on or after the effective date of this amendatory  
26 Act of the 96th General Assembly through June 30, 2011.

1 (p) In order to provide for the expeditious and timely  
2 implementation of the provisions of Public Act 97-689 ~~this~~  
3 ~~amendatory Act of the 97th General Assembly~~, emergency rules to  
4 implement any provision of Public Act 97-689 ~~this amendatory~~  
5 ~~Act of the 97th General Assembly~~ may be adopted in accordance  
6 with this subsection (p) by the agency charged with  
7 administering that provision or initiative. The 150-day  
8 limitation of the effective period of emergency rules does not  
9 apply to rules adopted under this subsection (p), and the  
10 effective period may continue through June 30, 2013. The  
11 24-month limitation on the adoption of emergency rules does not  
12 apply to rules adopted under this subsection (p). The adoption  
13 of emergency rules authorized by this subsection (p) is deemed  
14 to be necessary for the public interest, safety, and welfare.

15 (q) In order to provide for the expeditious and timely  
16 implementation of Internet gaming, the Division of Internet  
17 Gaming may adopt emergency rules to implement the provisions of  
18 Section 7.18 of the Illinois Lottery Law. The adoption of  
19 emergency rules authorized by this subsection (q) shall be  
20 deemed to be necessary for the public interest, safety, and  
21 welfare.

22 (Source: P.A. 96-45, eff. 7-15-09; 96-958, eff. 7-1-10;  
23 96-1500, eff. 1-18-11; 97-689, eff. 6-14-12; 97-695, eff.  
24 7-1-12; revised 7-10-12.)

25 Section 90-3. The State Officials and Employees Ethics Act

1 is amended by changing Sections 5-45 and 20-10 as follows:

2 (5 ILCS 430/5-45)

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

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

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



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

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

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

24           (e) The Joint Committee on Legislative Support Services,  
25 the Auditor General, and each of the executive branch  
26 constitutional officers and legislative leaders subject to

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

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

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

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

21 On appeal, the Ethics Commission or Auditor General shall  
22 seek, accept, and consider written public comments regarding a  
23 determination. In deciding whether to uphold an Inspector  
24 General's determination, the appropriate Ethics Commission or  
25 Auditor General shall assess, in addition to any other relevant  
26 information, the effect of the prospective employment or

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

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

21 (1) members or officers;

22 (2) members of a commission or board created by the  
23 Illinois Constitution;

24 (3) persons whose appointment to office is subject to  
25 the advice and consent of the Senate;

26 (4) the head of a department, commission, board,

1 division, bureau, authority, or other administrative unit  
2 within the government of this State;

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

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

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

10 (8) employees of the Illinois Gaming Board.

11 (i) For the purposes of this Section, with respect to  
12 officers or employees of a regional transit board, as defined  
13 in this Act, the phrase "person or entity" does not include:  
14 (i) the United States government, (ii) the State, (iii)  
15 municipalities, as defined under Article VII, Section 1 of the  
16 Illinois Constitution, (iv) units of local government, as  
17 defined under Article VII, Section 1 of the Illinois  
18 Constitution, or (v) school districts.

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

20 (5 ILCS 430/20-10)

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

22 (a) ~~Six~~ Five independent Offices of the Executive Inspector  
23 General are created, one each for the Governor, the Attorney  
24 General, the Secretary of State, the Comptroller, and the  
25 Treasurer and one for gaming activities. Each Office shall be

1 under the direction and supervision of an Executive Inspector  
2 General and shall be a fully independent office with separate  
3 appropriations.

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

24 Nothing in this Article precludes the appointment by the  
25 Governor, Attorney General, Secretary of State, Comptroller,  
26 or Treasurer of any other inspector general required or

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

9 Each Executive Inspector General shall have the following  
10 qualifications:

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

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

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

23 The term of each initial Executive Inspector General shall  
24 commence upon qualification and shall run through June 30,  
25 2008. The initial appointments shall be made within 60 days  
26 after the effective date of this Act.

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

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

10          Terms shall run regardless of whether the position is  
11 filled.

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



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

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

22 (d) The compensation for each Executive Inspector General  
23 shall be determined by the Executive Ethics Commission and  
24 shall be made from appropriations made to the Comptroller for  
25 this purpose. Subject to Section 20-45 of this Act, each  
26 Executive Inspector General has full authority to organize his

1 or her Office of the Executive Inspector General, including the  
2 employment and determination of the compensation of staff, such  
3 as deputies, assistants, and other employees, as  
4 appropriations permit. A separate appropriation shall be made  
5 for each Office of Executive Inspector General.

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

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

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

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

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

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

23 (e-1) No Executive Inspector General or employee of the  
24 Office of the Executive Inspector General may, for one year  
25 after the termination of his or her appointment or employment:

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

1 (2) hold any elected public office; or

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

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

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

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

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

14 (20 ILCS 301/5-20)

15 Sec. 5-20. Compulsive gambling program.

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

22 (1) Establishment and maintenance of a toll-free "800"  
23 telephone number to provide crisis counseling and referral  
24 services to families experiencing difficulty as a result of

1 problem or compulsive gambling.

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

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

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

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

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

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

1           Section 90-8. The Illinois Lottery Law is amended by  
2 changing Sections 2 and 9.1 and by adding Section 7.18 as  
3 follows:

4           (20 ILCS 1605/2) (from Ch. 120, par. 1152)

5           Sec. 2. (a) This Act is enacted to implement and establish  
6 within the State a lottery to be conducted by the State through  
7 the Department. The entire net proceeds of the Lottery are to  
8 be used for the support of the State's Common School Fund,  
9 except as provided in subsection (o) of Section 9.1 and  
10 Sections 21.2, 21.5, 21.6, 21.7, and 21.8. The General Assembly  
11 finds that it is in the public interest for the Department to  
12 conduct the functions of the Lottery with the assistance of a  
13 private manager under a management agreement overseen by the  
14 Department. The Department shall be accountable to the General  
15 Assembly and the people of the State through a comprehensive  
16 system of regulation, audits, reports, and enduring  
17 operational oversight. The Department's ongoing conduct of the  
18 Lottery through a management agreement with a private manager  
19 shall act to promote and ensure the integrity, security,  
20 honesty, and fairness of the Lottery's operation and  
21 administration. It is the intent of the General Assembly that  
22 the Department shall conduct the Lottery with the assistance of  
23 a private manager under a management agreement at all times in  
24 a manner consistent with 18 U.S.C. 1307(a)(1), 1307(b)(1),  
25 1953(b)(4).

1       (b) It is further the intent of the General Assembly that  
2 the Division of Internet Gaming of the Department shall  
3 administer and regulate Internet wagering at all times in a  
4 manner consistent with the applicable provisions of State and  
5 federal law pursuant to Section 7.18 of this Law.

6       (Source: P.A. 95-331, eff. 8-21-07; 95-673, eff. 10-11-07;  
7 95-674, eff. 10-11-07; 95-876, eff. 8-21-08; 96-34, eff.  
8 7-13-09.)

9       (20 ILCS 1605/7.18 new)

10       Sec. 7.18. Internet gaming; Division of Internet Gaming;  
11 powers.

12       (a) The General Assembly finds that the Internet has become  
13 an integral part of everyday life for a significant number of  
14 Illinois residents, not only in regards to their professional  
15 life, but also in regards to personal business and  
16 communication. Internet wagering on games of chance and games  
17 of skill is a core form of entertainment for millions of  
18 individuals worldwide. In multiple jurisdictions across the  
19 world, Internet gaming is legal, regulated, and taxed,  
20 generating billions of dollars in revenue for governments.

21       The General Assembly further finds that Illinois residents  
22 participate in illegal on-line gambling on unregulated  
23 Internet websites operated by offshore operators who are not  
24 subject to regulation or taxation in the United States. Neither  
25 federal nor Illinois laws provide sufficient consumer

1 protections for Illinois residents who play games of chance or  
2 skill on these illegal websites, nor does the State realize any  
3 benefits from the revenues generated nor jobs created by  
4 illegal on-line gaming.

5 In an opinion dated September 20, 2011, the United States  
6 Department of Justice reversed its previous interpretation of  
7 the federal Wire Act, 18 U.S.C. 1804, allowing states, subject  
8 to certain restrictions, to legalize and regulate Internet  
9 gaming and capture the revenue for the benefit of state  
10 governments. The Department of Justice's opinion was prompted  
11 in part by a request made by the Department pursuant to Public  
12 Act 96-34. In order to protect Illinois residents who wager on  
13 games of chance and skill through the Internet, and to capture  
14 revenues and create jobs generated from Internet gaming, it is  
15 in the best interest of the State and its citizens to regulate  
16 this activity by authorizing and establishing a secure,  
17 responsible, fair, and legal system of Internet gaming that  
18 complies with the United States Department of Justice's  
19 September 2011 opinion concerning the federal Wire Act.

20 The General Assembly additionally finds that pursuant to  
21 the federal Unlawful Internet Gambling Enforcement Act of 2006  
22 (UIGEA), 31 U.S.C. 5301, the provisions of this Section are  
23 consistent and comply with the UIGEA and specifically authorize  
24 use of the Internet to place, receive, or otherwise knowingly  
25 transmit a bet or wager where Internet wagering complies with  
26 this Section and rules adopted pursuant to this Section.

1       (b) As used in this Section:

2       "Authorized participant" means a person who has a valid  
3 Internet wagering account with an Internet gaming licensee and  
4 is at least 21 years of age.

5       "Division" means the Division of Internet Gaming within the  
6 Department of the Lottery.

7       "Fee-based game" means a game determined by the Division to  
8 be a fee-based game, where the Internet gaming licensee charges  
9 a fee, rake, or commission for operating the game.

10       "Gross fee-based gaming revenue" means the fee, rake, or  
11 commission charged by the Internet gaming licensee for  
12 operation of fee-based games.

13       "Gross gaming revenue" is the aggregate of gross fee-based  
14 gaming revenue and gross non-fee-based gaming revenue.

15       "Gross non-fee-based gaming revenue" means the aggregate  
16 of the amount of net wins received on all non-fee-based games.

17       "Internet" means the international computer network of  
18 interoperable packet-switched data networks, inclusive of such  
19 additional technological platforms as mobile, satellite, and  
20 other electronic distribution channels approved by the  
21 Division.

22       "Internet game" means a fee-based or non-fee-based game of  
23 skill or chance that is offered by an Internet gaming licensee,  
24 as authorized by the Division. "Internet game" also includes  
25 gaming tournaments conducted via the Internet in which players  
26 compete against one another in one or more of the games



1 authorized in this definition or by the Division or in approved  
2 variations or composites as authorized by the Division.

3 "Internet gaming licensee" means a person, corporation,  
4 partnership, or other entity receiving an Internet gaming  
5 license from the Division to conduct Internet wagering.

6 "Internet gaming platform" means an interactive set of  
7 related data networks controlled by an Internet gaming licensee  
8 for the purpose of offering wagering on Internet games to  
9 authorized participants.

10 "Internet gaming vendor" means any person, corporation,  
11 partnership, or other entity that is certified by the Division  
12 to provide or offer to provide goods, software, or services to  
13 an Internet gaming licensee, including any goods, software, or  
14 services related to or supporting: (i) the acceptance, testing,  
15 auditing, management, operation, support, administration, or  
16 control of Internet wagers, Internet games, Internet wagering  
17 accounts, or Internet gaming platforms or (ii) the management,  
18 operation, administration, or control of payment processing  
19 systems. The Division shall have the sole and exclusive  
20 jurisdiction to determine what persons, corporations,  
21 partnerships, or other entities require certification pursuant  
22 to this Act and the rules adopted pursuant to this Act.  
23 Notwithstanding this definition, the licensing of trademarks,  
24 names, likenesses, graphics, or other images, without more,  
25 shall not render a licensor of such intellectual property an  
26 Internet gaming vendor.

1       "Internet wagering" means the placing of wagers with an  
2 Internet gaming licensee by persons who are either physically  
3 present in Illinois when placing a wager or otherwise permitted  
4 to place a wager by law. The intermediate routing of electronic  
5 data in connection with Internet wagering (including across  
6 state lines) shall not determine the location or locations in  
7 which a wager is initiated, received, or otherwise made.

8       "Internet wagering account" means an electronic ledger  
9 wherein the following types of transactions relative to the  
10 Internet gaming platform are recorded: (i) deposits; (ii)  
11 withdrawals; (iii) amounts wagered; (iv) amounts paid on  
12 winning wagers; (v) service or other transaction-related  
13 charges authorized by the patron, if any; (vi) adjustments to  
14 the account; and (vii) any other information required by the  
15 Division.

16       "Net wins" means the amount of Internet wagers received by  
17 the Internet gaming licensee on non-fee based games less the  
18 amount paid by the Internet gaming licensee as winnings on that  
19 non-fee based game.

20       "Non-fee-based game" means a game determined by the  
21 Division to be a non-fee-based game, where (i) the player plays  
22 against the Internet gaming licensee and (ii) the Internet  
23 gaming licensee is banking the game and its bottom line is  
24 affected by players' wins and losses.

25       (c) Internet wagering, as defined in this Section, is  
26 hereby authorized to the extent that it is carried out in

1 accordance with the provisions of this Section.

2 (d) The Division of Internet Gaming is established within  
3 the Department of the Lottery and shall have all powers and  
4 duties as specified in this Section and all other powers  
5 necessary and proper to enable it to fully and effectively  
6 execute the provisions of this Section for the purpose of  
7 administering, regulating, and enforcing the system of  
8 Internet gaming established by this Section. The Division of  
9 Internet Gaming's jurisdiction shall extend under this Section  
10 to every person, corporation, partnership, or other entity  
11 involved in Internet gaming operations. To the extent  
12 consistent with the provisions of this Section, the Division  
13 shall be subject to and governed by provisions of this Article  
14 and all of the laws and rules applicable to the Department. The  
15 Division shall not be subject to any private management  
16 agreement established pursuant to Section 9.1 of this Act. The  
17 Division of Internet Gaming is also authorized to enter into  
18 agreements with other gaming entities, including foreign  
19 entities, for the purpose of facilitating, administering, and  
20 regulating multijurisdiction Internet gaming to the extent  
21 consistent with State and federal laws and the laws of any  
22 foreign jurisdiction, if such jurisdiction is a party to the  
23 multijurisdictional agreement. The Division shall not  
24 authorize, administer, or otherwise maintain a system for  
25 offering wagering on any amateur or professional sporting event  
26 or contest, unless doing so is consistent with State and

1 federal laws. Further, notwithstanding any other provision of  
2 this Section, wagers may be accepted from persons who are not  
3 physically present in this State if the Division determines  
4 that such wagering is not inconsistent with federal law or the  
5 law of the jurisdiction, including any foreign nation, in which  
6 any such person is located, or such wagering is conducted  
7 pursuant to a multijurisdictional agreement that is not  
8 inconsistent with federal law to which this State is a party.  
9 The Division shall be funded with moneys appropriated to the  
10 Department of the Lottery.

11 (e) The Division of Internet Gaming is authorized to issue  
12 Internet gaming licenses to persons, firms, partnerships, or  
13 corporations that apply for such licensure upon a determination  
14 by the Division that the applicant is eligible for an Internet  
15 gaming license pursuant to this Section and rules adopted by  
16 the Division. An Internet gaming license issued pursuant to  
17 this Section shall be valid for a period of 5 years after the  
18 date of issuance and shall be renewable thereafter for an  
19 additional 5 years based on a determination by the Division  
20 that the licensee continues to meet all the requirements of  
21 this Section and the Division's rules. Notwithstanding any  
22 other law to the contrary, any assignment or transfer of an  
23 interest in an Internet gaming license, or a greater than 10%  
24 interest (direct or indirect) in any entity holding such a  
25 license, is subject to the written approval by the Division.  
26 Approved transferees are subject to a \$250,000 non-refundable

1 application fee. Eligibility for application for an Internet  
2 gaming license shall be limited to the following: (i) any  
3 person or entity that holds a valid and unrevoked owners  
4 license issued pursuant to the Illinois Gambling Act; (ii) any  
5 person or entity that holds a valid and unrevoked electronic  
6 gaming license issued pursuant to the Illinois Gambling Act;  
7 and (iii) any person or entity that holds a valid and unrevoked  
8 advance deposit wagering license issued pursuant to the  
9 Illinois Horse Racing Act of 1975. No Internet gaming license  
10 shall be granted to any applicant who has accepted wagers via  
11 the Internet in contravention of this Section or United States  
12 law in the 10 years preceding the application date.

13 A qualified applicant may apply to the Division for an  
14 Internet gaming license to offer wagering on Internet games as  
15 provided in this Act. The application shall be made on forms  
16 provided by the Division and shall contain such information as  
17 the Division prescribes, including, but not limited to,  
18 detailed information regarding the ownership and management of  
19 the applicant, detailed personal information regarding the  
20 applicant, financial information regarding the applicant, and  
21 the gaming history and experience of the applicant in the  
22 United States and other jurisdictions. Each application shall  
23 be accompanied by a non-refundable application fee of \$250,000.  
24 An incomplete application shall be cause for denial of a  
25 license by the Division.

26 All information, records, interviews, reports, statements,

1 memoranda, or other data supplied to or used by the Division in  
2 the course of its review or investigation of an application for  
3 an Internet gaming license or a renewal under this Section  
4 shall be strictly confidential and used only for the purpose of  
5 evaluating an applicant for a license or a renewal.  
6 Notwithstanding any law to the contrary, such information is  
7 not subject to the requirements of the Freedom of Information  
8 Act.

9 Any person, association, corporation, partnership, or  
10 entity who (i) knowingly makes materially false statements in  
11 order to obtain an Internet gaming license; (ii) knowingly  
12 advertises within the State of Illinois any game, product, or  
13 feature that is not authorized by his or her license; or (iii)  
14 violates any other provision of this Section, or any rule  
15 adopted pursuant to this Section, is guilty of a Class B  
16 misdemeanor. A person, association, corporation, partnership,  
17 or entity who commits a second or subsequent violation commits  
18 a Class A misdemeanor. In the case of an association,  
19 corporation, partnership, or entity, imprisonment may be  
20 imposed upon its officers who knowingly participated in the  
21 violation.

22 An application shall be filed and considered in accordance  
23 with the rules of the Division. The Division shall adopt rules  
24 to effectuate the provisions of this subsection (e) within 30  
25 days after the effective date of this amendatory Act of the  
26 98th General Assembly.

1       A license fee of \$20,000,000 shall be paid to the Division  
2 by an Internet gaming licensee at the time of issuance of the  
3 license. All application and license fees shall be deposited  
4 into the State Lottery Fund. The license fee imposed by this  
5 subsection (e) shall constitute an advance payment of Internet  
6 wagering taxes owed by the Internet gaming licensee pursuant to  
7 subsection (m) of this Section.

8       (f) The Division is authorized to certify Internet gaming  
9 vendors to provide goods, software, or services to Internet  
10 gaming licensees. Certification by the Division of an Internet  
11 gaming vendor shall be for a period of 5 years and shall be  
12 renewable thereafter for an additional 5 years based on a  
13 determination by the Division that the Internet gaming vendor  
14 continues to meet all the requirements of this Section and the  
15 Division's rules.

16       A person, corporation, partnership, or other entity may  
17 apply to the Division to become an Internet gaming vendor as  
18 provided in this Act and the rules of the Division. The  
19 application shall be made on forms provided by the Division and  
20 shall contain such information as the Division prescribes,  
21 including, but not limited to, detailed information regarding  
22 the ownership and management of the applicant, detailed  
23 personal information regarding the applicant, financial  
24 information regarding the applicant, and the gaming history and  
25 experience of the applicant in the United States and other  
26 jurisdictions. Each application shall be accompanied by a

1 non-refundable application fee, such application fee to be  
2 determined by the Division, but shall not exceed \$250,000. An  
3 incomplete application shall be cause for denial of  
4 certification. No certification shall be granted to an Internet  
5 gaming vendor who has accepted wagers via the Internet in  
6 contravention of this Act or in contravention of the any law of  
7 the United States.

8 All information, records, interviews, reports, statements,  
9 memoranda, or other data supplied to or used by the Division in  
10 the course of its review or investigation of an application for  
11 certification as an Internet gaming vendor shall be strictly  
12 confidential and shall only be used for the purpose of  
13 evaluating an applicant for a certification. Notwithstanding  
14 any law to the contrary, such information is not subject to the  
15 requirements of the Freedom of Information Act.

16 Any person, association, corporation, partnership, or  
17 entity who (i) knowingly makes materially false statements in  
18 order to obtain certification as an Internet gaming vendor or  
19 (ii) violates any other provision of this Section, or any rule  
20 adopted pursuant to this Section, is guilty of a Class B  
21 misdemeanor. A person, association, corporation, partnership,  
22 or entity who commits a second or subsequent violation commits  
23 a Class A misdemeanor. In the case of an association,  
24 corporation, partnership, or entity, imprisonment may be  
25 imposed upon its officers who knowingly participated in the  
26 violation.



1       (g) The Division shall have all the powers necessary or  
2 desirable to effectuate the provisions of this Section,  
3 including, but not limited to, the following powers:

4           (1) To develop qualifications, standards, and  
5 procedures for approval and licensure of Internet gaming  
6 licensees and certification of Internet gaming vendors.

7           (2) To decide promptly and in reasonable order all  
8 license applications and to approve, deny, suspend,  
9 revoke, restrict, or refuse to renew Internet gaming  
10 licenses and Internet gaming vendor certifications. Any  
11 party aggrieved by an action of the Division denying,  
12 suspending, revoking, restricting, or refusing to renew a  
13 license may request a hearing before the Division. A  
14 request for hearing must be made to the Division in writing  
15 within 5 days after service of notice of the action by the  
16 Division. Notice of action by the Division shall be served  
17 either by personal delivery or by certified mail, postage  
18 prepaid, to the aggrieved party. Notice served by certified  
19 mail shall be deemed complete on the business day following  
20 the date of such mailing. The Division shall conduct all  
21 requested hearings promptly and in reasonable order.

22           (3) To conduct all hearings pertaining to civil  
23 violations of this Section or rules adopted pursuant to  
24 this Section. Such hearings shall be governed by Section 8  
25 of this Act. The Division shall further adopt hearing rules  
26 and procedures for conducting hearings pursuant to this

1       Section. In such hearings, reproduced copies of any of the  
2       Division's records relating to an Internet gaming licensee  
3       or Internet gaming vendor, including (i) any notices  
4       prepared in the Division's ordinary course of business and  
5       (ii) any books, records, or other documents offered in the  
6       name of the Division under certificate of the Executive  
7       Director, or any officer or employee of the Division  
8       designated in writing by the Executive Director, shall,  
9       without further proof, be admitted into evidence in any  
10       hearing before the hearing officers or any legal proceeding  
11       and shall be prima facie proof of the information contained  
12       therein.

13       The Office of the Attorney General shall prosecute all  
14       criminal violations of this Section or rules adopted  
15       pursuant to this Section.

16       (4) To provide for the establishment and collection of  
17       all license and certification fees and taxes imposed by  
18       this Section and the rules adopted pursuant to this  
19       Section. All such fees and taxes shall be deposited into  
20       the State Lottery Fund.

21       (5) To develop and enforce testing, audit, and  
22       certification requirements and schedules for Internet  
23       gaming platforms, Internet wagering, and Internet wagering  
24       accounts, including, without limitation, age and  
25       identification verification software, geolocation  
26       software, Internet games, and gaming hub software.

1           (6) To develop and enforce requirements for  
2           responsible gaming and player protection, including  
3           privacy and confidentiality standards and duties.

4           (7) To develop and enforce requirements for accepting  
5           Internet wagers, Internet wagering accounts, and  
6           authorized participants and minimum insurance  
7           requirements.

8           (8) To develop and promote standards governing  
9           contracts between Internet gaming licensees and the  
10           payments industry.

11           (9) To develop and enforce standards and requirements  
12           regarding anti-fraud, anti-money laundering, and  
13           anti-collusion methods.

14           (10) To develop protocols related to the security of  
15           and disputes arising over Internet wagers and Internet  
16           wagering accounts.

17           (11) To be present through its inspectors and agents  
18           upon the premises of any location where Internet gaming  
19           operations are conducted by an Internet gaming licensee or  
20           where components of an Internet gaming licensee's Internet  
21           gaming platform are located, housed, or otherwise  
22           maintained.

23           (12) To adopt by rule a code of conduct governing  
24           Division employees that ensures, to the maximum extent  
25           possible, that persons subject to this Section avoid  
26           situations, relationships, or associations that may

1 represent or lead to an actual or perceived conflict of  
2 interest.

3 (13) To develop and administer civil penalties for  
4 Internet gaming licensees and Internet gaming vendors who  
5 violate this Section or the rules adopted pursuant to this  
6 Section.

7 (14) To audit and inspect, on reasonable notice, books  
8 and records relevant to Internet gaming operations,  
9 Internet wagers, Internet wagering accounts, Internet  
10 games, or Internet gaming platforms, including without  
11 limitation, those books and records regarding financing or  
12 accounting, marketing or operational materials, or any  
13 other such materials held by or in the custody of any  
14 Internet gaming licensee or Internet gaming vendor. The  
15 Division may assert such authority by administrative  
16 subpoena, which may further set forth relevant document  
17 requests and interrogatories, and which shall be  
18 enforceable in the Circuit Court of Cook County in the  
19 State of Illinois.

20 (15) To determine whether an Internet game is a  
21 fee-based game or non-fee-based game.

22 (16) To acquire or lease real property and make  
23 improvements thereon and acquire by lease or by purchase  
24 personal property, including, but not limited to:

25 (A) computers hardware;

26 (B) mechanical, electronic, and online equipment

1           and terminals; and

2                   (C) intangible property, including, but not  
3                   limited to, computer programs, software, and systems.

4           (h) The Division shall adopt and enforce such rules  
5           governing the administration and conduct of Internet gaming as  
6           it deems necessary to carry out the purpose of this Section.  
7           These rules shall be subject to the provisions of the Illinois  
8           Administrative Procedure Act and may include, but shall not be  
9           limited to:

10                   (1) the types of Internet games to be offered;

11                   (2) price points for Internet games;

12                   (3) player fees and percentage of rake commission or  
13           other fee for Internet games;

14                   (4) forms of payment accepted for Internet games;

15                   (5) the number, type, and amount of prizes for Internet  
16           games;

17                   (6) the method of selecting winners and validating  
18           winnings;

19                   (7) the frequency of Internet games;

20                   (8) responsible gaming;

21                   (9) technical and financial standards for Internet  
22           wagering, Internet wagering accounts, and Internet gaming  
23           platforms, systems, and software or other electronic  
24           components for Internet gaming;

25                   (10) such other matters necessary or desirable for the  
26           efficient and economical operation and administration of

1 Internet gaming and for the convenience of authorized  
2 Internet gaming participants and Internet gaming licensees  
3 and certified Internet gaming vendors.

4 (i) Notwithstanding any law to the contrary, the  
5 Superintendent of the Lottery shall hire an Executive Director  
6 who shall be responsible to the Superintendent and shall serve  
7 subject only to removal by the Superintendent for incompetence,  
8 neglect of duty, or malfeasance in office. The Executive  
9 Director shall be responsible for the supervision and direction  
10 of the Division staff and for the necessary administrative  
11 activities of the Division, subject only to the direction and  
12 approval of the Superintendent notwithstanding any law to the  
13 contrary.

14 Notwithstanding any law to the contrary, the Executive  
15 Director shall hire and employ employees as may be necessary to  
16 carry out the provisions of this Law or to perform the duties  
17 and exercise the powers conferred by law upon the Division. All  
18 employees of the Division shall receive the compensation fixed  
19 by the Executive Director, subject only to the Superintendent.  
20 The Superintendent, Executive Director, and Division employees  
21 shall be reimbursed for all actual and necessary traveling and  
22 other expenses and disbursements necessarily incurred or made  
23 by them in the discharge of their official duties. The  
24 Superintendent and Executive Director may also incur necessary  
25 expenses for office space, furniture, stationery, printing,  
26 operations, and other incidental expenses.

1       The Executive Director shall report monthly to the  
2       Superintendent and the Lottery Control Board a full and  
3       complete statement of Internet gaming revenues, other expenses  
4       for each month, and the amounts to be transferred to the State  
5       Lottery Fund pursuant to this Section. The Executive Director  
6       shall also make an annual report, which shall include a full  
7       and complete statement of Internet gaming revenues and other  
8       expenses, to the Superintendent, the Governor, and the Board.  
9       All reports required by this subsection shall be public and  
10       copies of all such reports shall be sent to the Speaker of the  
11       House of Representatives, the President of the Senate, the  
12       Minority Leader of the House of Representatives, and the  
13       Minority Leader of the Senate.

14       Subject to appropriation, the Executive Director shall  
15       continue to apprise himself or herself as to: (i) the operation  
16       and the administration of similar Internet gaming laws that may  
17       be in effect in other states or countries; (ii) any relevant  
18       literature on Internet gaming that from time to time may be  
19       published or available; (iii) any federal laws and regulations  
20       that may affect the operation of Internet gaming; and (iv) the  
21       reaction of Illinois citizens to existing and potential  
22       features of Internet gaming with a view to recommending or  
23       effecting changes that will tend to serve the purposes of this  
24       Section.

25       (j) An Internet gaming licensee's Internet gaming platform  
26       shall provide one or more mechanisms to reasonably verify that

1 a participant is 21 years of age or older and that wagering on  
2 Internet games is limited to transactions that are initiated  
3 and received or otherwise made exclusively within the State of  
4 Illinois. A participant must satisfy the verification  
5 requirements before he or she may establish an Internet gaming  
6 account and wager on Internet games offered by Internet gaming  
7 licensees. Further, all servers on which any Internet games are  
8 operated and conducted (and all underlying material  
9 technology) shall be located in the State of Illinois, unless  
10 the Division has otherwise authorized another location. At such  
11 a time that a legally compliant mechanism is established to  
12 permit wagering on Internet games by individuals physically  
13 located outside of the State, the Division may adopt rules and  
14 procedures to allow and govern wagering by those individuals  
15 and shall have the authority to enter into multijurisdictional  
16 agreements and related and ancillary agreements in order to  
17 effectuate such wagering. An Internet gaming licensee's  
18 Internet gaming platform shall also provide mechanisms  
19 designed to detect and prevent the unauthorized use of Internet  
20 wagering accounts and to detect and prevent fraud, money  
21 laundering, and collusion. If any participant in Internet  
22 gaming violates any provisions of this Section or rule adopted  
23 by the Division, then the participant's winnings shall be  
24 forfeited. Any forfeited winnings shall be deposited into the  
25 State Lottery Fund.

26 The following persons shall not be authorized to establish



1 Internet gaming accounts or wager on Internet games offered by  
2 Internet gaming licensees, except where required and  
3 authorized by the Division for testing purposes or to otherwise  
4 fulfill the purposes set forth in this Act: (i) any minor under  
5 21 years of age; (ii) any current member of the Lottery Control  
6 Board; (iii) any current officer or other person employed by  
7 the Department of the Lottery, the Division of Internet Gaming,  
8 the Illinois Racing Board, or the Illinois Gaming Board; (iv)  
9 any spouse, civil union partner, child, brother, sister, or  
10 parent residing as a member of the same household in the  
11 principal place of abode of any persons identified in (ii) or  
12 (iii); and (iv) any individual whose name appears in the  
13 Division's responsible gaming database.

14 (k) The Division shall develop responsible gaming  
15 measures, including a statewide responsible gaming database  
16 identifying individuals who shall be prohibited from  
17 establishing an Internet wagering account or participating in  
18 Internet gaming offered by an Internet gaming licensee. The  
19 Executive Director may place a person on the responsible gaming  
20 database if that person (i) has been convicted in any  
21 jurisdiction of a felony, any crime of moral turpitude, or a  
22 crime involving gaming; (ii) has violated this Act, the  
23 Illinois Horse Racing Act of 1975, the Riverboat Gambling Act,  
24 the Raffles Act, the Illinois Pull Tabs and Jar Games Act, the  
25 Bingo License and Tax Act, the Charitable Games Act, or the  
26 Video Gaming Act; (iii) has performed any act or had a

1 notorious or unsavory reputation that would adversely affect  
2 public confidence and trust in gaming; or (iv) has his or her  
3 name on any valid and current exclusion list from another  
4 jurisdiction in the United States or foreign jurisdiction. By  
5 rule, the Division shall adopt procedures for the establishment  
6 and maintenance of the responsible gaming database. The  
7 Illinois Gaming Board, the Illinois Racing Board, and the  
8 Department of the Lottery shall, in a format specified by the  
9 Division, provide the Division with names of individuals to be  
10 included in the responsible gaming database. The Division may  
11 impose reasonable fees on persons authorized to access and use  
12 the responsible gaming database.

13 An Internet gaming licensee's Internet gaming platform  
14 shall offer in a clear, conspicuous, and accessible manner,  
15 responsible gambling services and technical controls to  
16 participants, including both temporary and permanent  
17 self-exclusion for all games offered; the ability for  
18 participants to establish their own periodic deposit and  
19 wagering limits and maximum playing times; referrals to crisis  
20 counseling and referral services for individuals and families  
21 experiencing difficulty as a result of problem or compulsive  
22 gambling; and other services as the Division reasonably may  
23 determine are necessary or appropriate to reduce and prevent  
24 problem gambling. Any authorized participant who is allowed to  
25 participate in Internet gaming may voluntarily prohibit  
26 themselves from establishing an Internet gaming account. The

1 Division shall incorporate the voluntary self-exclusion list  
2 into the responsible gaming database and maintain both the  
3 self-exclusion list and the responsible gaming database in a  
4 confidential manner. Notwithstanding any law to the contrary,  
5 the self-exclusion list and responsible gaming database are not  
6 public records subject to copying and disclosure under the  
7 Freedom of Information Act.

8 (1) There is created the Responsible Internet Gaming  
9 Advisory Board, consisting of the following members:

10 (1) the Superintendent of the Lottery, who shall be an  
11 ex officio member and shall serve as Chairperson;

12 (2) the Executive Director of the Division of Internet  
13 Gaming, who shall be an ex officio member;

14 (3) one representative from a national organization  
15 dedicated to the study and prevention of problem gambling,  
16 appointed by the Superintendent;

17 (4) one member who is an academic professional engaged  
18 in the study of problem gambling at a university or other  
19 institution of higher learning, appointed by the  
20 Superintendent;

21 (5) one member who has professional experience and  
22 expertise in the field of technical and systemic controls  
23 for responsible Internet gaming, appointed by the  
24 Superintendent; and

25 (6) one member who is an Illinois citizen and a member  
26 of the public, appointed by the Superintendent.

1       Each Advisory Board member shall serve for a term of 4  
2 years and until his or her successor is appointed and  
3 qualified. However, in making initial appointments, 2 shall be  
4 appointed to serve for 2 years and 2 shall be appointed to  
5 serve for 4 years. Appointments to fill vacancies shall be made  
6 in the same manner as original appointments for the unexpired  
7 portion of the vacated term. Initial terms shall begin on the  
8 effective date of this amendatory Act of the 98th General  
9 Assembly. Each member of the Advisory Board shall be eligible  
10 for reappointment at the discretion of the Superintendent. A  
11 member of the Advisory Board may be removed from office for  
12 just cause. Advisory Board members shall receive no  
13 compensation, but shall be reimbursed for expenses incurred in  
14 connection with their duties as Advisory Board members.

15       Four members shall constitute a quorum. A majority vote of  
16 the Advisory Board is required for an Advisory Board decision.  
17 The Advisory Board shall meet no less often than once every 6  
18 months and shall meet as often as the Chairperson deems  
19 necessary. Advisory Board members shall not be liable for any  
20 of their acts, omissions, decisions, or any other conduct in  
21 connection with their duties on the Advisory Board, except  
22 those involving willful, wanton, or intentional misconduct.

23       The Advisory Board shall make recommendations to the  
24 Executive Director regarding the development of rules and  
25 procedures to reduce and prevent problem or compulsive gambling  
26 and youth gambling and to ensure the conduct of safe, fair, and

1 responsible Internet gaming. The Advisory Board may have such  
2 powers as may be granted by the Executive Director to carry out  
3 the provisions of this Section regarding responsible Internet  
4 gaming.

5 (m) A tax is hereby imposed on Internet gaming licensees,  
6 based on the gross gaming revenue received by an Internet  
7 gaming licensee from Internet games authorized pursuant to this  
8 Section, at the following rates:

9 (1) for all non-fee-based games, the tax shall be 20%  
10 of annual gross non-fee-based gaming revenue; and

11 (2) for all fee-based games the tax shall be 15% of  
12 annual gross fee-based gaming revenue.

13 The taxes imposed by this subsection (m) shall be paid by  
14 the Internet gaming licensee to the Division no later than 5:00  
15 p.m. on the day after the day when the wagers were made.

16 In recognition of the advance tax revenue paid by the  
17 Internet gaming licensee in its license fee, an Internet gaming  
18 licensee shall be taxed at the following rates during the  
19 initial 5-year license term:

20 (1) for all non-fee-based games, the tax shall be 10%  
21 of annual gross non-fee-based gaming revenue up to and  
22 including \$200,000,000 of gross gaming revenue and 20% of  
23 annual gross non-fee-based gaming revenue in excess  
24 \$200,000,000 of gross gaming revenue; and

25 (2) for all fee-based games, the tax shall be 7.5% of  
26 annual gross fee-based gaming revenue up to and including

1       \$200,000,000 of gross gaming revenue and 15% of annual  
2       gross fee-based gaming revenue in excess \$200,000,000 of  
3       gross gaming revenue.

4       (n) Beginning on the effective date of this amendatory Act  
5       of the 98th General Assembly, from the tax revenue deposited in  
6       the State Lottery Fund under this Section, \$10,000,000 shall be  
7       paid annually to the Department of Human Services for the  
8       administration of programs to treat problem gambling.

9       (o) Beginning on the effective date of this amendatory Act  
10       of the 98th General Assembly, from the tax revenue deposited in  
11       the State Lottery Fund under this Section, \$5,000,000 shall be  
12       transferred into the State Fairgrounds Capital Improvements  
13       Fund annually.

14       (p) Beginning on the effective date of this amendatory Act  
15       of the 98th General Assembly, after the amounts specified in  
16       subsections (n) and (o) have been paid or transferred, all  
17       remaining tax revenue deposited in the State Lottery Fund  
18       pursuant to this Section shall be transferred to the Pension  
19       Stabilization Fund.

20       (20 ILCS 1605/9.1)

21       Sec. 9.1. Private manager and management agreement.

22       (a) As used in this Section:

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

25       "Request for qualifications" means all materials and

1 documents prepared by the Department to solicit the following  
2 from offerors:

3 (1) Statements of qualifications.

4 (2) Proposals to enter into a management agreement,  
5 including the identity of any prospective vendor or vendors  
6 that the offeror intends to initially engage to assist the  
7 offeror in performing its obligations under the management  
8 agreement.

9 "Final offer" means the last proposal submitted by an  
10 offeror in response to the request for qualifications,  
11 including the identity of any prospective vendor or vendors  
12 that the offeror intends to initially engage to assist the  
13 offeror in performing its obligations under the management  
14 agreement.

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

18 (b) By September 15, 2010, the Governor shall select a  
19 private manager for the total management of the Lottery with  
20 integrated functions, such as lottery game design, supply of  
21 goods and services, and advertising and as specified in this  
22 Section.

23 (c) Pursuant to the terms of this subsection, the  
24 Department shall endeavor to expeditiously terminate the  
25 existing contracts in support of the Lottery in effect on the  
26 effective date of this amendatory Act of the 96th General

1 Assembly in connection with the selection of the private  
2 manager. As part of its obligation to terminate these contracts  
3 and select the private manager, the Department shall establish  
4 a mutually agreeable timetable to transfer the functions of  
5 existing contractors to the private manager so that existing  
6 Lottery operations are not materially diminished or impaired  
7 during the transition. To that end, the Department shall do the  
8 following:

9 (1) where such contracts contain a provision  
10 authorizing termination upon notice, the Department shall  
11 provide notice of termination to occur upon the mutually  
12 agreed timetable for transfer of functions;

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

17 (3) in the event any current contract provides for  
18 termination of that contract upon the implementation of a  
19 contract with the private manager, the Department shall  
20 perform all necessary actions to terminate the contract on  
21 the date that coincides with the mutually agreed timetable  
22 for transfer of functions.

23 If the contracts to support the current operation of the  
24 Lottery in effect on the effective date of this amendatory Act  
25 of the 96th General Assembly are not subject to termination as  
26 provided for in this subsection (c), then the Department may



1 include a provision in the contract with the private manager  
2 specifying a mutually agreeable methodology for incorporation.

3 (c-5) The Department shall include provisions in the  
4 management agreement whereby the private manager shall, for a  
5 fee, and pursuant to a contract negotiated with the Department  
6 (the "Employee Use Contract"), utilize the services of current  
7 Department employees to assist in the administration and  
8 operation of the Lottery. The Department shall be the employer  
9 of all such bargaining unit employees assigned to perform such  
10 work for the private manager, and such employees shall be State  
11 employees, as defined by the Personnel Code. Department  
12 employees shall operate under the same employment policies,  
13 rules, regulations, and procedures, as other employees of the  
14 Department. In addition, neither historical representation  
15 rights under the Illinois Public Labor Relations Act, nor  
16 existing collective bargaining agreements, shall be disturbed  
17 by the management agreement with the private manager for the  
18 management of the Lottery.

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

21 (1) A term not to exceed 10 years, including any  
22 renewals.

23 (2) A provision specifying that the Department:

24 (A) shall exercise actual control over all  
25 significant business decisions;

26 (A-5) has the authority to direct or countermand

1 operating decisions by the private manager at any time;

2 (B) has ready access at any time to information  
3 regarding Lottery operations;

4 (C) has the right to demand and receive information  
5 from the private manager concerning any aspect of the  
6 Lottery operations at any time; and

7 (D) retains ownership of all trade names,  
8 trademarks, and intellectual property associated with  
9 the Lottery.

10 (3) A provision imposing an affirmative duty on the  
11 private manager to provide the Department with material  
12 information and with any information the private manager  
13 reasonably believes the Department would want to know to  
14 enable the Department to conduct the Lottery.

15 (4) A provision requiring the private manager to  
16 provide the Department with advance notice of any operating  
17 decision that bears significantly on the public interest,  
18 including, but not limited to, decisions on the kinds of  
19 games to be offered to the public and decisions affecting  
20 the relative risk and reward of the games being offered, so  
21 the Department has a reasonable opportunity to evaluate and  
22 countermand that decision.

23 (5) A provision providing for compensation of the  
24 private manager that may consist of, among other things, a  
25 fee for services and a performance based bonus as  
26 consideration for managing the Lottery, including terms

1 that may provide the private manager with an increase in  
2 compensation if Lottery revenues grow by a specified  
3 percentage in a given year.

4 (6) (Blank).

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

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

10 (8-5) A provision encouraging that at least 20% of the  
11 cost of contracts entered into for goods and services by  
12 the private manager in connection with its management of  
13 the Lottery, other than contracts with sales agents or  
14 technical advisors, be awarded to businesses that are a  
15 minority owned business, a female owned business, or a  
16 business owned by a person with disability, as those terms  
17 are defined in the Business Enterprise for Minorities,  
18 Females, and Persons with Disabilities Act.

19 (9) A requirement that so long as the private manager  
20 complies with all the conditions of the agreement under the  
21 oversight of the Department, the private manager shall have  
22 the following duties and obligations with respect to the  
23 management of the Lottery:

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

26 (B) The rights and obligations under contracts

1 with retailers and vendors.

2 (C) The implementation of a comprehensive security  
3 program by the private manager.

4 (D) The implementation of a comprehensive system  
5 of internal audits.

6 (E) The implementation of a program by the private  
7 manager to curb compulsive gambling by persons playing  
8 the Lottery.

9 (F) A system for determining (i) the type of  
10 Lottery games, (ii) the method of selecting winning  
11 tickets, (iii) the manner of payment of prizes to  
12 holders of winning tickets, (iv) the frequency of  
13 drawings of winning tickets, (v) the method to be used  
14 in selling tickets, (vi) a system for verifying the  
15 validity of tickets claimed to be winning tickets,  
16 (vii) the basis upon which retailer commissions are  
17 established by the manager, and (viii) minimum  
18 payouts.

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

21 (11) A requirement that the private manager market the  
22 Lottery to those residents who are new, infrequent, or  
23 lapsed players of the Lottery, especially those who are  
24 most likely to make regular purchases on the Internet as  
25 permitted by law.

26 (12) A code of ethics for the private manager's

1 officers and employees.

2 (13) A requirement that the Department monitor and  
3 oversee the private manager's practices and take action  
4 that the Department considers appropriate to ensure that  
5 the private manager is in compliance with the terms of the  
6 management agreement, while allowing the manager, unless  
7 specifically prohibited by law or the management  
8 agreement, to negotiate and sign its own contracts with  
9 vendors.

10 (14) A provision requiring the private manager to  
11 periodically file, at least on an annual basis, appropriate  
12 financial statements in a form and manner acceptable to the  
13 Department.

14 (15) Cash reserves requirements.

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

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

21 (18) Procedures for amendment of the agreement.

22 (19) A provision requiring the private manager to  
23 engage in an open and competitive bidding process for any  
24 procurement having a cost in excess of \$50,000 that is not  
25 a part of the private manager's final offer. The process  
26 shall favor the selection of a vendor deemed to have

1 submitted a proposal that provides the Lottery with the  
2 best overall value. The process shall not be subject to the  
3 provisions of the Illinois Procurement Code, unless  
4 specifically required by the management agreement.

5 (20) The transition of rights and obligations,  
6 including any associated equipment or other assets used in  
7 the operation of the Lottery, from the manager to any  
8 successor manager of the lottery, including the  
9 Department, following the termination of or foreclosure  
10 upon the management agreement.

11 (21) Right of use of copyrights, trademarks, and  
12 service marks held by the Department in the name of the  
13 State. The agreement must provide that any use of them by  
14 the manager shall only be for the purpose of fulfilling its  
15 obligations under the management agreement during the term  
16 of the agreement.

17 (22) The disclosure of any information requested by the  
18 Department to enable it to comply with the reporting  
19 requirements and information requests provided for under  
20 subsection (p) of this Section.

21 (e) Notwithstanding any other law to the contrary, the  
22 Department shall select a private manager through a competitive  
23 request for qualifications process consistent with Section  
24 20-35 of the Illinois Procurement Code, which shall take into  
25 account:

26 (1) the offeror's ability to market the Lottery to

1 those residents who are new, infrequent, or lapsed players  
2 of the Lottery, especially those who are most likely to  
3 make regular purchases on the Internet;

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

7 (3) the offeror's ability to provide the most  
8 successful management of the Lottery for the benefit of the  
9 people of the State based on current and past business  
10 practices or plans of the offeror; and

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

16 (f) The Department may retain the services of an advisor or  
17 advisors with significant experience in financial services or  
18 the management, operation, and procurement of goods, services,  
19 and equipment for a government-run lottery to assist in the  
20 preparation of the terms of the request for qualifications and  
21 selection of the private manager. Any prospective advisor  
22 seeking to provide services under this subsection (f) shall  
23 disclose any material business or financial relationship  
24 during the past 3 years with any potential offeror, or with a  
25 contractor or subcontractor presently providing goods,  
26 services, or equipment to the Department to support the

1 Lottery. The Department shall evaluate the material business or  
2 financial relationship of each prospective advisor. The  
3 Department shall not select any prospective advisor with a  
4 substantial business or financial relationship that the  
5 Department deems to impair the objectivity of the services to  
6 be provided by the prospective advisor. During the course of  
7 the advisor's engagement by the Department, and for a period of  
8 one year thereafter, the advisor shall not enter into any  
9 business or financial relationship with any offeror or any  
10 vendor identified to assist an offeror in performing its  
11 obligations under the management agreement. Any advisor  
12 retained by the Department shall be disqualified from being an  
13 offeror. The Department shall not include terms in the request  
14 for qualifications that provide a material advantage whether  
15 directly or indirectly to any potential offeror, or any  
16 contractor or subcontractor presently providing goods,  
17 services, or equipment to the Department to support the  
18 Lottery, including terms contained in previous responses to  
19 requests for proposals or qualifications submitted to  
20 Illinois, another State or foreign government when those terms  
21 are uniquely associated with a particular potential offeror,  
22 contractor, or subcontractor. The request for proposals  
23 offered by the Department on December 22, 2008 as  
24 "LOT08GAMESYS" and reference number "22016176" is declared  
25 void.

26 (g) The Department shall select at least 2 offerors as



1 finalists to potentially serve as the private manager no later  
2 than August 9, 2010. Upon making preliminary selections, the  
3 Department shall schedule a public hearing on the finalists'  
4 proposals and provide public notice of the hearing at least 7  
5 calendar days before the hearing. The notice must include all  
6 of the following:

7 (1) The date, time, and place of the hearing.

8 (2) The subject matter of the hearing.

9 (3) A brief description of the management agreement to  
10 be awarded.

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

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

14 (h) At the public hearing, the Department shall (i) provide  
15 sufficient time for each finalist to present and explain its  
16 proposal to the Department and the Governor or the Governor's  
17 designee, including an opportunity to respond to questions  
18 posed by the Department, Governor, or designee and (ii) allow  
19 the public and non-selected offerors to comment on the  
20 presentations. The Governor or a designee shall attend the  
21 public hearing. After the public hearing, the Department shall  
22 have 14 calendar days to recommend to the Governor whether a  
23 management agreement should be entered into with a particular  
24 finalist. After reviewing the Department's recommendation, the  
25 Governor may accept or reject the Department's recommendation,  
26 and shall select a final offeror as the private manager by

1 publication of a notice in the Illinois Procurement Bulletin on  
2 or before September 15, 2010. The Governor shall include in the  
3 notice a detailed explanation and the reasons why the final  
4 offeror is superior to other offerors and will provide  
5 management services in a manner that best achieves the  
6 objectives of this Section. The Governor shall also sign the  
7 management agreement with the private manager.

8 (i) Any action to contest the private manager selected by  
9 the Governor under this Section must be brought within 7  
10 calendar days after the publication of the notice of the  
11 designation of the private manager as provided in subsection  
12 (h) of this Section.

13 (j) The Lottery shall remain, for so long as a private  
14 manager manages the Lottery in accordance with provisions of  
15 this Act, a Lottery conducted by the State, and the State shall  
16 not be authorized to sell or transfer the Lottery to a third  
17 party.

18 (k) Any tangible personal property used exclusively in  
19 connection with the lottery that is owned by the Department and  
20 leased to the private manager shall be owned by the Department  
21 in the name of the State and shall be considered to be public  
22 property devoted to an essential public and governmental  
23 function.

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

1           (m) Neither this Section nor any management agreement  
2 entered into under this Section prohibits the General Assembly  
3 from authorizing forms of gambling that are not in direct  
4 competition with the Lottery. The forms of gambling authorized  
5 by this amendatory Act of the 98th General Assembly constitute  
6 authorized forms of gambling that are not in direct competition  
7 with the Lottery.

8           (n) The private manager shall be subject to a complete  
9 investigation in the third, seventh, and tenth years of the  
10 agreement (if the agreement is for a 10-year term) by the  
11 Department in cooperation with the Auditor General to determine  
12 whether the private manager has complied with this Section and  
13 the management agreement. The private manager shall bear the  
14 cost of an investigation or reinvestigation of the private  
15 manager under this subsection.

16           (o) The powers conferred by this Section are in addition  
17 and supplemental to the powers conferred by any other law. If  
18 any other law or rule is inconsistent with this Section,  
19 including, but not limited to, provisions of the Illinois  
20 Procurement Code, then this Section controls as to any  
21 management agreement entered into under this Section. This  
22 Section and any rules adopted under this Section contain full  
23 and complete authority for a management agreement between the  
24 Department and a private manager. No law, procedure,  
25 proceeding, publication, notice, consent, approval, order, or  
26 act by the Department or any other officer, Department, agency,

1 or instrumentality of the State or any political subdivision is  
2 required for the Department to enter into a management  
3 agreement under this Section. This Section contains full and  
4 complete authority for the Department to approve any contracts  
5 entered into by a private manager with a vendor providing  
6 goods, services, or both goods and services to the private  
7 manager under the terms of the management agreement, including  
8 subcontractors of such vendors.

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

26 Notwithstanding any other provision of this Section to the

1 contrary, the Chief Procurement Officer shall adopt  
2 administrative rules, including emergency rules, to establish  
3 a procurement process to select a successor private manager if  
4 a private management agreement has been terminated. The  
5 selection process shall at a minimum take into account the  
6 criteria set forth in items (1) through (4) of subsection (e)  
7 of this Section and may include provisions consistent with  
8 subsections (f), (g), (h), and (i) of this Section. The Chief  
9 Procurement Officer shall also implement and administer the  
10 adopted selection process upon the termination of a private  
11 management agreement. The Department, after the Chief  
12 Procurement Officer certifies that the procurement process has  
13 been followed in accordance with the rules adopted under this  
14 subsection (o), shall select a final offeror as the private  
15 manager and sign the management agreement with the private  
16 manager.

17 Except as provided in Sections 21.2, 21.5, 21.6, 21.7, and  
18 21.8, the Department shall distribute all proceeds of lottery  
19 tickets and shares sold in the following priority and manner:

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

21 (2) The payment of costs incurred in the operation and  
22 administration of the Lottery, including the payment of  
23 sums due to the private manager under the management  
24 agreement with the Department.

25 (3) On the last day of each month or as soon thereafter  
26 as possible, the State Comptroller shall direct and the

1 State Treasurer shall transfer from the State Lottery Fund  
2 to the Common School Fund an amount that is equal to the  
3 proceeds transferred in the corresponding month of fiscal  
4 year 2009, as adjusted for inflation, to the Common School  
5 Fund.

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

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

12 (1) the Department shall submit written quarterly  
13 reports to the Governor and the General Assembly on the  
14 activities and actions of the private manager selected  
15 under this Section;

16 (2) upon request of the Chief Procurement Officer, the  
17 Department shall promptly produce information related to  
18 the procurement activities of the Department and the  
19 private manager requested by the Chief Procurement  
20 Officer; the Chief Procurement Officer must retain  
21 confidential, proprietary, or trade secret information  
22 designated by the Department in complete confidence  
23 pursuant to subsection (g) of Section 7 of the Freedom of  
24 Information Act; and

25 (3) at least 30 days prior to the beginning of the  
26 Department's fiscal year, the Department shall prepare an

1 annual written report on the activities of the private  
2 manager selected under this Section and deliver that report  
3 to the Governor and General Assembly.

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

6 Section 90-10. The Department of Revenue Law of the Civil  
7 Administrative Code of Illinois is amended by changing Section  
8 2505-305 as follows:

9 (20 ILCS 2505/2505-305) (was 20 ILCS 2505/39b15.1)

10 Sec. 2505-305. Investigators.

11 (a) The Department has the power to appoint investigators  
12 to conduct all investigations, searches, seizures, arrests,  
13 and other duties imposed under the provisions of any law  
14 administered by the Department. Except as provided in  
15 subsection (c), these investigators have and may exercise all  
16 the powers of peace officers solely for the purpose of  
17 enforcing taxing measures administered by the Department.

18 (b) The Director must authorize to each investigator  
19 employed under this Section and to any other employee of the  
20 Department exercising the powers of a peace officer a distinct  
21 badge that, on its face, (i) clearly states that the badge is  
22 authorized by the Department and (ii) contains a unique  
23 identifying number. No other badge shall be authorized by the  
24 Department.

1 (c) The Department may enter into agreements with the  
2 Illinois Gaming Board providing that investigators appointed  
3 under this Section shall exercise the peace officer powers set  
4 forth in paragraph (20.6) of subsection (c) of Section 5 of the  
5 Illinois Riverboat Gambling Act.

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

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

9 (30 ILCS 5/3-1) (from Ch. 15, par. 303-1)

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

14 The Auditor General has jurisdiction over local government  
15 agencies and private agencies only:

16 (a) to make such post audits authorized by or under  
17 this Act as are necessary and incidental to a post audit of  
18 a State agency or of a program administered by a State  
19 agency involving public funds of the State, but this  
20 jurisdiction does not include any authority to review local  
21 governmental agencies in the obligation, receipt,  
22 expenditure or use of public funds of the State that are  
23 granted without limitation or condition imposed by law,  
24 other than the general limitation that such funds be used



1 for public purposes;

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

4 (c) to make audits of the records of local government  
5 agencies to verify actual costs of state-mandated programs  
6 when directed to do so by the Legislative Audit Commission  
7 at the request of the State Board of Appeals under the  
8 State Mandates Act.

9 In addition to the foregoing, the Auditor General may  
10 conduct an audit of the Metropolitan Pier and Exposition  
11 Authority, the Regional Transportation Authority, the Suburban  
12 Bus Division, the Commuter Rail Division and the Chicago  
13 Transit Authority and any other subsidized carrier when  
14 authorized by the Legislative Audit Commission. Such audit may  
15 be a financial, management or program audit, or any combination  
16 thereof.

17 The audit shall determine whether they are operating in  
18 accordance with all applicable laws and regulations. Subject to  
19 the limitations of this Act, the Legislative Audit Commission  
20 may by resolution specify additional determinations to be  
21 included in the scope of the audit.

22 In addition to the foregoing, the Auditor General must also  
23 conduct a financial audit of the Illinois Sports Facilities  
24 Authority's expenditures of public funds in connection with the  
25 reconstruction, renovation, remodeling, extension, or  
26 improvement of all or substantially all of any existing

1 "facility", as that term is defined in the Illinois Sports  
2 Facilities Authority Act.

3 The Auditor General may also conduct an audit, when  
4 authorized by the Legislative Audit Commission, of any hospital  
5 which receives 10% or more of its gross revenues from payments  
6 from the State of Illinois, Department of Healthcare and Family  
7 Services (formerly Department of Public Aid), Medical  
8 Assistance Program.

9 The Auditor General is authorized to conduct financial and  
10 compliance audits of the Illinois Distance Learning Foundation  
11 and the Illinois Conservation Foundation.

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

23 The Auditor General shall conduct a financial and  
24 compliance and program audit of distributions from the  
25 Municipal Economic Development Fund during the immediately  
26 preceding calendar year pursuant to Section 8-403.1 of the

1 Public Utilities Act at no cost to the city, village, or  
2 incorporated town that received the distributions.

3 The Auditor General must conduct an audit of the Health  
4 Facilities and Services Review Board pursuant to Section 19.5  
5 of the Illinois Health Facilities Planning Act.

6 The Auditor General must conduct an audit of the Chicago  
7 Casino Development Authority pursuant to Section 1-60 of the  
8 Chicago Casino Development Authority Act.

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

23 The Auditor General must conduct audits of the Rend Lake  
24 Conservancy District as provided in Section 25.5 of the River  
25 Conservancy Districts Act.

26 The Auditor General must conduct financial audits of the

1 Southeastern Illinois Economic Development Authority as  
2 provided in Section 70 of the Southeastern Illinois Economic  
3 Development Authority Act.

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

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

9 Section 90-15. The State Finance Act is amended by adding  
10 Sections 5.826, 5.829, 6z-98, and 6z-99 as follows:

11 (30 ILCS 105/5.826 new)

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

13 (30 ILCS 105/5.829 new)

14 Sec. 5.829. The State Fairgrounds Capital Improvement  
15 Fund.

16 (30 ILCS 105/6z-98 new)

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

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

20 (b) The revenues in the Fund shall be used, subject to  
21 appropriation, by the Comptroller for the purpose of (i)  
22 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 (c) and (i) of Section 7.6 of the Illinois Gambling Act. All  
15 interest earned on moneys in the Fund shall be deposited into  
16 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. The State Fairgrounds Capital  
7 Improvement Fund is not subject to administrative chargebacks,  
8 including, but not limited to, those authorized under Section  
9 8h of the State Finance Act.

10 Section 90-17. The Illinois Procurement Code is amended by  
11 changing Section 1-10 as follows:

12 (30 ILCS 500/1-10)

13 Sec. 1-10. Application.

14 (a) This Code applies only to procurements for which  
15 contractors were first solicited on or after July 1, 1998. This  
16 Code shall not be construed to affect or impair any contract,  
17 or any provision of a contract, entered into based on a  
18 solicitation prior to the implementation date of this Code as  
19 described in Article 99, including but not limited to any  
20 covenant entered into with respect to any revenue bonds or  
21 similar instruments. All procurements for which contracts are  
22 solicited between the effective date of Articles 50 and 99 and  
23 July 1, 1998 shall be substantially in accordance with this  
24 Code and its intent.

1           (b) This Code shall apply regardless of the source of the  
2 funds with which the contracts are paid, including federal  
3 assistance moneys. This Code shall not apply to:

4           (1) Contracts between the State and its political  
5 subdivisions or other governments, or between State  
6 governmental bodies except as specifically provided in  
7 this Code.

8           (2) Grants, except for the filing requirements of  
9 Section 20-80.

10          (3) Purchase of care.

11          (4) Hiring of an individual as employee and not as an  
12 independent contractor, whether pursuant to an employment  
13 code or policy or by contract directly with that  
14 individual.

15          (5) Collective bargaining contracts.

16          (6) Purchase of real estate, except that notice of this  
17 type of contract with a value of more than \$25,000 must be  
18 published in the Procurement Bulletin within 7 days after  
19 the deed is recorded in the county of jurisdiction. The  
20 notice shall identify the real estate purchased, the names  
21 of all parties to the contract, the value of the contract,  
22 and the effective date of the contract.

23          (7) Contracts necessary to prepare for anticipated  
24 litigation, enforcement actions, or investigations,  
25 provided that the chief legal counsel to the Governor shall  
26 give his or her prior approval when the procuring agency is

1 one subject to the jurisdiction of the Governor, and  
2 provided that the chief legal counsel of any other  
3 procuring entity subject to this Code shall give his or her  
4 prior approval when the procuring entity is not one subject  
5 to the jurisdiction of the Governor.

6 (8) Contracts for services to Northern Illinois  
7 University by a person, acting as an independent  
8 contractor, who is qualified by education, experience, and  
9 technical ability and is selected by negotiation for the  
10 purpose of providing non-credit educational service  
11 activities or products by means of specialized programs  
12 offered by the university.

13 (9) Procurement expenditures by the Illinois  
14 Conservation Foundation when only private funds are used.

15 (10) Procurement expenditures by the Illinois Health  
16 Information Exchange Authority involving private funds  
17 from the Health Information Exchange Fund. "Private funds"  
18 means gifts, donations, and private grants.

19 (11) Public-private agreements entered into according  
20 to the procurement requirements of Section 20 of the  
21 Public-Private Partnerships for Transportation Act and  
22 design-build agreements entered into according to the  
23 procurement requirements of Section 25 of the  
24 Public-Private Partnerships for Transportation Act.

25 (c) This Code does not apply to the electric power  
26 procurement process provided for under Section 1-75 of the



1 Illinois Power Agency Act and Section 16-111.5 of the Public  
2 Utilities Act.

3 (d) Except for Section 20-160 and Article 50 of this Code,  
4 and as expressly required by Section 9.1 of the Illinois  
5 Lottery Law, the provisions of this Code do not apply to the  
6 procurement process provided for under Section 9.1 of the  
7 Illinois Lottery Law. In addition, except for Section 20-160  
8 and Article 50 of this Code, the provisions of this Code also  
9 do not apply to contracts and subcontracts awarded pursuant to  
10 Section 7.18 of the Illinois Lottery Law.

11 (e) This Code does not apply to the process used by the  
12 Capital Development Board to retain a person or entity to  
13 assist the Capital Development Board with its duties related to  
14 the determination of costs of a clean coal SNG brownfield  
15 facility, as defined by Section 1-10 of the Illinois Power  
16 Agency Act, as required in subsection (h-3) of Section 9-220 of  
17 the Public Utilities Act, including calculating the range of  
18 capital costs, the range of operating and maintenance costs, or  
19 the sequestration costs or monitoring the construction of clean  
20 coal SNG brownfield facility for the full duration of  
21 construction.

22 (f) This Code does not apply to the process used by the  
23 Illinois Power Agency to retain a mediator to mediate sourcing  
24 agreement disputes between gas utilities and the clean coal SNG  
25 brownfield facility, as defined in Section 1-10 of the Illinois  
26 Power Agency Act, as required under subsection (h-1) of Section

1 9-220 of the Public Utilities Act.

2 (g) This Code does not apply to the processes used by the  
3 Illinois Power Agency to retain a mediator to mediate contract  
4 disputes between gas utilities and the clean coal SNG facility  
5 and to retain an expert to assist in the review of contracts  
6 under subsection (h) of Section 9-220 of the Public Utilities  
7 Act. This Code does not apply to the process used by the  
8 Illinois Commerce Commission to retain an expert to assist in  
9 determining the actual incurred costs of the clean coal SNG  
10 facility and the reasonableness of those costs as required  
11 under subsection (h) of Section 9-220 of the Public Utilities  
12 Act.

13 (h) This Code does not apply to the process to procure or  
14 contracts entered into in accordance with Sections 11-5.2 and  
15 11-5.3 of the Illinois Public Aid Code.

16 (i) ~~(h)~~ Each chief procurement officer may access records  
17 necessary to review whether a contract, purchase, or other  
18 expenditure is or is not subject to the provisions of this  
19 Code, unless such records would be subject to attorney-client  
20 privilege.

21 (Source: P.A. 96-840, eff. 12-23-09; 96-1331, eff. 7-27-10;  
22 97-96, eff. 7-13-11; 97-239, eff. 8-2-11; 97-502, eff. 8-23-11;  
23 97-689, eff. 6-14-12; 97-813, eff. 7-13-12; 97-895, eff.  
24 8-3-12; revised 8-23-12.)

25 Section 90-20. The Illinois Income Tax Act is amended by

1 changing Sections 201, 303, 304 and 710 as follows:

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

3 Sec. 201. Tax Imposed.

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

11 (b) Rates. The tax imposed by subsection (a) of this  
12 Section shall be determined as follows, except as adjusted by  
13 subsection (d-1):

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

18 (2) In the case of an individual, trust or estate, for  
19 taxable years beginning prior to July 1, 1989 and ending  
20 after June 30, 1989, an amount equal to the sum of (i) 2  
21 1/2% of the taxpayer's net income for the period prior to  
22 July 1, 1989, as calculated under Section 202.3, and (ii)  
23 3% of the taxpayer's net income for the period after June  
24 30, 1989, as calculated under Section 202.3.

25 (3) In the case of an individual, trust or estate, for

1 taxable years beginning after June 30, 1989, and ending  
2 prior to January 1, 2011, an amount equal to 3% of the  
3 taxpayer's net income for the taxable year.

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

11 (5) In the case of an individual, trust, or estate, for  
12 taxable years beginning on or after January 1, 2011, and  
13 ending prior to January 1, 2015, an amount equal to 5% of  
14 the taxpayer's net income for the taxable year.

15 (5.1) In the case of an individual, trust, or estate,  
16 for taxable years beginning prior to January 1, 2015, and  
17 ending after December 31, 2014, an amount equal to the sum  
18 of (i) 5% of the taxpayer's net income for the period prior  
19 to January 1, 2015, as calculated under Section 202.5, and  
20 (ii) 3.75% of the taxpayer's net income for the period  
21 after December 31, 2014, as calculated under Section 202.5.

22 (5.2) In the case of an individual, trust, or estate,  
23 for taxable years beginning on or after January 1, 2015,  
24 and ending prior to January 1, 2025, an amount equal to  
25 3.75% of the taxpayer's net income for the taxable year.

26 (5.3) In the case of an individual, trust, or estate,

1 for taxable years beginning prior to January 1, 2025, and  
2 ending after December 31, 2024, an amount equal to the sum  
3 of (i) 3.75% of the taxpayer's net income for the period  
4 prior to January 1, 2025, as calculated under Section  
5 202.5, and (ii) 3.25% of the taxpayer's net income for the  
6 period after December 31, 2024, as calculated under Section  
7 202.5.

8 (5.4) In the case of an individual, trust, or estate,  
9 for taxable years beginning on or after January 1, 2025, an  
10 amount equal to 3.25% of the taxpayer's net income for the  
11 taxable year.

12 (6) In the case of a corporation, for taxable years  
13 ending prior to July 1, 1989, an amount equal to 4% of the  
14 taxpayer's net income for the taxable year.

15 (7) In the case of a corporation, for taxable years  
16 beginning prior to July 1, 1989 and ending after June 30,  
17 1989, an amount equal to the sum of (i) 4% of the  
18 taxpayer's net income for the period prior to July 1, 1989,  
19 as calculated under Section 202.3, and (ii) 4.8% of the  
20 taxpayer's net income for the period after June 30, 1989,  
21 as calculated under Section 202.3.

22 (8) In the case of a corporation, for taxable years  
23 beginning after June 30, 1989, and ending prior to January  
24 1, 2011, an amount equal to 4.8% of the taxpayer's net  
25 income for the taxable year.

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

1 beginning prior to January 1, 2011, and ending after  
2 December 31, 2010, an amount equal to the sum of (i) 4.8%  
3 of the taxpayer's net income for the period prior to  
4 January 1, 2011, as calculated under Section 202.5, and  
5 (ii) 7% of the taxpayer's net income for the period after  
6 December 31, 2010, as calculated under Section 202.5.

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

11 (11) In the case of a corporation, for taxable years  
12 beginning prior to January 1, 2015, and ending after  
13 December 31, 2014, an amount equal to the sum of (i) 7% of  
14 the taxpayer's net income for the period prior to January  
15 1, 2015, as calculated under Section 202.5, and (ii) 5.25%  
16 of the taxpayer's net income for the period after December  
17 31, 2014, as calculated under Section 202.5.

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

22 (13) In the case of a corporation, for taxable years  
23 beginning prior to January 1, 2025, and ending after  
24 December 31, 2024, an amount equal to the sum of (i) 5.25%  
25 of the taxpayer's net income for the period prior to  
26 January 1, 2025, as calculated under Section 202.5, and

1 (ii) 4.8% of the taxpayer's net income for the period after  
2 December 31, 2024, as calculated under Section 202.5.

3 (14) In the case of a corporation, for taxable years  
4 beginning on or after January 1, 2025, an amount equal to  
5 4.8% of the taxpayer's net income for the taxable year.

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

8 (b-5) Surcharge; sale or exchange of assets, properties,  
9 and intangibles of electronic gaming licensees. For each of  
10 taxable years 2013 through 2021, a surcharge is imposed on all  
11 taxpayers on income arising from the sale or exchange of  
12 capital assets, depreciable business property, real property  
13 used in the trade or business, and Section 197 intangibles (i)  
14 of an organization licensee under the Illinois Horse Racing Act  
15 of 1975 and (ii) of an electronic gaming licensee under the  
16 Illinois Gambling Act. The amount of the surcharge is equal to  
17 the amount of federal income tax liability for the taxable year  
18 attributable to those sales and exchanges. The surcharge  
19 imposed shall not apply if:

20 (1) the electronic gaming license, organization  
21 license, or race track property is transferred as a result  
22 of any of the following:

23 (A) bankruptcy, a receivership, or a debt  
24 adjustment initiated by or against the initial  
25 licensee or the substantial owners of the initial  
26 licensee;

1           (B) cancellation, revocation, or termination of  
2           any such license by the Illinois Gaming Board or the  
3           Illinois Racing Board;

4           (C) a determination by the Illinois Gaming Board  
5           that transfer of the license is in the best interests  
6           of Illinois gaming;

7           (D) the death of an owner of the equity interest in  
8           a licensee;

9           (E) the acquisition of a controlling interest in  
10           the stock or substantially all of the assets of a  
11           publicly traded company;

12           (F) a transfer by a parent company to a wholly  
13           owned subsidiary; or

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

17           (2) the controlling interest in the electronic gaming  
18           license, organization license, or race track property is  
19           transferred in a transaction to lineal descendants in which  
20           no gain or loss is recognized or as a result of a  
21           transaction in accordance with Section 351 of the Internal  
22           Revenue Code in which no gain or loss is recognized; or

23           (3) live horse racing was not conducted in 2011 under a  
24           license issued pursuant to the Illinois Horse Racing Act of  
25           1975.

26           The transfer of an electronic gaming license, organization



1 license, or race track property by a person other than the  
2 initial licensee to receive the electronic gaming license is  
3 not subject to a surcharge. The Department shall adopt rules  
4 necessary to implement and administer this subsection.

5 (b-10) Surcharge; sale or exchange of an Internet gaming  
6 license. For each of taxable years 2013 through 2023, a  
7 surcharge is imposed on all taxpayers on income arising from  
8 the sale or exchange of an Internet gaming license issued by  
9 the Division of Internet Gaming of the Department of the  
10 Lottery. The amount of the surcharge is equal to the federal  
11 tax liability attributable to such sale or exchange or  
12 \$10,000,000, whichever is greater. The surcharge imposed shall  
13 not apply if:

14 (1) the Internet gaming license is transferred as a  
15 result of any of the following:

16 (A) bankruptcy, a receivership, assignment for the  
17 benefit of creditors, or a debt adjustment initiated by  
18 or against the initial Internet gaming licensee or a  
19 majority owner of the initial licensee;

20 (B) cancellation, revocation, or termination of  
21 any such license by the Division of Internet Gaming; or

22 (D) the transfer or sale to or by one person to  
23 another person where both persons were initial owners  
24 of the license when the license was issued;

25 (2) after a public hearing, a determination is made by  
26 the Superintendent of the Lottery, subject to the approval

1       of the Governor, that transfer of the license and exemption  
2       from the surcharge is in the best interest of Illinois  
3       gaming; this exception may be further defined by rules  
4       adopted by the Division of Internet Gaming; or

5           (3) the controlling interest in the Internet gaming  
6       license is transferred in a transaction to lineal  
7       descendants in which no gain or loss is recognized or as a  
8       result of a transaction in accordance with Section 351 of  
9       the Internal Revenue Code in which no gain or loss is  
10       recognized.

11       The Department shall adopt rules necessary to implement and  
12       administer this subsection.

13       (c) Personal Property Tax Replacement Income Tax.  
14       Beginning on July 1, 1979 and thereafter, in addition to such  
15       income tax, there is also hereby imposed the Personal Property  
16       Tax Replacement Income Tax measured by net income on every  
17       corporation (including Subchapter S corporations), partnership  
18       and trust, for each taxable year ending after June 30, 1979.  
19       Such taxes are imposed on the privilege of earning or receiving  
20       income in or as a resident of this State. The Personal Property  
21       Tax Replacement Income Tax shall be in addition to the income  
22       tax imposed by subsections (a) and (b) of this Section and in  
23       addition to all other occupation or privilege taxes imposed by  
24       this State or by any municipal corporation or political  
25       subdivision thereof.

26       (d) Additional Personal Property Tax Replacement Income

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

12 (d-1) Rate reduction for certain foreign insurers. In the  
13 case of a foreign insurer, as defined by Section 35A-5 of the  
14 Illinois Insurance Code, whose state or country of domicile  
15 imposes on insurers domiciled in Illinois a retaliatory tax  
16 (excluding any insurer whose premiums from reinsurance assumed  
17 are 50% or more of its total insurance premiums as determined  
18 under paragraph (2) of subsection (b) of Section 304, except  
19 that for purposes of this determination premiums from  
20 reinsurance do not include premiums from inter-affiliate  
21 reinsurance arrangements), beginning with taxable years ending  
22 on or after December 31, 1999, the sum of the rates of tax  
23 imposed by subsections (b) and (d) shall be reduced (but not  
24 increased) to the rate at which the total amount of tax imposed  
25 under this Act, net of all credits allowed under this Act,  
26 shall equal (i) the total amount of tax that would be imposed

1 on the foreign insurer's net income allocable to Illinois for  
2 the taxable year by such foreign insurer's state or country of  
3 domicile if that net income were subject to all income taxes  
4 and taxes measured by net income imposed by such foreign  
5 insurer's state or country of domicile, net of all credits  
6 allowed or (ii) a rate of zero if no such tax is imposed on such  
7 income by the foreign insurer's state of domicile. For the  
8 purposes of this subsection (d-1), an inter-affiliate includes  
9 a mutual insurer under common management.

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

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

16 (B) the privilege tax imposed by Section 409 of the  
17 Illinois Insurance Code, the fire insurance company  
18 tax imposed by Section 12 of the Fire Investigation  
19 Act, and the fire department taxes imposed under  
20 Section 11-10-1 of the Illinois Municipal Code,  
21 equals 1.25% for taxable years ending prior to December 31,  
22 2003, or 1.75% for taxable years ending on or after  
23 December 31, 2003, of the net taxable premiums written for  
24 the taxable year, as described by subsection (1) of Section  
25 409 of the Illinois Insurance Code. This paragraph will in  
26 no event increase the rates imposed under subsections (b)

1 and (d).

2 (2) Any reduction in the rates of tax imposed by this  
3 subsection shall be applied first against the rates imposed  
4 by subsection (b) and only after the tax imposed by  
5 subsection (a) net of all credits allowed under this  
6 Section other than the credit allowed under subsection (i)  
7 has been reduced to zero, against the rates imposed by  
8 subsection (d).

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

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

14 (1) A taxpayer shall be allowed a credit equal to .5%  
15 of the basis of qualified property placed in service during  
16 the taxable year, provided such property is placed in  
17 service on or after July 1, 1984. There shall be allowed an  
18 additional credit equal to .5% of the basis of qualified  
19 property placed in service during the taxable year,  
20 provided such property is placed in service on or after  
21 July 1, 1986, and the taxpayer's base employment within  
22 Illinois has increased by 1% or more over the preceding  
23 year as determined by the taxpayer's employment records  
24 filed with the Illinois Department of Employment Security.  
25 Taxpayers who are new to Illinois shall be deemed to have  
26 met the 1% growth in base employment for the first year in

1       which they file employment records with the Illinois  
2       Department of Employment Security. The provisions added to  
3       this Section by Public Act 85-1200 (and restored by Public  
4       Act 87-895) shall be construed as declaratory of existing  
5       law and not as a new enactment. If, in any year, the  
6       increase in base employment within Illinois over the  
7       preceding year is less than 1%, the additional credit shall  
8       be limited to that percentage times a fraction, the  
9       numerator of which is .5% and the denominator of which is  
10      1%, but shall not exceed .5%. The investment credit shall  
11      not be allowed to the extent that it would reduce a  
12      taxpayer's liability in any tax year below zero, nor may  
13      any credit for qualified property be allowed for any year  
14      other than the year in which the property was placed in  
15      service in Illinois. For tax years ending on or after  
16      December 31, 1987, and on or before December 31, 1988, the  
17      credit shall be allowed for the tax year in which the  
18      property is placed in service, or, if the amount of the  
19      credit exceeds the tax liability for that year, whether it  
20      exceeds the original liability or the liability as later  
21      amended, such excess may be carried forward and applied to  
22      the tax liability of the 5 taxable years following the  
23      excess credit years if the taxpayer (i) makes investments  
24      which cause the creation of a minimum of 2,000 full-time  
25      equivalent jobs in Illinois, (ii) is located in an  
26      enterprise zone established pursuant to the Illinois

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

20 (2) The term "qualified property" means property  
21 which:

22 (A) is tangible, whether new or used, including  
23 buildings and structural components of buildings and  
24 signs that are real property, but not including land or  
25 improvements to real property that are not a structural  
26 component of a building such as landscaping, sewer

1 lines, local access roads, fencing, parking lots, and  
2 other appurtenances;

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

8 (C) is acquired by purchase as defined in Section  
9 179(d) of the Internal Revenue Code;

10 (D) is used in Illinois by a taxpayer who is  
11 primarily engaged in manufacturing, or in mining coal  
12 or fluorite, or in retailing, or was placed in service  
13 on or after July 1, 2006 in a River Edge Redevelopment  
14 Zone established pursuant to the River Edge  
15 Redevelopment Zone Act; and

16 (E) has not previously been used in Illinois in  
17 such a manner and by such a person as would qualify for  
18 the credit provided by this subsection (e) or  
19 subsection (f).

20 (3) For purposes of this subsection (e),  
21 "manufacturing" means the material staging and production  
22 of tangible personal property by procedures commonly  
23 regarded as manufacturing, processing, fabrication, or  
24 assembling which changes some existing material into new  
25 shapes, new qualities, or new combinations. For purposes of  
26 this subsection (e) the term "mining" shall have the same



1 meaning as the term "mining" in Section 613(c) of the  
2 Internal Revenue Code. For purposes of this subsection (e),  
3 the term "retailing" means the sale of tangible personal  
4 property for use or consumption and not for resale, or  
5 services rendered in conjunction with the sale of tangible  
6 personal property for use or consumption and not for  
7 resale. For purposes of this subsection (e), "tangible  
8 personal property" has the same meaning as when that term  
9 is used in the Retailers' Occupation Tax Act, and, for  
10 taxable years ending after December 31, 2008, does not  
11 include the generation, transmission, or distribution of  
12 electricity.

13 (4) The basis of qualified property shall be the basis  
14 used to compute the depreciation deduction for federal  
15 income tax purposes.

16 (5) If the basis of the property for federal income tax  
17 depreciation purposes is increased after it has been placed  
18 in service in Illinois by the taxpayer, the amount of such  
19 increase shall be deemed property placed in service on the  
20 date of such increase in basis.

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

23 (7) If during any taxable year, any property ceases to  
24 be qualified property in the hands of the taxpayer within  
25 48 months after being placed in service, or the situs of  
26 any qualified property is moved outside Illinois within 48

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

13 (8) Unless the investment credit is extended by law,  
14 the basis of qualified property shall not include costs  
15 incurred after December 31, 2018, except for costs incurred  
16 pursuant to a binding contract entered into on or before  
17 December 31, 2018.

18 (9) Each taxable year ending before December 31, 2000,  
19 a partnership may elect to pass through to its partners the  
20 credits to which the partnership is entitled under this  
21 subsection (e) for the taxable year. A partner may use the  
22 credit allocated to him or her under this paragraph only  
23 against the tax imposed in subsections (c) and (d) of this  
24 Section. If the partnership makes that election, those  
25 credits shall be allocated among the partners in the  
26 partnership in accordance with the rules set forth in

1 Section 704(b) of the Internal Revenue Code, and the rules  
2 promulgated under that Section, and the allocated amount of  
3 the credits shall be allowed to the partners for that  
4 taxable year. The partnership shall make this election on  
5 its Personal Property Tax Replacement Income Tax return for  
6 that taxable year. The election to pass through the credits  
7 shall be irrevocable.

8 For taxable years ending on or after December 31, 2000,  
9 a partner that qualifies its partnership for a subtraction  
10 under subparagraph (I) of paragraph (2) of subsection (d)  
11 of Section 203 or a shareholder that qualifies a Subchapter  
12 S corporation for a subtraction under subparagraph (S) of  
13 paragraph (2) of subsection (b) of Section 203 shall be  
14 allowed a credit under this subsection (e) equal to its  
15 share of the credit earned under this subsection (e) during  
16 the taxable year by the partnership or Subchapter S  
17 corporation, determined in accordance with the  
18 determination of income and distributive share of income  
19 under Sections 702 and 704 and Subchapter S of the Internal  
20 Revenue Code. This paragraph is exempt from the provisions  
21 of Section 250.

22 (f) Investment credit; Enterprise Zone; River Edge  
23 Redevelopment Zone.

24 (1) A taxpayer shall be allowed a credit against the  
25 tax imposed by subsections (a) and (b) of this Section for  
26 investment in qualified property which is placed in service

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

1 applied to the earliest year for which there is a  
2 liability. If there is credit from more than one tax year  
3 that is available to offset a liability, the credit  
4 accruing first in time shall be applied first.

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

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

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

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

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

17 (E) has not been previously used in Illinois in  
18 such a manner and by such a person as would qualify for  
19 the credit provided by this subsection (f) or  
20 subsection (e).

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

24 (4) If the basis of the property for federal income tax  
25 depreciation purposes is increased after it has been placed  
26 in service in the Enterprise Zone or River Edge

1           Redevelopment Zone by the taxpayer, the amount of such  
2           increase shall be deemed property placed in service on the  
3           date of such increase in basis.

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

6           (6) If during any taxable year, any property ceases to  
7           be qualified property in the hands of the taxpayer within  
8           48 months after being placed in service, or the situs of  
9           any qualified property is moved outside the Enterprise Zone  
10          or River Edge Redevelopment Zone within 48 months after  
11          being placed in service, the tax imposed under subsections  
12          (a) and (b) of this Section for such taxable year shall be  
13          increased. Such increase shall be determined by (i)  
14          recomputing the investment credit which would have been  
15          allowed for the year in which credit for such property was  
16          originally allowed by eliminating such property from such  
17          computation, and (ii) subtracting such recomputed credit  
18          from the amount of credit previously allowed. For the  
19          purposes of this paragraph (6), a reduction of the basis of  
20          qualified property resulting from a redetermination of the  
21          purchase price shall be deemed a disposition of qualified  
22          property to the extent of such reduction.

23          (7) There shall be allowed an additional credit equal  
24          to 0.5% of the basis of qualified property placed in  
25          service during the taxable year in a River Edge  
26          Redevelopment Zone, provided such property is placed in

1 service on or after July 1, 2006, and the taxpayer's base  
2 employment within Illinois has increased by 1% or more over  
3 the preceding year as determined by the taxpayer's  
4 employment records filed with the Illinois Department of  
5 Employment Security. Taxpayers who are new to Illinois  
6 shall be deemed to have met the 1% growth in base  
7 employment for the first year in which they file employment  
8 records with the Illinois Department of Employment  
9 Security. If, in any year, the increase in base employment  
10 within Illinois over the preceding year is less than 1%,  
11 the additional credit shall be limited to that percentage  
12 times a fraction, the numerator of which is 0.5% and the  
13 denominator of which is 1%, but shall not exceed 0.5%.

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

16 (1) A taxpayer conducting a trade or business, for  
17 taxable years ending on or after December 31, 2006, in a  
18 River Edge Redevelopment Zone or conducting a trade or  
19 business in a federally designated Foreign Trade Zone or  
20 Sub-Zone shall be allowed a credit against the tax imposed  
21 by subsections (a) and (b) of this Section in the amount of  
22 \$500 per eligible employee hired to work in the zone during  
23 the taxable year.

24 (2) To qualify for the credit:

25 (A) the taxpayer must hire 5 or more eligible  
26 employees to work in a River Edge Redevelopment Zone or

1           federally designated Foreign Trade Zone or Sub-Zone  
2           during the taxable year;

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

11          (C) the eligible employees must be employed 180  
12          consecutive days in order to be deemed hired for  
13          purposes of this subsection.

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

15               (A) Certified by the Department of Commerce and  
16               Economic Opportunity as "eligible for services"  
17               pursuant to regulations promulgated in accordance with  
18               Title II of the Job Training Partnership Act, Training  
19               Services for the Disadvantaged or Title III of the Job  
20               Training Partnership Act, Employment and Training  
21               Assistance for Dislocated Workers Program.

22               (B) Hired after the River Edge Redevelopment Zone  
23               or federally designated Foreign Trade Zone or Sub-Zone  
24               was designated or the trade or business was located in  
25               that zone, whichever is later.

26               (C) Employed in the River Edge Redevelopment Zone



1 or Foreign Trade Zone or Sub-Zone. An employee is  
2 employed in a federally designated Foreign Trade Zone  
3 or Sub-Zone if his services are rendered there or it is  
4 the base of operations for the services performed.

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

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

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

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

1 (h) Investment credit; High Impact Business.

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

1 not be allowed to the extent that it would reduce a  
2 taxpayer's liability for the tax imposed by subsections (a)  
3 and (b) of this Section to below zero. For tax years ending  
4 on or after December 31, 1987, the credit shall be allowed  
5 for the tax year in which the property is placed in  
6 service, or, if the amount of the credit exceeds the tax  
7 liability for that year, whether it exceeds the original  
8 liability or the liability as later amended, such excess  
9 may be carried forward and applied to the tax liability of  
10 the 5 taxable years following the excess credit year. The  
11 credit shall be applied to the earliest year for which  
12 there is a liability. If there is credit from more than one  
13 tax year that is available to offset a liability, the  
14 credit accruing first in time shall be applied first.

15 Changes made in this subdivision (h) (1) by Public Act  
16 88-670 restore changes made by Public Act 85-1182 and  
17 reflect existing law.

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

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

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

26 (C) is acquired by purchase as defined in Section

1           179(d) of the Internal Revenue Code; and

2           (D) is not eligible for the Enterprise Zone  
3           Investment Credit provided by subsection (f) of this  
4           Section.

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

8           (4) If the basis of the property for federal income tax  
9           depreciation purposes is increased after it has been placed  
10          in service in a federally designated Foreign Trade Zone or  
11          Sub-Zone located in Illinois by the taxpayer, the amount of  
12          such increase shall be deemed property placed in service on  
13          the date of such increase in basis.

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

16          (6) If during any taxable year ending on or before  
17          December 31, 1996, any property ceases to be qualified  
18          property in the hands of the taxpayer within 48 months  
19          after being placed in service, or the situs of any  
20          qualified property is moved outside Illinois within 48  
21          months after being placed in service, the tax imposed under  
22          subsections (a) and (b) of this Section for such taxable  
23          year shall be increased. Such increase shall be determined  
24          by (i) recomputing the investment credit which would have  
25          been allowed for the year in which credit for such property  
26          was originally allowed by eliminating such property from

1 such computation, and (ii) subtracting such recomputed  
2 credit from the amount of credit previously allowed. For  
3 the purposes of this paragraph (6), a reduction of the  
4 basis of qualified property resulting from a  
5 redetermination of the purchase price shall be deemed a  
6 disposition of qualified property to the extent of such  
7 reduction.

8 (7) Beginning with tax years ending after December 31,  
9 1996, if a taxpayer qualifies for the credit under this  
10 subsection (h) and thereby is granted a tax abatement and  
11 the taxpayer relocates its entire facility in violation of  
12 the explicit terms and length of the contract under Section  
13 18-183 of the Property Tax Code, the tax imposed under  
14 subsections (a) and (b) of this Section shall be increased  
15 for the taxable year in which the taxpayer relocated its  
16 facility by an amount equal to the amount of credit  
17 received by the taxpayer under this subsection (h).

18 (i) Credit for Personal Property Tax Replacement Income  
19 Tax. For tax years ending prior to December 31, 2003, a credit  
20 shall be allowed against the tax imposed by subsections (a) and  
21 (b) of this Section for the tax imposed by subsections (c) and  
22 (d) of this Section. This credit shall be computed by  
23 multiplying the tax imposed by subsections (c) and (d) of this  
24 Section by a fraction, the numerator of which is base income  
25 allocable to Illinois and the denominator of which is Illinois  
26 base income, and further multiplying the product by the tax

1 rate imposed by subsections (a) and (b) of this Section.

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

16 If, during any taxable year ending on or after December 31,  
17 1986, the tax imposed by subsections (c) and (d) of this  
18 Section for which a taxpayer has claimed a credit under this  
19 subsection (i) is reduced, the amount of credit for such tax  
20 shall also be reduced. Such reduction shall be determined by  
21 recomputing the credit to take into account the reduced tax  
22 imposed by subsections (c) and (d). If any portion of the  
23 reduced amount of credit has been carried to a different  
24 taxable year, an amended return shall be filed for such taxable  
25 year to reduce the amount of credit claimed.

26 (j) Training expense credit. Beginning with tax years

1 ending on or after December 31, 1986 and prior to December 31,  
2 2003, a taxpayer shall be allowed a credit against the tax  
3 imposed by subsections (a) and (b) under this Section for all  
4 amounts paid or accrued, on behalf of all persons employed by  
5 the taxpayer in Illinois or Illinois residents employed outside  
6 of Illinois by a taxpayer, for educational or vocational  
7 training in semi-technical or technical fields or semi-skilled  
8 or skilled fields, which were deducted from gross income in the  
9 computation of taxable income. The credit against the tax  
10 imposed by subsections (a) and (b) shall be 1.6% of such  
11 training expenses. For partners, shareholders of subchapter S  
12 corporations, and owners of limited liability companies, if the  
13 liability company is treated as a partnership for purposes of  
14 federal and State income taxation, there shall be allowed a  
15 credit under this subsection (j) to be determined in accordance  
16 with the determination of income and distributive share of  
17 income under Sections 702 and 704 and subchapter S of the  
18 Internal Revenue Code.

19 Any credit allowed under this subsection which is unused in  
20 the year the credit is earned may be carried forward to each of  
21 the 5 taxable years following the year for which the credit is  
22 first computed until it is used. This credit shall be applied  
23 first to the earliest year for which there is a liability. If  
24 there is a credit under this subsection from more than one tax  
25 year that is available to offset a liability the earliest  
26 credit arising under this subsection shall be applied first. No

1 carryforward credit may be claimed in any tax year ending on or  
2 after December 31, 2003.

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

20 For purposes of this subsection, "qualifying expenditures"  
21 means the qualifying expenditures as defined for the federal  
22 credit for increasing research activities which would be  
23 allowable under Section 41 of the Internal Revenue Code and  
24 which are conducted in this State, "qualifying expenditures for  
25 increasing research activities in this State" means the excess  
26 of qualifying expenditures for the taxable year in which



1 incurred over qualifying expenditures for the base period,  
2 "qualifying expenditures for the base period" means the average  
3 of the qualifying expenditures for each year in the base  
4 period, and "base period" means the 3 taxable years immediately  
5 preceding the taxable year for which the determination is being  
6 made.

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

15 If an unused credit is carried forward to a given year from  
16 2 or more earlier years, that credit arising in the earliest  
17 year will be applied first against the tax liability for the  
18 given year. If a tax liability for the given year still  
19 remains, the credit from the next earliest year will then be  
20 applied, and so on, until all credits have been used or no tax  
21 liability for the given year remains. Any remaining unused  
22 credit or credits then will be carried forward to the next  
23 following year in which a tax liability is incurred, except  
24 that no credit can be carried forward to a year which is more  
25 than 5 years after the year in which the expense for which the  
26 credit is given was incurred.

1           No inference shall be drawn from this amendatory Act of the  
2 91st General Assembly in construing this Section for taxable  
3 years beginning before January 1, 1999.

4           (1) Environmental Remediation Tax Credit.

5           (i) For tax years ending after December 31, 1997 and on  
6 or before December 31, 2001, a taxpayer shall be allowed a  
7 credit against the tax imposed by subsections (a) and (b)  
8 of this Section for certain amounts paid for unreimbursed  
9 eligible remediation costs, as specified in this  
10 subsection. For purposes of this Section, "unreimbursed  
11 eligible remediation costs" means costs approved by the  
12 Illinois Environmental Protection Agency ("Agency") under  
13 Section 58.14 of the Environmental Protection Act that were  
14 paid in performing environmental remediation at a site for  
15 which a No Further Remediation Letter was issued by the  
16 Agency and recorded under Section 58.10 of the  
17 Environmental Protection Act. The credit must be claimed  
18 for the taxable year in which Agency approval of the  
19 eligible remediation costs is granted. The credit is not  
20 available to any taxpayer if the taxpayer or any related  
21 party caused or contributed to, in any material respect, a  
22 release of regulated substances on, in, or under the site  
23 that was identified and addressed by the remedial action  
24 pursuant to the Site Remediation Program of the  
25 Environmental Protection Act. After the Pollution Control  
26 Board rules are adopted pursuant to the Illinois

1 Administrative Procedure Act for the administration and  
2 enforcement of Section 58.9 of the Environmental  
3 Protection Act, determinations as to credit availability  
4 for purposes of this Section shall be made consistent with  
5 those rules. For purposes of this Section, "taxpayer"  
6 includes a person whose tax attributes the taxpayer has  
7 succeeded to under Section 381 of the Internal Revenue Code  
8 and "related party" includes the persons disallowed a  
9 deduction for losses by paragraphs (b), (c), and (f)(1) of  
10 Section 267 of the Internal Revenue Code by virtue of being  
11 a related taxpayer, as well as any of its partners. The  
12 credit allowed against the tax imposed by subsections (a)  
13 and (b) shall be equal to 25% of the unreimbursed eligible  
14 remediation costs in excess of \$100,000 per site, except  
15 that the \$100,000 threshold shall not apply to any site  
16 contained in an enterprise zone as determined by the  
17 Department of Commerce and Community Affairs (now  
18 Department of Commerce and Economic Opportunity). The  
19 total credit allowed shall not exceed \$40,000 per year with  
20 a maximum total of \$150,000 per site. For partners and  
21 shareholders of subchapter S corporations, there shall be  
22 allowed a credit under this subsection to be determined in  
23 accordance with the determination of income and  
24 distributive share of income under Sections 702 and 704 and  
25 subchapter S of the Internal Revenue Code.

26 (ii) A credit allowed under this subsection that is

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

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

1 Environmental Protection Act.

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

14 For purposes of this subsection:

15 "Qualifying pupils" means individuals who (i) are  
16 residents of the State of Illinois, (ii) are under the age of  
17 21 at the close of the school year for which a credit is  
18 sought, and (iii) during the school year for which a credit is  
19 sought were full-time pupils enrolled in a kindergarten through  
20 twelfth grade education program at any school, as defined in  
21 this subsection.

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

26 "School" means any public or nonpublic elementary or

1 secondary school in Illinois that is in compliance with Title  
2 VI of the Civil Rights Act of 1964 and attendance at which  
3 satisfies the requirements of Section 26-1 of the School Code,  
4 except that nothing shall be construed to require a child to  
5 attend any particular public or nonpublic school to qualify for  
6 the credit under this Section.

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

10 (n) River Edge Redevelopment Zone site remediation tax  
11 credit.

12 (i) For tax years ending on or after December 31, 2006,  
13 a taxpayer shall be allowed a credit against the tax  
14 imposed by subsections (a) and (b) of this Section for  
15 certain amounts paid for unreimbursed eligible remediation  
16 costs, as specified in this subsection. For purposes of  
17 this Section, "unreimbursed eligible remediation costs"  
18 means costs approved by the Illinois Environmental  
19 Protection Agency ("Agency") under Section 58.14a of the  
20 Environmental Protection Act that were paid in performing  
21 environmental remediation at a site within a River Edge  
22 Redevelopment Zone for which a No Further Remediation  
23 Letter was issued by the Agency and recorded under Section  
24 58.10 of the Environmental Protection Act. The credit must  
25 be claimed for the taxable year in which Agency approval of  
26 the eligible remediation costs is granted. The credit is

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

22 (ii) A credit allowed under this subsection that is  
23 unused in the year the credit is earned may be carried  
24 forward to each of the 5 taxable years following the year  
25 for which the credit is first earned until it is used. This  
26 credit shall be applied first to the earliest year for

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

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

21      (Source: P.A. 96-115, eff. 7-31-09; 96-116, eff. 7-31-09;  
22      96-937, eff. 6-23-10; 96-1000, eff. 7-2-10; 96-1496, eff.  
23      1-13-11; 97-2, eff. 5-6-11; 97-636, eff. 6-1-12; 97-905, eff.  
24      8-7-12.)

25           (35 ILCS 5/303) (from Ch. 120, par. 3-303)



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

12           (b) Capital gains and losses.

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

16           (2) Tangible personal property. Capital gains and  
17 losses from sales or exchanges of tangible personal  
18 property are allocable to this State if, at the time of  
19 such sale or exchange:

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

21                   (B) The taxpayer had its commercial domicile in  
22 this State and was not taxable in the state in which  
23 the property had its situs.

24           (3) Intangibles. Capital gains and losses from sales or  
25 exchanges of intangible personal property are allocable to  
26 this State if the taxpayer had its commercial domicile in

1 this State at the time of such sale or exchange.

2 (c) Rents and royalties.

3 (1) Real property. Rents and royalties from real  
4 property are allocable to this State if the property is  
5 located in this State.

6 (2) Tangible personal property. Rents and royalties  
7 from tangible personal property are allocable to this  
8 State:

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

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

1 unascertainable by the taxpayer, tangible personal  
2 property is utilized in the state in which the property  
3 was located at the time the rental or royalty payer  
4 obtained possession.

5 (d) Patent and copyright royalties.

6 (1) Allocation. Patent and copyright royalties are  
7 allocable to this State:

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

10 (B) If and to the extent that the patent or  
11 copyright is utilized by the payer in a state in which  
12 the taxpayer is not taxable with respect to such  
13 royalties and, at the time such royalties were paid or  
14 accrued, the taxpayer had its commercial domicile in  
15 this State.

16 (2) Utilization.

17 (A) A patent is utilized in a state to the extent  
18 that it is employed in production, fabrication,  
19 manufacturing or other processing in the state or to  
20 the extent that a patented product is produced in the  
21 state. If the basis of receipts from patent royalties  
22 does not permit allocation to states or if the  
23 accounting procedures do not reflect states of  
24 utilization, the patent is utilized in this State if  
25 the taxpayer has its commercial domicile in this State.

26 (B) A copyright is utilized in a state to the

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

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

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

17 (e-5) Unemployment benefits. Unemployment benefits paid by  
18 the Illinois Department of Employment Security are allocable to  
19 this State.

20 (f) Taxability in other state. For purposes of allocation  
21 of income pursuant to this Section, a taxpayer is taxable in  
22 another state if:

23 (1) In that state he is subject to a net income tax, a  
24 franchise tax measured by net income, a franchise tax for  
25 the privilege of doing business, or a corporate stock tax;  
26 or

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

4           (g) Cross references.

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

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

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

10           (35 ILCS 5/304) (from Ch. 120, par. 3-304)

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

12           (a) In general. The business income of a person other than  
13 a resident shall be allocated to this State if such person's  
14 business income is derived solely from this State. If a person  
15 other than a resident derives business income from this State  
16 and one or more other states, then, for tax years ending on or  
17 before December 30, 1998, and except as otherwise provided by  
18 this Section, such person's business income shall be  
19 apportioned to this State by multiplying the income by a  
20 fraction, the numerator of which is the sum of the property  
21 factor (if any), the payroll factor (if any) and 200% of the  
22 sales factor (if any), and the denominator of which is 4  
23 reduced by the number of factors other than the sales factor  
24 which have a denominator of zero and by an additional 2 if the  
25 sales factor has a denominator of zero. For tax years ending on

1 or after December 31, 1998, and except as otherwise provided by  
2 this Section, persons other than residents who derive business  
3 income from this State and one or more other states shall  
4 compute their apportionment factor by weighting their  
5 property, payroll, and sales factors as provided in subsection  
6 (h) of this Section.

7 (1) Property factor.

8 (A) The property factor is a fraction, the numerator of  
9 which is the average value of the person's real and  
10 tangible personal property owned or rented and used in the  
11 trade or business in this State during the taxable year and  
12 the denominator of which is the average value of all the  
13 person's real and tangible personal property owned or  
14 rented and used in the trade or business during the taxable  
15 year.

16 (B) Property owned by the person is valued at its  
17 original cost. Property rented by the person is valued at 8  
18 times the net annual rental rate. Net annual rental rate is  
19 the annual rental rate paid by the person less any annual  
20 rental rate received by the person from sub-rentals.

21 (C) The average value of property shall be determined  
22 by averaging the values at the beginning and ending of the  
23 taxable year but the Director may require the averaging of  
24 monthly values during the taxable year if reasonably  
25 required to reflect properly the average value of the  
26 person's property.

1 (2) Payroll factor.

2 (A) The payroll factor is a fraction, the numerator of  
3 which is the total amount paid in this State during the  
4 taxable year by the person for compensation, and the  
5 denominator of which is the total compensation paid  
6 everywhere during the taxable year.

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

8 (i) The individual's service is performed entirely  
9 within this State;

10 (ii) The individual's service is performed both  
11 within and without this State, but the service  
12 performed without this State is incidental to the  
13 individual's service performed within this State; or

14 (iii) Some of the service is performed within this  
15 State and either the base of operations, or if there is  
16 no base of operations, the place from which the service  
17 is directed or controlled is within this State, or the  
18 base of operations or the place from which the service  
19 is directed or controlled is not in any state in which  
20 some part of the service is performed, but the  
21 individual's residence is in this State.

22 (iv) Compensation paid to nonresident professional  
23 athletes.

24 (a) General. The Illinois source income of a  
25 nonresident individual who is a member of a  
26 professional athletic team includes the portion of the

1 individual's total compensation for services performed  
2 as a member of a professional athletic team during the  
3 taxable year which the number of duty days spent within  
4 this State performing services for the team in any  
5 manner during the taxable year bears to the total  
6 number of duty days spent both within and without this  
7 State during the taxable year.

8 (b) Travel days. Travel days that do not involve  
9 either a game, practice, team meeting, or other similar  
10 team event are not considered duty days spent in this  
11 State. However, such travel days are considered in the  
12 total duty days spent both within and without this  
13 State.

14 (c) Definitions. For purposes of this subpart  
15 (iv):

16 (1) The term "professional athletic team"  
17 includes, but is not limited to, any professional  
18 baseball, basketball, football, soccer, or hockey  
19 team.

20 (2) The term "member of a professional  
21 athletic team" includes those employees who are  
22 active players, players on the disabled list, and  
23 any other persons required to travel and who travel  
24 with and perform services on behalf of a  
25 professional athletic team on a regular basis.  
26 This includes, but is not limited to, coaches,



1 managers, and trainers.

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

14 (A) Duty days shall also include days on  
15 which a member of a professional athletic team  
16 performs service for a team on a date that does  
17 not fall within the foregoing period (e.g.,  
18 participation in instructional leagues, the  
19 "All Star Game", or promotional "caravans").  
20 Performing a service for a professional  
21 athletic team includes conducting training and  
22 rehabilitation activities, when such  
23 activities are conducted at team facilities.

24 (B) Also included in duty days are game  
25 days, practice days, days spent at team  
26 meetings, promotional caravans, preseason

1 training camps, and days served with the team  
2 through all post-season games in which the team  
3 competes or is scheduled to compete.

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

17 (D) Days for which a member of a  
18 professional athletic team is not compensated  
19 and is not performing services for the team in  
20 any manner, including days when such member of  
21 a professional athletic team has been  
22 suspended without pay and prohibited from  
23 performing any services for the team, shall not  
24 be treated as duty days.

25 (E) Days for which a member of a  
26 professional athletic team is on the disabled

1 list and does not conduct rehabilitation  
2 activities at facilities of the team, and is  
3 not otherwise performing services for the team  
4 in Illinois, shall not be considered duty days  
5 spent in this State. All days on the disabled  
6 list, however, are considered to be included in  
7 total duty days spent both within and without  
8 this State.

9 (4) The term "total compensation for services  
10 performed as a member of a professional athletic  
11 team" means the total compensation received during  
12 the taxable year for services performed:

13 (A) from the beginning of the official  
14 pre-season training period through the last  
15 game in which the team competes or is scheduled  
16 to compete during that taxable year; and

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

21 This compensation shall include, but is not  
22 limited to, salaries, wages, bonuses as described  
23 in this subpart, and any other type of compensation  
24 paid during the taxable year to a member of a  
25 professional athletic team for services performed  
26 in that year. This compensation does not include

1 strike benefits, severance pay, termination pay,  
2 contract or option year buy-out payments,  
3 expansion or relocation payments, or any other  
4 payments not related to services performed for the  
5 team.

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

23 (3) Sales factor.

24 (A) The sales factor is a fraction, the numerator of  
25 which is the total sales of the person in this State during  
26 the taxable year, and the denominator of which is the total

1 sales of the person everywhere during the taxable year.

2 (B) Sales of tangible personal property are in this  
3 State if:

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

8 (ii) The property is shipped from an office, store,  
9 warehouse, factory or other place of storage in this  
10 State and either the purchaser is the United States  
11 government or the person is not taxable in the state of  
12 the purchaser; provided, however, that premises owned  
13 or leased by a person who has independently contracted  
14 with the seller for the printing of newspapers,  
15 periodicals or books shall not be deemed to be an  
16 office, store, warehouse, factory or other place of  
17 storage for purposes of this Section. Sales of tangible  
18 personal property are not in this State if the seller  
19 and purchaser would be members of the same unitary  
20 business group but for the fact that either the seller  
21 or purchaser is a person with 80% or more of total  
22 business activity outside of the United States and the  
23 property is purchased for resale.

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

26 (i) Gross receipts from the licensing, sale, or

1 other disposition of a patent, copyright, trademark,  
2 or similar item of intangible personal property, other  
3 than gross receipts governed by paragraph (B-7) of this  
4 item (3), are in this State to the extent the item is  
5 utilized in this State during the year the gross  
6 receipts are included in gross income.

7 (ii) Place of utilization.

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

22 (II) A copyright is utilized in a state to the  
23 extent that printing or other publication  
24 originates in the state. If a copyright is utilized  
25 in more than one state, the extent to which it is  
26 utilized in any one state shall be a fraction equal

1 to the gross receipts from sales or licenses of  
2 materials printed or published in that state  
3 divided by the total of such gross receipts for all  
4 states in which the copyright is utilized.

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

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

18 (B-2) Gross receipts from the license, sale, or other  
19 disposition of patents, copyrights, trademarks, and  
20 similar items of intangible personal property, other than  
21 gross receipts governed by paragraph (B-7) of this item  
22 (3), may be included in the numerator or denominator of the  
23 sales factor only if gross receipts from licenses, sales,  
24 or other disposition of such items comprise more than 50%  
25 of the taxpayer's total gross receipts included in gross  
26 income during the tax year and during each of the 2

1 immediately preceding tax years; provided that, when a  
2 taxpayer is a member of a unitary business group, such  
3 determination shall be made on the basis of the gross  
4 receipts of the entire unitary business group.

5 (B-5) For taxable years ending on or after December 31,  
6 2008, except as provided in subsections (ii) through (vii),  
7 receipts from the sale of telecommunications service or  
8 mobile telecommunications service are in this State if the  
9 customer's service address is in this State.

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

12 "Ancillary services" means services that are  
13 associated with or incidental to the provision of  
14 "telecommunications services", including but not  
15 limited to "detailed telecommunications billing",  
16 "directory assistance", "vertical service", and "voice  
17 mail services".

18 "Air-to-Ground Radiotelephone service" means a  
19 radio service, as that term is defined in 47 CFR 22.99,  
20 in which common carriers are authorized to offer and  
21 provide radio telecommunications service for hire to  
22 subscribers in aircraft.

23 "Call-by-call Basis" means any method of charging  
24 for telecommunications services where the price is  
25 measured by individual calls.

26 "Communications Channel" means a physical or



1 virtual path of communications over which signals are  
2 transmitted between or among customer channel  
3 termination points.

4 "Conference bridging service" means an "ancillary  
5 service" that links two or more participants of an  
6 audio or video conference call and may include the  
7 provision of a telephone number. "Conference bridging  
8 service" does not include the "telecommunications  
9 services" used to reach the conference bridge.

10 "Customer Channel Termination Point" means the  
11 location where the customer either inputs or receives  
12 the communications.

13 "Detailed telecommunications billing service"  
14 means an "ancillary service" of separately stating  
15 information pertaining to individual calls on a  
16 customer's billing statement.

17 "Directory assistance" means an "ancillary  
18 service" of providing telephone number information,  
19 and/or address information.

20 "Home service provider" means the facilities based  
21 carrier or reseller with which the customer contracts  
22 for the provision of mobile telecommunications  
23 services.

24 "Mobile telecommunications service" means  
25 commercial mobile radio service, as defined in Section  
26 20.3 of Title 47 of the Code of Federal Regulations as

1 in effect on June 1, 1999.

2 "Place of primary use" means the street address  
3 representative of where the customer's use of the  
4 telecommunications service primarily occurs, which  
5 must be the residential street address or the primary  
6 business street address of the customer. In the case of  
7 mobile telecommunications services, "place of primary  
8 use" must be within the licensed service area of the  
9 home service provider.

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

22 "Prepaid telecommunication service" means the  
23 right to access exclusively telecommunications  
24 services, which must be paid for in advance and which  
25 enables the origination of calls using an access number  
26 or authorization code, whether manually or

1           electronically dialed, and that is sold in  
2           predetermined units or dollars of which the number  
3           declines with use in a known amount.

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

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

21          "Service address" means:

22                 (a) The location of the telecommunications  
23                 equipment to which a customer's call is charged and  
24                 from which the call originates or terminates,  
25                 regardless of where the call is billed or paid;

26                 (b) If the location in line (a) is not known,

1 service address means the origination point of the  
2 signal of the telecommunications services first  
3 identified by either the seller's  
4 telecommunications system or in information  
5 received by the seller from its service provider  
6 where the system used to transport such signals is  
7 not that of the seller; and

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

11 "Telecommunications service" means the electronic  
12 transmission, conveyance, or routing of voice, data,  
13 audio, video, or any other information or signals to a  
14 point, or between or among points. The term  
15 "telecommunications service" includes such  
16 transmission, conveyance, or routing in which computer  
17 processing applications are used to act on the form,  
18 code or protocol of the content for purposes of  
19 transmission, conveyance or routing without regard to  
20 whether such service is referred to as voice over  
21 Internet protocol services or is classified by the  
22 Federal Communications Commission as enhanced or value  
23 added. "Telecommunications service" does not include:

24 (a) Data processing and information services  
25 that allow data to be generated, acquired, stored,  
26 processed, or retrieved and delivered by an

1 electronic transmission to a purchaser when such  
2 purchaser's primary purpose for the underlying  
3 transaction is the processed data or information;

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

6 (c) Tangible personal property;

7 (d) Advertising, including but not limited to  
8 directory advertising.

9 (e) Billing and collection services provided  
10 to third parties;

11 (f) Internet access service;

12 (g) Radio and television audio and video  
13 programming services, regardless of the medium,  
14 including the furnishing of transmission,  
15 conveyance and routing of such services by the  
16 programming service provider. Radio and television  
17 audio and video programming services shall include  
18 but not be limited to cable service as defined in  
19 47 USC 522(6) and audio and video programming  
20 services delivered by commercial mobile radio  
21 service providers, as defined in 47 CFR 20.3;

22 (h) "Ancillary services"; or

23 (i) Digital products "delivered  
24 electronically", including but not limited to  
25 software, music, video, reading materials or ring  
26 tones.

1           "Vertical service" means an "ancillary service"  
2           that is offered in connection with one or more  
3           "telecommunications services", which offers advanced  
4           calling features that allow customers to identify  
5           callers and to manage multiple calls and call  
6           connections, including "conference bridging services".

7           "Voice mail service" means an "ancillary service"  
8           that enables the customer to store, send or receive  
9           recorded messages. "Voice mail service" does not  
10          include any "vertical services" that the customer may  
11          be required to have in order to utilize the "voice mail  
12          service".

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

16                 (a) The call both originates and terminates in  
17                 this State.

18                 (b) The call either originates or terminates  
19                 in this State and the service address is located in  
20                 this State.

21          (iii) Receipts from the sale of postpaid  
22          telecommunications service at retail are in this State  
23          if the origination point of the telecommunication  
24          signal, as first identified by the service provider's  
25          telecommunication system or as identified by  
26          information received by the seller from its service

1 provider if the system used to transport  
2 telecommunication signals is not the seller's, is  
3 located in this State.

4 (iv) Receipts from the sale of prepaid  
5 telecommunications service or prepaid mobile  
6 telecommunications service at retail are in this State  
7 if the purchaser obtains the prepaid card or similar  
8 means of conveyance at a location in this State.  
9 Receipts from recharging a prepaid telecommunications  
10 service or mobile telecommunications service is in  
11 this State if the purchaser's billing information  
12 indicates a location in this State.

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

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

17 (b) 100% of receipts from charges for the total  
18 channel mileage between each channel termination  
19 point in this State.

20 (c) 50% of the total receipts from charges for  
21 service segments when those segments are between 2  
22 customer channel termination points, 1 of which is  
23 located in this State and the other is located  
24 outside of this State, which segments are  
25 separately charged.

26 (d) The receipts from charges for service

1 segments with a channel termination point located  
2 in this State and in two or more other states, and  
3 which segments are not separately billed, are in  
4 this State based on a percentage determined by  
5 dividing the number of customer channel  
6 termination points in this State by the total  
7 number of customer channel termination points.

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

17 (vii) Receipts to access a carrier's network or  
18 from the sale of telecommunication services or  
19 ancillary services for resale are in this State as  
20 follows:

21 (a) 100% of the receipts from access fees  
22 attributable to intrastate telecommunications  
23 service that both originates and terminates in  
24 this State.

25 (b) 50% of the receipts from access fees  
26 attributable to interstate telecommunications



1 service if the interstate call either originates  
2 or terminates in this State.

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

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

21 (B-7) For taxable years ending on or after December 31,  
22 2008, receipts from the sale of broadcasting services are  
23 in this State if the broadcasting services are received in  
24 this State. For purposes of this paragraph (B-7), the  
25 following terms have the following meanings:

26 "Advertising revenue" means consideration received

1           by the taxpayer in exchange for broadcasting services  
2           or allowing the broadcasting of commercials or  
3           announcements in connection with the broadcasting of  
4           film or radio programming, from sponsorships of the  
5           programming, or from product placements in the  
6           programming.

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

18          "Broadcast" or "broadcasting" or "broadcasting  
19          services" means the transmission or provision of film  
20          or radio programming, whether through the public  
21          airwaves, by cable, by direct or indirect satellite  
22          transmission, or by any other means of communication,  
23          either through a station, a network, or a cable system.

24          "Film" or "film programming" means the broadcast  
25          on television of any and all performances, events, or  
26          productions, including but not limited to news,

1 sporting events, plays, stories, or other literary,  
2 commercial, educational, or artistic works, either  
3 live or through the use of video tape, disc, or any  
4 other type of format or medium. Each episode of a  
5 series of films produced for television shall  
6 constitute separate "film" notwithstanding that the  
7 series relates to the same principal subject and is  
8 produced during one or more tax periods.

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

21 (i) In the case of advertising revenue from  
22 broadcasting, the customer is the advertiser and  
23 the service is received in this State if the  
24 commercial domicile of the advertiser is in this  
25 State.

26 (ii) In the case where film or radio

1 programming is broadcast by a station, a network,  
2 or a cable system for a fee or other remuneration  
3 received from the recipient of the broadcast, the  
4 portion of the service that is received in this  
5 State is measured by the portion of the recipients  
6 of the broadcast located in this State.  
7 Accordingly, the fee or other remuneration for  
8 such service that is included in the Illinois  
9 numerator of the sales factor is the total of those  
10 fees or other remuneration received from  
11 recipients in Illinois. For purposes of this  
12 paragraph, a taxpayer may determine the location  
13 of the recipients of its broadcast using the  
14 address of the recipient shown in its contracts  
15 with the recipient or using the billing address of  
16 the recipient in the taxpayer's records.

17 (iii) In the case where film or radio  
18 programming is broadcast by a station, a network,  
19 or a cable system for a fee or other remuneration  
20 from the person providing the programming, the  
21 portion of the broadcast service that is received  
22 by such station, network, or cable system in this  
23 State is measured by the portion of recipients of  
24 the broadcast located in this State. Accordingly,  
25 the amount of revenue related to such an  
26 arrangement that is included in the Illinois

1 numerator of the sales factor is the total fee or  
2 other total remuneration from the person providing  
3 the programming related to that broadcast  
4 multiplied by the Illinois audience factor for  
5 that broadcast.

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

19 (v) In the case where film or radio programming  
20 is provided by a taxpayer that is not a network or  
21 station to another person for broadcasting in  
22 exchange for a fee or other remuneration from that  
23 person, the broadcasting service is received at  
24 the location of the office of the customer from  
25 which the services were ordered in the regular  
26 course of the customer's trade or business.

1           Accordingly, in such a case the revenue derived by  
2           the taxpayer that is included in the taxpayer's  
3           Illinois numerator of the sales factor is the  
4           revenue from such customers who receive the  
5           broadcasting service in Illinois.

6           (B-8) For taxable years ending on or after December 31,  
7           2013, gross receipts from winnings from pari-mutuel  
8           wagering conducted at a wagering facility licensed under  
9           the Illinois Horse Racing Act of 1975 or from winnings from  
10           gambling games conducted on a riverboat or in a casino or  
11           electronic gaming facility licensed under the Illinois  
12           Gambling Act are in this State.

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

16           (i) The income-producing activity is performed in  
17           this State; or

18           (ii) The income-producing activity is performed  
19           both within and without this State and a greater  
20           proportion of the income-producing activity is  
21           performed within this State than without this State,  
22           based on performance costs.

23           (C-5) For taxable years ending on or after December 31,  
24           2008, sales, other than sales governed by paragraphs (B),  
25           (B-1), (B-2), (B-5), and (B-7), are in this State if any of  
26           the following criteria are met:

1           (i) Sales from the sale or lease of real property  
2 are in this State if the property is located in this  
3 State.

4           (ii) Sales from the lease or rental of tangible  
5 personal property are in this State if the property is  
6 located in this State during the rental period. Sales  
7 from the lease or rental of tangible personal property  
8 that is characteristically moving property, including,  
9 but not limited to, motor vehicles, rolling stock,  
10 aircraft, vessels, or mobile equipment are in this  
11 State to the extent that the property is used in this  
12 State.

13           (iii) In the case of interest, net gains (but not  
14 less than zero) and other items of income from  
15 intangible personal property, the sale is in this State  
16 if:

17           (a) in the case of a taxpayer who is a dealer  
18 in the item of intangible personal property within  
19 the meaning of Section 475 of the Internal Revenue  
20 Code, the income or gain is received from a  
21 customer in this State. For purposes of this  
22 subparagraph, a customer is in this State if the  
23 customer is an individual, trust or estate who is a  
24 resident of this State and, for all other  
25 customers, if the customer's commercial domicile  
26 is in this State. Unless the dealer has actual

1 knowledge of the residence or commercial domicile  
2 of a customer during a taxable year, the customer  
3 shall be deemed to be a customer in this State if  
4 the billing address of the customer, as shown in  
5 the records of the dealer, is in this State; or

6 (b) in all other cases, if the  
7 income-producing activity of the taxpayer is  
8 performed in this State or, if the  
9 income-producing activity of the taxpayer is  
10 performed both within and without this State, if a  
11 greater proportion of the income-producing  
12 activity of the taxpayer is performed within this  
13 State than in any other state, based on performance  
14 costs.

15 (iv) Sales of services are in this State if the  
16 services are received in this State. For the purposes  
17 of this section, gross receipts from the performance of  
18 services provided to a corporation, partnership, or  
19 trust may only be attributed to a state where that  
20 corporation, partnership, or trust has a fixed place of  
21 business. If the state where the services are received  
22 is not readily determinable or is a state where the  
23 corporation, partnership, or trust receiving the  
24 service does not have a fixed place of business, the  
25 services shall be deemed to be received at the location  
26 of the office of the customer from which the services



1           were ordered in the regular course of the customer's  
2           trade or business. If the ordering office cannot be  
3           determined, the services shall be deemed to be received  
4           at the office of the customer to which the services are  
5           billed. If the taxpayer is not taxable in the state in  
6           which the services are received, the sale must be  
7           excluded from both the numerator and the denominator of  
8           the sales factor. The Department shall adopt rules  
9           prescribing where specific types of service are  
10          received, including, but not limited to, publishing,  
11          and utility service.

12          (D) For taxable years ending on or after December 31,  
13          1995, the following items of income shall not be included  
14          in the numerator or denominator of the sales factor:  
15          dividends; amounts included under Section 78 of the  
16          Internal Revenue Code; and Subpart F income as defined in  
17          Section 952 of the Internal Revenue Code. No inference  
18          shall be drawn from the enactment of this paragraph (D) in  
19          construing this Section for taxable years ending before  
20          December 31, 1995.

21          (E) Paragraphs (B-1) and (B-2) shall apply to tax years  
22          ending on or after December 31, 1999, provided that a  
23          taxpayer may elect to apply the provisions of these  
24          paragraphs to prior tax years. Such election shall be made  
25          in the form and manner prescribed by the Department, shall  
26          be irrevocable, and shall apply to all tax years; provided

1 that, if a taxpayer's Illinois income tax liability for any  
2 tax year, as assessed under Section 903 prior to January 1,  
3 1999, was computed in a manner contrary to the provisions  
4 of paragraphs (B-1) or (B-2), no refund shall be payable to  
5 the taxpayer for that tax year to the extent such refund is  
6 the result of applying the provisions of paragraph (B-1) or  
7 (B-2) retroactively. In the case of a unitary business  
8 group, such election shall apply to all members of such  
9 group for every tax year such group is in existence, but  
10 shall not apply to any taxpayer for any period during which  
11 that taxpayer is not a member of such group.

12 (b) Insurance companies.

13 (1) In general. Except as otherwise provided by  
14 paragraph (2), business income of an insurance company for  
15 a taxable year shall be apportioned to this State by  
16 multiplying such income by a fraction, the numerator of  
17 which is the direct premiums written for insurance upon  
18 property or risk in this State, and the denominator of  
19 which is the direct premiums written for insurance upon  
20 property or risk everywhere. For purposes of this  
21 subsection, the term "direct premiums written" means the  
22 total amount of direct premiums written, assessments and  
23 annuity considerations as reported for the taxable year on  
24 the annual statement filed by the company with the Illinois  
25 Director of Insurance in the form approved by the National  
26 Convention of Insurance Commissioners or such other form as

1           may be prescribed in lieu thereof.

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

1 company under this paragraph for its first taxable year  
2 ending on or after December 31, 2011, shall be binding for  
3 that company for that taxable year and for all subsequent  
4 taxable years, and may be altered only with the written  
5 permission of the Department, which shall not be  
6 unreasonably withheld.

7 (c) Financial organizations.

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

20 (A) Fees, commissions or other compensation for  
21 financial services rendered within this State;

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

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

26 (D) Interest charged to customers at places of

1 business maintained within this State for carrying  
2 debit balances of margin accounts, without deduction  
3 of any costs incurred in carrying such accounts; and

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

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

18 (A) Adjusted Income. The adjusted income of an  
19 international banking facility is its income reduced  
20 by the amount of the floor amount.

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

25 (i) The numerator shall be:

26 The average aggregate, determined on a

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

13                 The average aggregate, determined on a  
14                 quarterly basis, of such loans (other than loans of  
15                 an international banking facility), as reported by  
16                 the financial institution for its branches,  
17                 agencies and offices within the state, on the  
18                 corresponding Schedule and lines of the  
19                 Consolidated Report of Condition for the current  
20                 taxable year, provided, however, that in no case  
21                 shall the amount determined in this clause (the  
22                 subtrahend) exceed the amount determined in the  
23                 preceding clause (the minuend); and

24                 (ii) the denominator shall be the average  
25                 aggregate, determined on a quarterly basis, of the  
26                 international banking facility's loans to banks in

1 foreign countries, to foreign domiciled borrowers  
2 (except where secured primarily by real estate)  
3 and to foreign governments and other foreign  
4 official institutions, which were recorded in its  
5 financial accounts for the current taxable year.

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

23 (3) For taxable years ending on or after December 31,  
24 2008, the business income of a financial organization shall  
25 be apportioned to this State by multiplying such income by  
26 a fraction, the numerator of which is its gross receipts

1 from sources in this State or otherwise attributable to  
2 this State's marketplace and the denominator of which is  
3 its gross receipts everywhere during the taxable year.  
4 "Gross receipts" for purposes of this subparagraph (3)  
5 means gross income, including net taxable gain on  
6 disposition of assets, including securities and money  
7 market instruments, when derived from transactions and  
8 activities in the regular course of the financial  
9 organization's trade or business. The following examples  
10 are illustrative:

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

20 (ii) Interest income, commissions, fees, gains on  
21 disposition, and other receipts from assets in the  
22 nature of loans that are secured primarily by real  
23 estate or tangible personal property are from sources  
24 in this State if the security is located in this State.

25 (iii) Interest income, commissions, fees, gains on  
26 disposition, and other receipts from consumer loans



1           that are not secured by real or tangible personal  
2           property are from sources in this State if the debtor  
3           is a resident of this State.

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

17          (v) Interest income, fees, gains on disposition,  
18          service charges, merchant discount income, and other  
19          receipts from credit card receivables are from sources  
20          in this State if the card charges are regularly billed  
21          to a customer in this State.

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

1           (vii) Receipts from the issuance of travelers  
2 checks and money orders are from sources in this State  
3 if the checks and money orders are issued from a  
4 location within this State.

5           (viii) Receipts from investment assets and  
6 activities and trading assets and activities are  
7 included in the receipts factor as follows:

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

25                           (A) The receipts factor shall include the  
26 amount by which interest from federal funds

1 sold and securities purchased under resale  
2 agreements exceeds interest expense on federal  
3 funds purchased and securities sold under  
4 repurchase agreements.

5 (B) The receipts factor shall include the  
6 amount by which interest, dividends, gains and  
7 other income from trading assets and  
8 activities, including but not limited to  
9 assets and activities in the matched book, in  
10 the arbitrage book, and foreign currency  
11 transactions, exceed amounts paid in lieu of  
12 interest, amounts paid in lieu of dividends,  
13 and losses from such assets and activities.

14 (2) The numerator of the receipts factor  
15 includes interest, dividends, net gains (but not  
16 less than zero), and other income from investment  
17 assets and activities and from trading assets and  
18 activities described in paragraph (1) of this  
19 subsection that are attributable to this State.

20 (A) The amount of interest, dividends, net  
21 gains (but not less than zero), and other  
22 income from investment assets and activities  
23 in the investment account to be attributed to  
24 this State and included in the numerator is  
25 determined by multiplying all such income from  
26 such assets and activities by a fraction, the

1 numerator of which is the gross income from  
2 such assets and activities which are properly  
3 assigned to a fixed place of business of the  
4 taxpayer within this State and the denominator  
5 of which is the gross income from all such  
6 assets and activities.

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

22 (C) The amount of interest, dividends,  
23 gains, and other income from trading assets and  
24 activities, including but not limited to  
25 assets and activities in the matched book, in  
26 the arbitrage book and foreign currency

1 transactions (but excluding amounts described  
2 in subparagraphs (A) or (B) of this paragraph),  
3 attributable to this State and included in the  
4 numerator is determined by multiplying the  
5 amount described in subparagraph (B) of  
6 paragraph (1) of this subsection by a fraction,  
7 the numerator of which is the gross income from  
8 such trading assets and activities which are  
9 properly assigned to a fixed place of business  
10 of the taxpayer within this State and the  
11 denominator of which is the gross income from  
12 all such assets and activities.

13 (D) Properly assigned, for purposes of  
14 this paragraph (2) of this subsection, means  
15 the investment or trading asset or activity is  
16 assigned to the fixed place of business with  
17 which it has a preponderance of substantive  
18 contacts. An investment or trading asset or  
19 activity assigned by the taxpayer to a fixed  
20 place of business without the State shall be  
21 presumed to have been properly assigned if:

22 (i) the taxpayer has assigned, in the  
23 regular course of its business, such asset  
24 or activity on its records to a fixed place  
25 of business consistent with federal or  
26 state regulatory requirements;

1           (ii) such assignment on its records is  
2           based upon substantive contacts of the  
3           asset or activity to such fixed place of  
4           business; and

5           (iii) the taxpayer uses such records  
6           reflecting assignment of such assets or  
7           activities for the filing of all state and  
8           local tax returns for which an assignment  
9           of such assets or activities to a fixed  
10          place of business is required.

11          (E) The presumption of proper assignment  
12          of an investment or trading asset or activity  
13          provided in subparagraph (D) of paragraph (2)  
14          of this subsection may be rebutted upon a  
15          showing by the Department, supported by a  
16          preponderance of the evidence, that the  
17          preponderance of substantive contacts  
18          regarding such asset or activity did not occur  
19          at the fixed place of business to which it was  
20          assigned on the taxpayer's records. If the  
21          fixed place of business that has a  
22          preponderance of substantive contacts cannot  
23          be determined for an investment or trading  
24          asset or activity to which the presumption in  
25          subparagraph (D) of paragraph (2) of this  
26          subsection does not apply or with respect to

1           which that presumption has been rebutted, that  
2           asset or activity is properly assigned to the  
3           state in which the taxpayer's commercial  
4           domicile is located. For purposes of this  
5           subparagraph (E), it shall be presumed,  
6           subject to rebuttal, that taxpayer's  
7           commercial domicile is in the state of the  
8           United States or the District of Columbia to  
9           which the greatest number of employees are  
10          regularly connected with the management of the  
11          investment or trading income or out of which  
12          they are working, irrespective of where the  
13          services of such employees are performed, as of  
14          the last day of the taxable year.

15           (4) (Blank).

16           (5) (Blank).

17          (c-1) Federally regulated exchanges. For taxable years  
18          ending on or after December 31, 2012, business income of a  
19          federally regulated exchange shall, at the option of the  
20          federally regulated exchange, be apportioned to this State by  
21          multiplying such income by a fraction, the numerator of which  
22          is its business income from sources within this State, and the  
23          denominator of which is its business income from all sources.  
24          For purposes of this subsection, the business income within  
25          this State of a federally regulated exchange is the sum of the  
26          following:

1           (1) Receipts attributable to transactions executed on  
2 a physical trading floor if that physical trading floor is  
3 located in this State.

4           (2) Receipts attributable to all other matching,  
5 execution, or clearing transactions, including without  
6 limitation receipts from the provision of matching,  
7 execution, or clearing services to another entity,  
8 multiplied by (i) for taxable years ending on or after  
9 December 31, 2012 but before December 31, 2013, 63.77%; and  
10 (ii) for taxable years ending on or after December 31,  
11 2013, 27.54%.

12           (3) All other receipts not governed by subparagraphs  
13 (1) or (2) of this subsection (c-1), to the extent the  
14 receipts would be characterized as "sales in this State"  
15 under item (3) of subsection (a) of this Section.

16           "Federally regulated exchange" means (i) a "registered  
17 entity" within the meaning of 7 U.S.C. Section 1a(40) (A), (B),  
18 or (C), (ii) an "exchange" or "clearing agency" within the  
19 meaning of 15 U.S.C. Section 78c (a) (1) or (23), (iii) any such  
20 entities regulated under any successor regulatory structure to  
21 the foregoing, and (iv) all taxpayers who are members of the  
22 same unitary business group as a federally regulated exchange,  
23 determined without regard to the prohibition in Section  
24 1501(a) (27) of this Act against including in a unitary business  
25 group taxpayers who are ordinarily required to apportion  
26 business income under different subsections of this Section;



1 provided that this subparagraph (iv) shall apply only if 50% or  
2 more of the business receipts of the unitary business group  
3 determined by application of this subparagraph (iv) for the  
4 taxable year are attributable to the matching, execution, or  
5 clearing of transactions conducted by an entity described in  
6 subparagraph (i), (ii), or (iii) of this paragraph.

7 In no event shall the Illinois apportionment percentage  
8 computed in accordance with this subsection (c-1) for any  
9 taxpayer for any tax year be less than the Illinois  
10 apportionment percentage computed under this subsection (c-1)  
11 for that taxpayer for the first full tax year ending on or  
12 after December 31, 2013 for which this subsection (c-1) applied  
13 to the taxpayer.

14 (d) Transportation services. For taxable years ending  
15 before December 31, 2008, business income derived from  
16 furnishing transportation services shall be apportioned to  
17 this State in accordance with paragraphs (1) and (2):

18 (1) Such business income (other than that derived from  
19 transportation by pipeline) shall be apportioned to this  
20 State by multiplying such income by a fraction, the  
21 numerator of which is the revenue miles of the person in  
22 this State, and the denominator of which is the revenue  
23 miles of the person everywhere. For purposes of this  
24 paragraph, a revenue mile is the transportation of 1  
25 passenger or 1 net ton of freight the distance of 1 mile  
26 for a consideration. Where a person is engaged in the

1 transportation of both passengers and freight, the  
2 fraction above referred to shall be determined by means of  
3 an average of the passenger revenue mile fraction and the  
4 freight revenue mile fraction, weighted to reflect the  
5 person's

6 (A) relative railway operating income from total  
7 passenger and total freight service, as reported to the  
8 Interstate Commerce Commission, in the case of  
9 transportation by railroad, and

10 (B) relative gross receipts from passenger and  
11 freight transportation, in case of transportation  
12 other than by railroad.

13 (2) Such business income derived from transportation  
14 by pipeline shall be apportioned to this State by  
15 multiplying such income by a fraction, the numerator of  
16 which is the revenue miles of the person in this State, and  
17 the denominator of which is the revenue miles of the person  
18 everywhere. For the purposes of this paragraph, a revenue  
19 mile is the transportation by pipeline of 1 barrel of oil,  
20 1,000 cubic feet of gas, or of any specified quantity of  
21 any other substance, the distance of 1 mile for a  
22 consideration.

23 (3) For taxable years ending on or after December 31,  
24 2008, business income derived from providing  
25 transportation services other than airline services shall  
26 be apportioned to this State by using a fraction, (a) the

1 numerator of which shall be (i) all receipts from any  
2 movement or shipment of people, goods, mail, oil, gas, or  
3 any other substance (other than by airline) that both  
4 originates and terminates in this State, plus (ii) that  
5 portion of the person's gross receipts from movements or  
6 shipments of people, goods, mail, oil, gas, or any other  
7 substance (other than by airline) that originates in one  
8 state or jurisdiction and terminates in another state or  
9 jurisdiction, that is determined by the ratio that the  
10 miles traveled in this State bears to total miles  
11 everywhere and (b) the denominator of which shall be all  
12 revenue derived from the movement or shipment of people,  
13 goods, mail, oil, gas, or any other substance (other than  
14 by airline). Where a taxpayer is engaged in the  
15 transportation of both passengers and freight, the  
16 fraction above referred to shall first be determined  
17 separately for passenger miles and freight miles. Then an  
18 average of the passenger miles fraction and the freight  
19 miles fraction shall be weighted to reflect the taxpayer's:

20 (A) relative railway operating income from total  
21 passenger and total freight service, as reported to the  
22 Surface Transportation Board, in the case of  
23 transportation by railroad; and

24 (B) relative gross receipts from passenger and  
25 freight transportation, in case of transportation  
26 other than by railroad.

1           (4) For taxable years ending on or after December 31,  
2           2008, business income derived from furnishing airline  
3           transportation services shall be apportioned to this State  
4           by multiplying such income by a fraction, the numerator of  
5           which is the revenue miles of the person in this State, and  
6           the denominator of which is the revenue miles of the person  
7           everywhere. For purposes of this paragraph, a revenue mile  
8           is the transportation of one passenger or one net ton of  
9           freight the distance of one mile for a consideration. If a  
10          person is engaged in the transportation of both passengers  
11          and freight, the fraction above referred to shall be  
12          determined by means of an average of the passenger revenue  
13          mile fraction and the freight revenue mile fraction,  
14          weighted to reflect the person's relative gross receipts  
15          from passenger and freight airline transportation.

16          (e) Combined apportionment. Where 2 or more persons are  
17          engaged in a unitary business as described in subsection  
18          (a) (27) of Section 1501, a part of which is conducted in this  
19          State by one or more members of the group, the business income  
20          attributable to this State by any such member or members shall  
21          be apportioned by means of the combined apportionment method.

22          (f) Alternative allocation. If the allocation and  
23          apportionment provisions of subsections (a) through (e) and of  
24          subsection (h) do not fairly represent the extent of a person's  
25          business activity in this State, the person may petition for,  
26          or the Director may, without a petition, permit or require, in

1 respect of all or any part of the person's business activity,  
2 if reasonable:

3 (1) Separate accounting;

4 (2) The exclusion of any one or more factors;

5 (3) The inclusion of one or more additional factors  
6 which will fairly represent the person's business  
7 activities in this State; or

8 (4) The employment of any other method to effectuate an  
9 equitable allocation and apportionment of the person's  
10 business income.

11 (g) Cross reference. For allocation of business income by  
12 residents, see Section 301(a).

13 (h) For tax years ending on or after December 31, 1998, the  
14 apportionment factor of persons who apportion their business  
15 income to this State under subsection (a) shall be equal to:

16 (1) for tax years ending on or after December 31, 1998  
17 and before December 31, 1999, 16 2/3% of the property  
18 factor plus 16 2/3% of the payroll factor plus 66 2/3% of  
19 the sales factor;

20 (2) for tax years ending on or after December 31, 1999  
21 and before December 31, 2000, 8 1/3% of the property factor  
22 plus 8 1/3% of the payroll factor plus 83 1/3% of the sales  
23 factor;

24 (3) for tax years ending on or after December 31, 2000,  
25 the sales factor.

26 If, in any tax year ending on or after December 31, 1998 and

1 before December 31, 2000, the denominator of the payroll,  
2 property, or sales factor is zero, the apportionment factor  
3 computed in paragraph (1) or (2) of this subsection for that  
4 year shall be divided by an amount equal to 100% minus the  
5 percentage weight given to each factor whose denominator is  
6 equal to zero.

7 (Source: P.A. 96-763, eff. 8-25-09; 97-507, eff. 8-23-11;  
8 97-636, eff. 6-1-12.)

9 (35 ILCS 5/710) (from Ch. 120, par. 7-710)

10 Sec. 710. Withholding from lottery winnings.

11 (a) In General.

12 (1) Any person making a payment to a resident or  
13 nonresident of winnings under the Illinois Lottery Law and  
14 not required to withhold Illinois income tax from such  
15 payment under Subsection (b) of Section 701 of this Act  
16 because those winnings are not subject to Federal income  
17 tax withholding, must withhold Illinois income tax from  
18 such payment at a rate equal to the percentage tax rate for  
19 individuals provided in subsection (b) of Section 201,  
20 provided that withholding is not required if such payment  
21 of winnings is less than \$1,000.

22 (2) Any person making a payment after December 31, 2013  
23 to a resident or nonresident of winnings from pari-mutuel  
24 wagering conducted at a wagering facility licensed under  
25 the Illinois Horse Racing Act of 1975 or from gambling

1       games conducted on a riverboat or in a casino or electronic  
2       gaming facility licensed under the Illinois Gambling Act  
3       must withhold Illinois income tax from such payment at a  
4       rate equal to the percentage tax rate for individuals  
5       provided in subsection (b) of Section 201, provided that  
6       the person making the payment is required to withhold under  
7       Section 3402(q) of the Internal Revenue Code.

8       (b) Credit for taxes withheld. Any amount withheld under  
9       Subsection (a) shall be a credit against the Illinois income  
10      tax liability of the person to whom the payment of winnings was  
11      made for the taxable year in which that person incurred an  
12      Illinois income tax liability with respect to those winnings.

13      (Source: P.A. 85-731.)

14      Section 90-23. The Property Tax Code is amended by adding  
15      Section 15-144 as follows:

16      (35 ILCS 200/15-144 new)

17      Sec. 15-144. Chicago Casino Development Authority. All  
18      property owned by the Chicago Casino Development Authority is  
19      exempt. Any property owned by the Chicago Casino Development  
20      Authority and leased to any other entity is not exempt.

21      Section 90-24. The Illinois Municipal Code is amended by  
22      adding Section 8-10-2.6 as follows:

1 (65 ILCS 5/8-10-2.6 new)

2 Sec. 8-10-2.6. Chicago Casino Development Authority.  
3 Except as otherwise provided in the Chicago Casino Development  
4 Authority Act, this Division 10 applies to purchase orders and  
5 contracts relating to the Chicago Casino Development  
6 Authority.

7 Section 90-25. The Joliet Regional Port District Act is  
8 amended by changing Section 5.1 as follows:

9 (70 ILCS 1825/5.1) (from Ch. 19, par. 255.1)

10 Sec. 5.1. Riverboat and casino gambling. Notwithstanding  
11 any other provision of this Act, the District may not regulate  
12 the operation, conduct, or navigation of any riverboat gambling  
13 casino licensed under the Illinois Riverboat Gambling Act, and  
14 the District may not license, tax, or otherwise levy any  
15 assessment of any kind on any riverboat gambling casino  
16 licensed under the Illinois Riverboat Gambling Act. The General  
17 Assembly declares that the powers to regulate the operation,  
18 conduct, and navigation of riverboat gambling casinos and to  
19 license, tax, and levy assessments upon riverboat gambling  
20 casinos are exclusive powers of the State of Illinois and the  
21 Illinois Gaming Board as provided in the Illinois Riverboat  
22 Gambling Act.

23 (Source: P.A. 87-1175.)



1           Section 90-30. The Consumer Installment Loan Act is amended  
2 by changing Section 12.5 as follows:

3           (205 ILCS 670/12.5)

4           Sec. 12.5. Limited purpose branch.

5           (a) Upon the written approval of the Director, a licensee  
6 may maintain a limited purpose branch for the sole purpose of  
7 making loans as permitted by this Act. A limited purpose branch  
8 may include an automatic loan machine. No other activity shall  
9 be conducted at the site, including but not limited to,  
10 accepting payments, servicing the accounts, or collections.

11           (b) The licensee must submit an application for a limited  
12 purpose branch to the Director on forms prescribed by the  
13 Director with an application fee of \$300. The approval for the  
14 limited purpose branch must be renewed concurrently with the  
15 renewal of the licensee's license along with a renewal fee of  
16 \$300 for the limited purpose branch.

17           (c) The books, accounts, records, and files of the limited  
18 purpose branch's transactions shall be maintained at the  
19 licensee's licensed location. The licensee shall notify the  
20 Director of the licensed location at which the books, accounts,  
21 records, and files shall be maintained.

22           (d) The licensee shall prominently display at the limited  
23 purpose branch the address and telephone number of the  
24 licensee's licensed location.

25           (e) No other business shall be conducted at the site of the

1 limited purpose branch unless authorized by the Director.

2 (f) The Director shall make and enforce reasonable rules  
3 for the conduct of a limited purpose branch.

4 (g) A limited purpose branch may not be located within  
5 1,000 feet of a facility operated by an inter-track wagering  
6 licensee or an organization licensee subject to the Illinois  
7 Horse Racing Act of 1975, on a riverboat or in a casino subject  
8 to the Illinois Riverboat Gambling Act, or within 1,000 feet of  
9 the location at which the riverboat docks or within 1,000 feet  
10 of a casino.

11 (Source: P.A. 90-437, eff. 1-1-98.)

12 Section 90-35. The Illinois Horse Racing Act of 1975 is  
13 amended by changing Sections 1.2, 3.11, 3.12, 6, 9, 15, 18, 19,  
14 20, 21, 24, 25, 26, 27, 30, 30.5, 31, 31.1, 32.1, 36, 40, and  
15 54.75 and by adding Sections 3.31, 3.32, 3.33, 3.35, 3.36,  
16 3.37, 34.3, 39.2, and 56 as follows:

17 (230 ILCS 5/1.2)

18 Sec. 1.2. Legislative intent. This Act is intended to  
19 benefit the people of the State of Illinois by encouraging the  
20 breeding and production of race horses, assisting economic  
21 development and promoting Illinois tourism. The General  
22 Assembly finds and declares it to be the public policy of the  
23 State of Illinois to:

24 (a) support and enhance Illinois' horse racing industry,

1 which is a significant component within the agribusiness  
2 industry;

3 (b) ensure that Illinois' horse racing industry remains  
4 competitive with neighboring states;

5 (c) stimulate growth within Illinois' horse racing  
6 industry, thereby encouraging new investment and development  
7 to produce additional tax revenues and to create additional  
8 jobs;

9 (d) promote the further growth of tourism;

10 (e) encourage the breeding of thoroughbred and  
11 standardbred horses in this State; and

12 (f) ensure that public confidence and trust in the  
13 credibility and integrity of racing operations and the  
14 regulatory process is maintained.

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

16 (230 ILCS 5/3.11) (from Ch. 8, par. 37-3.11)

17 Sec. 3.11. "Organization Licensee" means any person  
18 receiving an organization license from the Board to conduct a  
19 race meeting or meetings. With respect only to electronic  
20 gaming, "organization licensee" includes the authorization for  
21 an electronic gaming license under subsection (a) of Section 56  
22 of this Act.

23 (Source: P.A. 79-1185.)

24 (230 ILCS 5/3.12) (from Ch. 8, par. 37-3.12)

1           Sec. 3.12. Pari-mutuel system of wagering. "Pari-mutuel  
2 system of wagering" means a form of wagering on the outcome of  
3 horse races in which wagers are made in various denominations  
4 on a horse or horses and all wagers for each race are pooled  
5 and held by a licensee for distribution in a manner approved by  
6 the Board. "Pari-mutuel system of wagering" shall not include  
7 wagering on historic races. Wagers may be placed via any method  
8 or at any location authorized under this Act.

9           (Source: P.A. 96-762, eff. 8-25-09.)

10           (230 ILCS 5/3.31 new)

11           Sec. 3.31. Adjusted gross receipts. "Adjusted gross  
12 receipts" means the gross receipts less winnings paid to  
13 wagerers.

14           (230 ILCS 5/3.32 new)

15           Sec. 3.32. Gross receipts. "Gross receipts" means the total  
16 amount of money exchanged for the purchase of chips, tokens, or  
17 electronic cards by riverboat or casino patrons or electronic  
18 gaming patrons.

19           (230 ILCS 5/3.33 new)

20           Sec. 3.33. Electronic gaming. "Electronic gaming" means  
21 slot machine gambling, video game of chance gambling, or  
22 gambling with electronic gambling games as defined in the  
23 Illinois Gambling Act or defined by the Illinois Gaming Board

1 that is conducted at a race track pursuant to an electronic  
2 gaming license.

3 (230 ILCS 5/3.35 new)

4 Sec. 3.35. Electronic gaming license. "Electronic gaming  
5 license" means a license issued by the Illinois Gaming Board  
6 under Section 7.6 of the Illinois Gambling Act authorizing  
7 electronic gaming at an electronic gaming facility.

8 (230 ILCS 5/3.36 new)

9 Sec. 3.36. Electronic gaming facility. "Electronic gaming  
10 facility" means that portion of an organization licensee's race  
11 track facility at which electronic gaming is conducted.

12 (230 ILCS 5/3.37 new)

13 Sec. 3.37. Purse. "Purse" means the amount of money won by  
14 the owner of any competitor in a race. For purposes of  
15 calculating owners' awards and breeders' awards pursuant to  
16 Sections 30, 30.5, and 31 of this Act, "purse" shall only  
17 include the amount paid from the purse account of the  
18 organization licensee, and does not include (i) any fees paid  
19 by the owners of the horses nominated to, entered in, or  
20 starting in a horse race meeting and any money added by the  
21 organization licensee, and (ii) any purse supplements, stakes  
22 and awards, and awards expended from the Illinois Thoroughbred  
23 Breeders Fund, the Illinois Quarter Horse Breeders Fund, and

1 the Illinois Standardbred Breeders Fund.

2 (230 ILCS 5/6) (from Ch. 8, par. 37-6)

3 Sec. 6. Restrictions on Board members.

4 (a) No person shall be appointed a member of the Board or  
5 continue to be a member of the Board if the person or any  
6 member of their immediate family is a member of the Board of  
7 Directors, employee, or financially interested in any of the  
8 following: (i) any licensee or other person who has applied for  
9 racing dates to the Board, or the operations thereof including,  
10 but not limited to, concessions, data processing, track  
11 maintenance, track security, and pari-mutuel operations,  
12 located, scheduled or doing business within the State of  
13 Illinois, (ii) any race horse competing at a meeting under the  
14 Board's jurisdiction, or (iii) any licensee under the Illinois  
15 Gambling Act. No person shall be appointed a member of the  
16 Board or continue to be a member of the Board who is (or any  
17 member of whose family is) a member of the Board of Directors  
18 of, or who is a person financially interested in, any licensee  
19 or other person who has applied for racing dates to the Board,  
20 or the operations thereof including, but not limited to,  
21 e concessions, data processing, track maintenance, track  
22 security and pari-mutuel operations, located, scheduled or  
23 doing business within the State of Illinois, or in any race  
24 horse competing at a meeting under the Board's jurisdiction. No  
25 Board member shall hold any other public office for which he

1 ~~shall receive compensation other than necessary travel or other~~  
2 ~~incidental expenses.~~

3 (b) No person shall be a member of the Board who is not of  
4 good moral character or who has been convicted of, or is under  
5 indictment for, a felony under the laws of Illinois or any  
6 other state, or the United States.

7 (c) No member of the Board or employee shall engage in any  
8 political activity.

9 For the purposes of this subsection (c):

10 "Political" means any activity in support of or in  
11 connection with any campaign for State or local elective office  
12 or any political organization, but does not include activities  
13 (i) relating to the support or opposition of any executive,  
14 legislative, or administrative action (as those terms are  
15 defined in Section 2 of the Lobbyist Registration Act), (ii)  
16 relating to collective bargaining, or (iii) that are otherwise  
17 in furtherance of the person's official State duties or  
18 governmental and public service functions.

19 "Political organization" means a party, committee,  
20 association, fund, or other organization (whether or not  
21 incorporated) that is required to file a statement of  
22 organization with the State Board of Elections or county clerk  
23 under Section 9-3 of the Election Code, but only with regard to  
24 those activities that require filing with the State Board of  
25 Elections or county clerk.

26 (d) Board members and employees may not engage in

1 communications or any activity that may cause or have the  
2 appearance of causing a conflict of interest. A conflict of  
3 interest exists if a situation influences or creates the  
4 appearance that it may influence judgment or performance of  
5 regulatory duties and responsibilities. This prohibition shall  
6 extend to any act identified by Board action that, in the  
7 judgment of the Board, could represent the potential for or the  
8 appearance of a conflict of interest.

9 (e) Board members and employees may not accept any gift,  
10 gratuity, service, compensation, travel, lodging, or thing of  
11 value, with the exception of unsolicited items of an incidental  
12 nature, from any person, corporation, limited liability  
13 company, or entity doing business with the Board.

14 (f) A Board member or employee shall not use or attempt to  
15 use his or her official position to secure, or attempt to  
16 secure, any privilege, advantage, favor, or influence for  
17 himself or herself or others. No Board member or employee,  
18 within a period of one year immediately preceding nomination by  
19 the Governor or employment, shall have been employed or  
20 received compensation or fees for services from a person or  
21 entity, or its parent or affiliate, that has engaged in  
22 business with the Board, a licensee or a licensee under the  
23 Illinois Gambling Act. In addition, all Board members and  
24 employees are subject to the restrictions set forth in Section  
25 5-45 of the State Officials and Employees Ethics Act.

26 (Source: P.A. 89-16, eff. 5-30-95.)



1 (230 ILCS 5/9) (from Ch. 8, par. 37-9)

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

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

21 Upon application, the Board shall issue a license to the  
22 Illinois Department of Agriculture to conduct harness and  
23 Quarter Horse races at the Illinois State Fair and at the  
24 DuQuoin State Fairgrounds during the scheduled dates of each  
25 fair. The Board shall not require and the Department of

1 Agriculture shall be exempt from the requirements of Sections  
2 15.3, 18 and 19, paragraphs (a)(2), (b), (c), (d), (e), (e-5),  
3 (e-10), (f), (g), and (h) of Section 20, and Sections 21, 24  
4 and 25. The Board and the Department of Agriculture may extend  
5 any or all of these exemptions to any contractor or agent  
6 engaged by the Department of Agriculture to conduct its race  
7 meetings when the Board determines that this would best serve  
8 the public interest and the interest of horse racing.

9 Notwithstanding any provision of law to the contrary, it  
10 shall be lawful for any licensee to operate pari-mutuel  
11 wagering or contract with the Department of Agriculture to  
12 operate pari-mutuel wagering at the DuQuoin State Fairgrounds  
13 or for the Department to enter into contracts with a licensee,  
14 employ its owners, employees or agents and employ such other  
15 occupation licensees as the Department deems necessary in  
16 connection with race meetings and wagerings.

17 (b) The Board is vested with the full power to promulgate  
18 reasonable rules and regulations for the purpose of  
19 administering the provisions of this Act and to prescribe  
20 reasonable rules, regulations and conditions under which all  
21 horse race meetings or wagering in the State shall be  
22 conducted. Such reasonable rules and regulations are to provide  
23 for the prevention of practices detrimental to the public  
24 interest and to promote the best interests of horse racing and  
25 to impose penalties for violations thereof.

26 (c) The Board, and any person or persons to whom it

1 delegates this power, is vested with the power to enter the  
2 facilities and other places of business of any licensee to  
3 determine whether there has been compliance with the provisions  
4 of this Act and its rules and regulations.

5 (d) The Board, and any person or persons to whom it  
6 delegates this power, is vested with the authority to  
7 investigate alleged violations of the provisions of this Act,  
8 its reasonable rules and regulations, orders and final  
9 decisions; the Board shall take appropriate disciplinary  
10 action against any licensee or occupation licensee for  
11 violation thereof or institute appropriate legal action for the  
12 enforcement thereof.

13 (e) The Board, and any person or persons to whom it  
14 delegates this power, may eject or exclude from any race  
15 meeting or the facilities of any licensee, or any part thereof,  
16 any occupation licensee or any other individual whose conduct  
17 or reputation is such that his presence on those facilities  
18 may, in the opinion of the Board, call into question the  
19 honesty and integrity of horse racing or wagering or interfere  
20 with the orderly conduct of horse racing or wagering; provided,  
21 however, that no person shall be excluded or ejected from the  
22 facilities of any licensee solely on the grounds of race,  
23 color, creed, national origin, ancestry, or sex. The power to  
24 eject or exclude an occupation licensee or other individual may  
25 be exercised for just cause by the licensee or the Board,  
26 subject to subsequent hearing by the Board as to the propriety

1 of said exclusion.

2 (f) The Board is vested with the power to acquire,  
3 establish, maintain and operate (or provide by contract to  
4 maintain and operate) testing laboratories and related  
5 facilities, for the purpose of conducting saliva, blood, urine  
6 and other tests on the horses run or to be run in any horse race  
7 meeting, including races run at county fairs, and to purchase  
8 all equipment and supplies deemed necessary or desirable in  
9 connection with any such testing laboratories and related  
10 facilities and all such tests.

11 (g) The Board may require that the records, including  
12 financial or other statements of any licensee or any person  
13 affiliated with the licensee who is involved directly or  
14 indirectly in the activities of any licensee as regulated under  
15 this Act to the extent that those financial or other statements  
16 relate to such activities be kept in such manner as prescribed  
17 by the Board, and that Board employees shall have access to  
18 those records during reasonable business hours. Within 120 days  
19 of the end of its fiscal year, each licensee shall transmit to  
20 the Board an audit of the financial transactions and condition  
21 of the licensee's total operations. All audits shall be  
22 conducted by certified public accountants. Each certified  
23 public accountant must be registered in the State of Illinois  
24 under the Illinois Public Accounting Act. The compensation for  
25 each certified public accountant shall be paid directly by the  
26 licensee to the certified public accountant. A licensee shall

1 also submit any other financial or related information the  
2 Board deems necessary to effectively administer this Act and  
3 all rules, regulations, and final decisions promulgated under  
4 this Act.

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

16 (i) The Board shall require that there shall be 3 stewards  
17 at each horse race meeting, at least 2 of whom shall be named  
18 and appointed by the Board. Stewards appointed or approved by  
19 the Board, while performing duties required by this Act or by  
20 the Board, shall be entitled to the same rights and immunities  
21 as granted to Board members and Board employees in Section 10  
22 of this Act.

23 (j) The Board may discharge any Board employee who fails or  
24 refuses for any reason to comply with the rules and regulations  
25 of the Board, or who, in the opinion of the Board, is guilty of  
26 fraud, dishonesty or who is proven to be incompetent. The Board

1 shall have no right or power to determine who shall be  
2 officers, directors or employees of any licensee, or their  
3 salaries except the Board may, by rule, require that all or any  
4 officials or employees in charge of or whose duties relate to  
5 the actual running of races be approved by the Board.

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

10 (l) The Board is vested with the power to impose civil  
11 penalties of up to \$5,000 against an individual and up to  
12 \$10,000 against a licensee for each violation of any provision  
13 of this Act, any rules adopted by the Board, any order of the  
14 Board or any other action which, in the Board's discretion, is  
15 a detriment or impediment to horse racing or wagering.  
16 Beginning on the date when any organization licensee begins  
17 conducting electronic gaming pursuant to an electronic gaming  
18 license issued under the Illinois Gambling Act, the power  
19 granted to the Board pursuant to this subsection (l) shall  
20 authorize the Board to impose penalties of up to \$10,000  
21 against an individual and up to \$25,000 against a licensee. All  
22 such civil penalties shall be deposited into the Horse Racing  
23 Fund.

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

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

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

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

7           (Source: P.A. 97-1060, eff. 8-24-12.)

8           (230 ILCS 5/15) (from Ch. 8, par. 37-15)

9           Sec. 15. (a) The Board shall, in its discretion, issue  
10 occupation licenses to horse owners, trainers, harness  
11 drivers, jockeys, agents, apprentices, grooms, stable foremen,  
12 exercise persons, veterinarians, valets, blacksmiths,  
13 concessionaires and others designated by the Board whose work,  
14 in whole or in part, is conducted upon facilities within the  
15 State. Such occupation licenses will be obtained prior to the  
16 persons engaging in their vocation upon such facilities. The  
17 Board shall not license pari-mutuel clerks, parking  
18 attendants, security guards and employees of concessionaires.  
19 No occupation license shall be required of any person who works  
20 at facilities within this State as a pari-mutuel clerk, parking  
21 attendant, security guard or as an employee of a  
22 concessionaire. Concessionaires of the Illinois State Fair and  
23 DuQuoin State Fair and employees of the Illinois Department of  
24 Agriculture shall not be required to obtain an occupation  
25 license by the Board.



1 (b) Each application for an occupation license shall be on  
2 forms prescribed by the Board. Such license, when issued, shall  
3 be for the period ending December 31 of each year, except that  
4 the Board in its discretion may grant 3-year licenses. The  
5 application shall be accompanied by a fee of not more than \$25  
6 per year or, in the case of 3-year occupation license  
7 applications, a fee of not more than \$60. Each applicant shall  
8 set forth in the application his full name and address, and if  
9 he had been issued prior occupation licenses or has been  
10 licensed in any other state under any other name, such name,  
11 his age, whether or not a permit or license issued to him in  
12 any other state has been suspended or revoked and if so whether  
13 such suspension or revocation is in effect at the time of the  
14 application, and such other information as the Board may  
15 require. Fees for registration of stable names shall not exceed  
16 \$50.00. Beginning on the date when any organization licensee  
17 begins conducting electronic gaming pursuant to an electronic  
18 gambling license issued under the Illinois Gambling Act, the  
19 fee for registration of stable names shall not exceed \$150, and  
20 the application fee for an occupation license shall not exceed  
21 \$75, per year or, in the case of a 3-year occupation license  
22 application, the fee shall not exceed \$180.

23 (c) The Board may in its discretion refuse an occupation  
24 license to any person:

25 (1) who has been convicted of a crime;

26 (2) who is unqualified to perform the duties required

1 of such applicant;

2 (3) who fails to disclose or states falsely any  
3 information called for in the application;

4 (4) who has been found guilty of a violation of this  
5 Act or of the rules and regulations of the Board; or

6 (5) whose license or permit has been suspended, revoked  
7 or denied for just cause in any other state.

8 (d) The Board may suspend or revoke any occupation license:

9 (1) for violation of any of the provisions of this Act;  
10 or

11 (2) for violation of any of the rules or regulations of  
12 the Board; or

13 (3) for any cause which, if known to the Board, would  
14 have justified the Board in refusing to issue such  
15 occupation license; or

16 (4) for any other just cause.

17 (e) Each applicant shall submit his or her fingerprints  
18 to the Department of State Police in the form and manner  
19 prescribed by the Department of State Police. These  
20 fingerprints shall be checked against the fingerprint records  
21 now and hereafter filed in the Department of State Police and  
22 Federal Bureau of Investigation criminal history records  
23 databases. The Department of State Police shall charge a fee  
24 for conducting the criminal history records check, which shall  
25 be deposited in the State Police Services Fund and shall not  
26 exceed the actual cost of the records check. The Department of

1 State Police shall furnish, pursuant to positive  
2 identification, records of conviction to the Board. Each  
3 applicant for licensure shall submit with his occupation  
4 license application, on forms provided by the Board, 2 sets of  
5 his fingerprints. All such applicants shall appear in person at  
6 the location designated by the Board for the purpose of  
7 submitting such sets of fingerprints; however, with the prior  
8 approval of a State steward, an applicant may have such sets of  
9 fingerprints taken by an official law enforcement agency and  
10 submitted to the Board.

11 (f) The Board may, in its discretion, issue an occupation  
12 license without submission of fingerprints if an applicant has  
13 been duly licensed in another recognized racing jurisdiction  
14 after submitting fingerprints that were subjected to a Federal  
15 Bureau of Investigation criminal history background check in  
16 that jurisdiction.

17 (g) Beginning on the date when any organization licensee  
18 begins conducting electronic gambling pursuant to an  
19 electronic gaming license issued under the Illinois Gambling  
20 Act, the Board may charge each applicant a reasonable  
21 non-refundable fee to defray the costs associated with the  
22 background investigation conducted by the Board. This fee shall  
23 be exclusive of any other fee or fees charged in connection  
24 with an application for and, if applicable, the issuance of, an  
25 electronic gaming license. If the costs of the investigation  
26 exceed the amount of the fee charged, the Board shall

1 immediately notify the applicant of the additional amount owed,  
2 payment of which must be submitted to the Board within 7 days  
3 after such notification. All information, records, interviews,  
4 reports, statements, memoranda, or other data supplied to or  
5 used by the Board in the course of its review or investigation  
6 of an applicant for a license or renewal under this Act shall  
7 be privileged, strictly confidential, and shall be used only  
8 for the purpose of evaluating an applicant for a 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.

14 (Source: P.A. 93-418, eff. 1-1-04.)

15 (230 ILCS 5/18) (from Ch. 8, par. 37-18)

16 Sec. 18. (a) Together with its application, each applicant  
17 for racing dates shall deliver to the Board a certified check  
18 or bank draft payable to the order of the Board for \$1,000. In  
19 the event the applicant applies for racing dates in 2 or 3  
20 successive calendar years as provided in subsection (b) of  
21 Section 21, the fee shall be \$2,000. Filing fees shall not be  
22 refunded in the event the application is denied. Beginning on  
23 the date when any organization licensee begins conducting  
24 electronic gaming pursuant to an electronic gaming license  
25 issued under the Illinois Gambling Act, the application fee for

1 racing dates imposed by this subsection (a) shall be \$10,000  
2 and the application fee for racing dates in 2 or 3 successive  
3 calendar years as provided in subsection (b) of Section 21  
4 shall be \$20,000. All filing fees shall be deposited into the  
5 Horse Racing Fund.

6 (b) In addition to the filing fee imposed by subsection (a)  
7 ~~of \$1000~~ and the fees provided in subsection (j) of Section 20,  
8 each organization licensee shall pay a license fee of \$100 for  
9 each racing program on which its daily pari-mutuel handle is  
10 \$400,000 or more but less than \$700,000, and a license fee of  
11 \$200 for each racing program on which its daily pari-mutuel  
12 handle is \$700,000 or more. The additional fees required to be  
13 paid under this Section by this amendatory Act of 1982 shall be  
14 remitted by the organization licensee to the Illinois Racing  
15 Board with each day's graduated privilege tax or pari-mutuel  
16 tax and breakage as provided under Section 27. Beginning on the  
17 date when any organization licensee begins conducting  
18 electronic gaming pursuant to an electronic gaming license  
19 issued under the Illinois Gambling Act, the license fee imposed  
20 by this subsection (b) shall be \$200 for each racing program on  
21 which the organization licensee's daily pari-mutuel handle is  
22 \$100,000 or more, but less than \$400,000, and the license fee  
23 imposed by this subsection (b) shall be \$400 for each racing  
24 program on which the organization licensee's daily pari-mutuel  
25 handle is \$400,000 or more.

26 (c) Sections 11-42-1, 11-42-5, and 11-54-1 of the "Illinois

1 Municipal Code," approved May 29, 1961, as now or hereafter  
2 amended, shall not apply to any license under this Act.

3 (Source: P.A. 97-1060, eff. 8-24-12.)

4 (230 ILCS 5/19) (from Ch. 8, par. 37-19)

5 Sec. 19. (a) No organization license may be granted to  
6 conduct a horse race meeting:

7 (1) except as provided in subsection (c) of Section 21  
8 of this Act, to any person at any place within 35 miles of  
9 any other place licensed by the Board to hold a race  
10 meeting on the same date during the same hours, the mileage  
11 measurement used in this subsection (a) shall be certified  
12 to the Board by the Bureau of Systems and Services in the  
13 Illinois Department of Transportation as the most commonly  
14 used public way of vehicular travel;

15 (2) to any person in default in the payment of any  
16 obligation or debt due the State under this Act, provided  
17 no applicant shall be deemed in default in the payment of  
18 any obligation or debt due to the State under this Act as  
19 long as there is pending a hearing of any kind relevant to  
20 such matter;

21 (3) to any person who has been convicted of the  
22 violation of any law of the United States or any State law  
23 which provided as all or part of its penalty imprisonment  
24 in any penal institution; to any person against whom there  
25 is pending a Federal or State criminal charge; to any

1 person who is or has been connected with or engaged in the  
2 operation of any illegal business; to any person who does  
3 not enjoy a general reputation in his community of being an  
4 honest, upright, law-abiding person; provided that none of  
5 the matters set forth in this subparagraph (3) shall make  
6 any person ineligible to be granted an organization license  
7 if the Board determines, based on circumstances of any such  
8 case, that the granting of a license would not be  
9 detrimental to the interests of horse racing and of the  
10 public;

11 (4) to any person who does not at the time of  
12 application for the organization license own or have a  
13 contract or lease for the possession of a finished race  
14 track suitable for the type of racing intended to be held  
15 by the applicant and for the accommodation of the public.

16 (b) ~~(Blank) Horse racing on Sunday shall be prohibited~~  
17 ~~unless authorized by ordinance or referendum of the~~  
18 ~~municipality in which a race track or any of its appurtenances~~  
19 ~~or facilities are located, or utilized.~~

20 (c) If any person is ineligible to receive an organization  
21 license because of any of the matters set forth in subsection  
22 (a) (2) or subsection (a) (3) of this Section, any other or  
23 separate person that either (i) controls, directly or  
24 indirectly, such ineligible person or (ii) is controlled,  
25 directly or indirectly, by such ineligible person or by a  
26 person which controls, directly or indirectly, such ineligible

1 person shall also be ineligible.

2 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)

3 (230 ILCS 5/20) (from Ch. 8, par. 37-20)

4 Sec. 20. (a) Any person desiring to conduct a horse race  
5 meeting may apply to the Board for an organization license. The  
6 application shall be made on a form prescribed and furnished by  
7 the Board. The application shall specify:

8 (1) the dates on which it intends to conduct the horse  
9 race meeting, which dates shall be provided under Section  
10 21;

11 (2) the hours of each racing day between which it  
12 intends to hold or conduct horse racing at such meeting;

13 (3) the location where it proposes to conduct the  
14 meeting; and

15 (4) any other information the Board may reasonably  
16 require.

17 (b) A separate application for an organization license  
18 shall be filed for each horse race meeting which such person  
19 proposes to hold. Any such application, if made by an  
20 individual, or by any individual as trustee, shall be signed  
21 and verified under oath by such individual. If the application  
22 is made by individuals, then it shall be signed and verified  
23 under oath by at least 2 of the individuals; if the application  
24 is made by ~~or a partnership, it shall be signed and verified~~  
25 ~~under oath by at least 2 of such individuals or members of such~~



1 ~~partnership as the case may be. If made by~~ an association, a  
2 corporation, a corporate trustee, a limited liability company,  
3 or any other entity, it shall be signed by an authorized  
4 officer, a partner, a member, or a manager, as the case may be,  
5 of the entity ~~the president and attested by the secretary or~~  
6 ~~assistant secretary under the seal of such association, trust~~  
7 ~~or corporation if it has a seal, and shall also be verified~~  
8 ~~under oath by one of the signing officers.~~

9 (c) The application shall specify:

10 (1) the name of the persons, association, trust, or  
11 corporation making such application; and

12 (2) the principal ~~post office~~ address of the applicant;

13 (3) if the applicant is a trustee, the names and  
14 addresses of the beneficiaries; if the applicant is a  
15 corporation, the names and ~~post office~~ addresses of all  
16 officers, stockholders and directors; or if such  
17 stockholders hold stock as a nominee or fiduciary, the  
18 names and ~~post office~~ addresses of the parties ~~these~~  
19 ~~persons, partnerships, corporations, or trusts~~ who are the  
20 beneficial owners thereof or who are beneficially  
21 interested therein; and if the applicant is a partnership,  
22 the names and ~~post office~~ addresses of all partners,  
23 general or limited; if the applicant is a limited liability  
24 company, the names and addresses of the manager and  
25 members; and if the applicant is any other entity, the  
26 names and addresses of all officers or other authorized

1        persons of the entity ~~corporation, the name of the state of~~  
2        ~~its incorporation shall be specified.~~

3        (d) The applicant shall execute and file with the Board a  
4        good faith affirmative action plan to recruit, train, and  
5        upgrade minorities in all classifications within the  
6        association.

7        (e) With such application there shall be delivered to the  
8        Board a certified check or bank draft payable to the order of  
9        the Board for an amount equal to \$1,000. All applications for  
10       the issuance of an organization license shall be filed with the  
11       Board before August 1 of the year prior to the year for which  
12       application is made and shall be acted upon by the Board at a  
13       meeting to be held on such date as shall be fixed by the Board  
14       during the last 15 days of September of such prior year. At  
15       such meeting, the Board shall announce the award of the racing  
16       meets, live racing schedule, and designation of host track to  
17       the applicants and its approval or disapproval of each  
18       application. No announcement shall be considered binding until  
19       a formal order is executed by the Board, which shall be  
20       executed no later than October 15 of that prior year. Absent  
21       the agreement of the affected organization licensees, the Board  
22       shall not grant overlapping race meetings to 2 or more tracks  
23       that are within 100 miles of each other to conduct the  
24       thoroughbred racing.

25        (e-1) In awarding standardbred racing dates for calendar  
26        year 2014 and thereafter, the Board shall award at least 310

1 racing days, and each organization licensee shall average at  
2 least 12 races for each racing day awarded. The Board shall  
3 have the discretion to allocate those racing days among  
4 organization licensees requesting standardbred racing dates.  
5 Once awarded by the Board, organization licensees awarded  
6 standardbred racing dates shall run at least 3,500 races in  
7 total during that calendar year. Standardbred racing conducted  
8 in Sangamon County shall not be considered races under this  
9 subsection (e-1).

10 (e-2) In awarding racing dates for calendar year 2014 and  
11 thereafter, the Board shall award thoroughbred racing days to  
12 Cook County organization licensees commensurate with these  
13 organization licensees' requirement that they shall run at  
14 least 1,950 thoroughbred races in the aggregate, so long as 2  
15 organization licensees are conducting electronic gaming  
16 operations. Additionally, if the organization licensees that  
17 run thoroughbred races in Cook County are conducting electronic  
18 gaming operations, the Board shall increase the number of  
19 thoroughbred races to be run in Cook County in the aggregate to  
20 at least the following:

21 (i) 2,050 races in any year following the most recent  
22 preceding complete calendar year when the combined  
23 adjusted gross receipts of the electronic gaming licensees  
24 operating at Cook County race tracks total in excess of  
25 \$200,000,000, but do not exceed \$250,000,000;

26 (ii) 2,125 races in any year following the most recent

1       preceding complete calendar year when the combined  
2       adjusted gross receipts of the electronic gaming licensees  
3       operating at Cook County race tracks total in excess of  
4       \$250,000,000, but do not exceed \$300,000,000;

5       (iii) 2,200 races in any year following the most recent  
6       preceding complete calendar year when the combined  
7       adjusted gross receipts of the electronic gaming licensees  
8       operating at Cook County race tracks total in excess of  
9       \$300,000,000, but do not exceed \$350,000,000;

10       (iv) 2,300 races in any year following the most recent  
11       preceding complete calendar year when the combined  
12       adjusted gross receipts of the electronic gaming licensees  
13       operating at Cook County race tracks total in excess of  
14       \$350,000,000, but do not exceed \$400,000,000;

15       (v) 2,375 races in any year following the most recent  
16       preceding complete calendar year when the combined  
17       adjusted gross receipts of the electronic gaming licensees  
18       operating at Cook County race tracks total in excess of  
19       \$400,000,000, but do not exceed \$450,000,000;

20       (vi) 2,450 races in any year following the most recent  
21       preceding complete calendar year when the combined  
22       adjusted gross receipts of the electronic gaming licensees  
23       operating at Cook County race tracks total in excess of  
24       \$450,000,000, but do not exceed \$500,000,000;

25       (vii) 2,550 races in any year following the most recent  
26       preceding complete calendar year when the combined

1       adjusted gross receipts of the electronic gaming licensees  
2       operating at Cook County race tracks exceeds \$500,000,000.

3       In awarding racing dates under this subsection (e-2), the  
4       Board shall have the discretion to allocate those thoroughbred  
5       racing dates among these Cook County organization licensees.

6       (e-3) In awarding racing dates for calendar year 2014 and  
7       thereafter in connection with a race track in Madison County,  
8       the Board shall award racing dates and such organization  
9       licensee shall run at least 700 thoroughbred races at the race  
10       track in Madison County each year.

11       Notwithstanding Section 7.6 of the Illinois Gambling Act or  
12       any provision of this Act other than subsection (e-4.5), for  
13       each calendar year for which an electronic gaming licensee  
14       located in Madison County requests racing dates resulting in  
15       less than 700 live thoroughbred races at its race track  
16       facility, the electronic gaming licensee may not conduct  
17       electronic gaming for the calendar year of such requested live  
18       races.

19       (e-4) Notwithstanding the provisions of Section 7.6 of the  
20       Illinois Gambling Act or any provision of this Act other than  
21       subsections (e-3) and (e-4.5), for each calendar year for which  
22       an electronic gaming licensee requests racing dates for a  
23       specific horse breed which results in a number of live races  
24       for that specific breed under its organization license that is  
25       less than the total number of live races for that specific  
26       breed which it conducted in 2011 for standardbred racing and in

1 2009 for thoroughbred racing at its race track facility, the  
2 electronic gaming licensee may not conduct electronic gaming  
3 for the calendar year of such requested live races.

4 (e-4.5) The Board shall ensure that each organization  
5 licensee shall individually run a sufficient number of races  
6 per year to qualify for an electronic gaming license under this  
7 Act. The General Assembly finds that the minimum live racing  
8 guarantees contained in subsections (e-1), (e-2), and (e-3) are  
9 in the best interest of the sport of horse racing, and that  
10 such guarantees may only be reduced in the limited  
11 circumstances described in this subsection. The Board may  
12 decrease the number of racing days without affecting an  
13 organization licensee's ability to conduct electronic gaming  
14 only if the Board determines, after notice and hearing, that:

15 (i) a decrease is necessary to maintain a sufficient  
16 number of betting interests per race to ensure the  
17 integrity of racing;

18 (ii) there are unsafe track conditions due to weather  
19 or acts of God;

20 (iii) there is an agreement between an organization  
21 licensee and the breed association that is applicable to  
22 the involved live racing guarantee, such association  
23 representing either the largest number of thoroughbred  
24 owners and trainers or the largest number of standardbred  
25 owners, trainers and drivers who race horses at the  
26 involved organization licensee's racing meeting, so long

1       as the agreement does not compromise the integrity of the  
2       sport of horse racing; or

3           (iv) the horse population or purse levels are  
4       insufficient to provide the number of racing opportunities  
5       otherwise required in this Act.

6       In decreasing the number of racing dates in accordance with  
7       this subsection, the Board shall hold a hearing and shall  
8       provide the public and all interested parties notice and an  
9       opportunity to be heard. The Board shall accept testimony from  
10      all interested parties, including any association representing  
11      owners, trainers, jockeys, or drivers who will be affected by  
12      the decrease in racing dates. The Board shall provide a written  
13      explanation of the reasons for the decrease and the Board's  
14      findings. The written explanation shall include a listing and  
15      content of all communication between any party and any Illinois  
16      Racing Board member or staff that does not take place at a  
17      public meeting of the Board.

18           (e-5) In reviewing an application for the purpose of  
19      granting an organization license consistent with the best  
20      interests of the public and the sport of horse racing, the  
21      Board shall consider:

22           (1) the character, reputation, experience, and  
23      financial integrity of the applicant and of any other  
24      separate person that either:

25           (i) controls the applicant, directly or  
26      indirectly, or

1           (ii) is controlled, directly or indirectly, by  
2           that applicant or by a person who controls, directly or  
3           indirectly, that applicant;

4           (2) the applicant's facilities or proposed facilities  
5           for conducting horse racing;

6           (3) the total revenue without regard to Section 32.1 to  
7           be derived by the State and horsemen from the applicant's  
8           conducting a race meeting;

9           (4) the applicant's good faith affirmative action plan  
10          to recruit, train, and upgrade minorities in all employment  
11          classifications;

12          (5) the applicant's financial ability to purchase and  
13          maintain adequate liability and casualty insurance;

14          (6) the applicant's proposed and prior year's  
15          promotional and marketing activities and expenditures of  
16          the applicant associated with those activities;

17          (7) an agreement, if any, among organization licensees  
18          as provided in subsection (b) of Section 21 of this Act;  
19          and

20          (8) the extent to which the applicant exceeds or meets  
21          other standards for the issuance of an organization license  
22          that the Board shall adopt by rule.

23          In granting organization licenses and allocating dates for  
24          horse race meetings, the Board shall have discretion to  
25          determine an overall schedule, including required simulcasts  
26          of Illinois races by host tracks that will, in its judgment, be



1 conducive to the best interests of the public and the sport of  
2 horse racing.

3 (e-10) The Illinois Administrative Procedure Act shall  
4 apply to administrative procedures of the Board under this Act  
5 for the granting of an organization license, except that (1)  
6 notwithstanding the provisions of subsection (b) of Section  
7 10-40 of the Illinois Administrative Procedure Act regarding  
8 cross-examination, the Board may prescribe rules limiting the  
9 right of an applicant or participant in any proceeding to award  
10 an organization license to conduct cross-examination of  
11 witnesses at that proceeding where that cross-examination  
12 would unduly obstruct the timely award of an organization  
13 license under subsection (e) of Section 20 of this Act; (2) the  
14 provisions of Section 10-45 of the Illinois Administrative  
15 Procedure Act regarding proposals for decision are excluded  
16 under this Act; (3) notwithstanding the provisions of  
17 subsection (a) of Section 10-60 of the Illinois Administrative  
18 Procedure Act regarding ex parte communications, the Board may  
19 prescribe rules allowing ex parte communications with  
20 applicants or participants in a proceeding to award an  
21 organization license where conducting those communications  
22 would be in the best interest of racing, provided all those  
23 communications are made part of the record of that proceeding  
24 pursuant to subsection (c) of Section 10-60 of the Illinois  
25 Administrative Procedure Act; (4) the provisions of Section 14a  
26 of this Act and the rules of the Board promulgated under that

1 Section shall apply instead of the provisions of Article 10 of  
2 the Illinois Administrative Procedure Act regarding  
3 administrative law judges; and (5) the provisions of subsection  
4 (d) of Section 10-65 of the Illinois Administrative Procedure  
5 Act that prevent summary suspension of a license pending  
6 revocation or other action shall not apply.

7 (f) The Board may allot racing dates to an organization  
8 licensee for more than one calendar year but for no more than 3  
9 successive calendar years in advance, provided that the Board  
10 shall review such allotment for more than one calendar year  
11 prior to each year for which such allotment has been made. The  
12 granting of an organization license to a person constitutes a  
13 privilege to conduct a horse race meeting under the provisions  
14 of this Act, and no person granted an organization license  
15 shall be deemed to have a vested interest, property right, or  
16 future expectation to receive an organization license in any  
17 subsequent year as a result of the granting of an organization  
18 license. Organization licenses shall be subject to revocation  
19 if the organization licensee has violated any provision of this  
20 Act or the rules and regulations promulgated under this Act or  
21 has been convicted of a crime or has failed to disclose or has  
22 stated falsely any information called for in the application  
23 for an organization license. Any organization license  
24 revocation proceeding shall be in accordance with Section 16  
25 regarding suspension and revocation of occupation licenses.

26 (f-5) If, (i) an applicant does not file an acceptance of

1 the racing dates awarded by the Board as required under part  
2 (1) of subsection (h) of this Section 20, or (ii) an  
3 organization licensee has its license suspended or revoked  
4 under this Act, the Board, upon conducting an emergency hearing  
5 as provided for in this Act, may reaward on an emergency basis  
6 pursuant to rules established by the Board, racing dates not  
7 accepted or the racing dates associated with any suspension or  
8 revocation period to one or more organization licensees, new  
9 applicants, or any combination thereof, upon terms and  
10 conditions that the Board determines are in the best interest  
11 of racing, provided, the organization licensees or new  
12 applicants receiving the awarded racing dates file an  
13 acceptance of those reawarded racing dates as required under  
14 paragraph (1) of subsection (h) of this Section 20 and comply  
15 with the other provisions of this Act. The Illinois  
16 Administrative Procedure Act shall not apply to the  
17 administrative procedures of the Board in conducting the  
18 emergency hearing and the reallocation of racing dates on an  
19 emergency basis.

20 (g) (Blank).

21 (h) The Board shall send the applicant a copy of its  
22 formally executed order by certified mail addressed to the  
23 applicant at the address stated in his application, which  
24 notice shall be mailed within 5 days of the date the formal  
25 order is executed.

26 Each applicant notified shall, within 10 days after receipt

1 of the final executed order of the Board awarding racing dates:

2 (1) file with the Board an acceptance of such award in  
3 the form prescribed by the Board;

4 (2) pay to the Board an additional amount equal to \$110  
5 for each racing date awarded; and

6 (3) file with the Board the bonds required in Sections  
7 21 and 25 at least 20 days prior to the first day of each  
8 race meeting.

9 Upon compliance with the provisions of paragraphs (1), (2), and  
10 (3) of this subsection (h), the applicant shall be issued an  
11 organization license.

12 If any applicant fails to comply with this Section or fails  
13 to pay the organization license fees herein provided, no  
14 organization license shall be issued to such applicant.

15 (Source: P.A. 97-333, eff. 8-12-11.)

16 (230 ILCS 5/21) (from Ch. 8, par. 37-21)

17 Sec. 21. (a) Applications for organization licenses must be  
18 filed with the Board at a time and place prescribed by the  
19 rules and regulations of the Board. The Board shall examine the  
20 applications within 21 days after the date allowed for filing  
21 with respect to their conformity with this Act and such rules  
22 and regulations as may be prescribed by the Board. If any  
23 application does not comply with this Act or the rules and  
24 regulations prescribed by the Board, such application may be  
25 rejected and an organization license refused to the applicant,

1 or the Board may, within 21 days of the receipt of such  
2 application, advise the applicant of the deficiencies of the  
3 application under the Act or the rules and regulations of the  
4 Board, and require the submittal of an amended application  
5 within a reasonable time determined by the Board; and upon  
6 submittal of the amended application by the applicant, the  
7 Board may consider the application consistent with the process  
8 described in subsection (e-5) of Section 20 of this Act. If it  
9 is found to be in compliance with this Act and the rules and  
10 regulations of the Board, the Board may then issue an  
11 organization license to such applicant.

12 (b) The Board may exercise discretion in granting racing  
13 dates to qualified applicants different from those requested by  
14 the applicants in their applications. However, if all eligible  
15 applicants for organization licenses whose tracks are located  
16 within 100 miles of each other execute and submit to the Board  
17 a written agreement among such applicants as to the award of  
18 racing dates, including where applicable racing programs, for  
19 up to 3 consecutive years, then subject to annual review of  
20 each applicant's compliance with Board rules and regulations,  
21 provisions of this Act and conditions contained in annual dates  
22 orders issued by the Board, the Board may grant such dates and  
23 programs to such applicants as so agreed by them if the Board  
24 determines that the grant of these racing dates is in the best  
25 interests of racing. The Board shall treat any such agreement  
26 as the agreement signatories' joint and several application for

1 racing dates during the term of the agreement.

2 (c) Where 2 or more applicants propose to conduct horse  
3 race meetings within 35 miles of each other, as certified to  
4 the Board under Section 19 (a) (1) of this Act, on conflicting  
5 dates, the Board may determine and grant the number of racing  
6 days to be awarded to the several applicants in accordance with  
7 the provisions of subsection (e-5) of Section 20 of this Act.

8 (d) (Blank).

9 (e) Prior to the issuance of an organization license, the  
10 applicant shall file with the Board a bond payable to the State  
11 of Illinois in the sum of \$200,000, executed by the applicant  
12 and a surety company or companies authorized to do business in  
13 this State, and conditioned upon the payment by the  
14 organization licensee of all taxes due under Section 27, other  
15 monies due and payable under this Act, all purses due and  
16 payable, and that the organization licensee will upon  
17 presentation of the winning ticket or tickets distribute all  
18 sums due to the patrons of pari-mutuel pools. Beginning on the  
19 date when any organization licensee begins conducting  
20 electronic gaming pursuant to an electronic gaming license  
21 issued under the Illinois Gambling Act, the amount of the bond  
22 required under this subsection (e) shall be \$500,000.

23 (f) Each organization license shall specify the person to  
24 whom it is issued, the dates upon which horse racing is  
25 permitted, and the location, place, track, or enclosure where  
26 the horse race meeting is to be held.

1           (g) Any person who owns one or more race tracks within the  
2 State may seek, in its own name, a separate organization  
3 license for each race track.

4           (h) All racing conducted under such organization license is  
5 subject to this Act and to the rules and regulations from time  
6 to time prescribed by the Board, and every such organization  
7 license issued by the Board shall contain a recital to that  
8 effect.

9           (i) Each such organization licensee may provide that at  
10 least one race per day may be devoted to the racing of quarter  
11 horses, appaloosas, arabians, or paints.

12           (j) In acting on applications for organization licenses,  
13 the Board shall give weight to an organization license which  
14 has implemented a good faith affirmative action effort to  
15 recruit, train and upgrade minorities in all classifications  
16 within the organization license.

17           (Source: P.A. 90-754, eff. 1-1-99; 91-40, eff. 6-25-99.)

18           (230 ILCS 5/24) (from Ch. 8, par. 37-24)

19           Sec. 24. (a) No license shall be issued to or held by an  
20 organization licensee unless all of its officers, directors,  
21 and holders of ownership interests of at least 5% are first  
22 approved by the Board. The Board shall not give approval of an  
23 organization license application to any person who has been  
24 convicted of or is under an indictment for a crime of moral  
25 turpitude or has violated any provision of the racing law of

1 this State or any rules of the Board.

2 (b) An organization licensee must notify the Board within  
3 10 days of any change in the holders of a direct or indirect  
4 interest in the ownership of the organization licensee. The  
5 Board may, after hearing, revoke the organization license of  
6 any person who registers on its books or knowingly permits a  
7 direct or indirect interest in the ownership of that person  
8 without notifying the Board of the name of the holder in  
9 interest within this period.

10 (c) In addition to the provisions of subsection (a) of this  
11 Section, no person shall be granted an organization license if  
12 any public official of the State or member of his or her family  
13 holds any ownership or financial interest, directly or  
14 indirectly, in the person.

15 (d) No person which has been granted an organization  
16 license to hold a race meeting shall give to any public  
17 official or member of his family, directly or indirectly, for  
18 or without consideration, any interest in the person. The Board  
19 shall, after hearing, revoke the organization license granted  
20 to a person which has violated this subsection.

21 (e) (Blank).

22 (f) No organization licensee or concessionaire or officer,  
23 director or holder or controller of 5% or more legal or  
24 beneficial interest in any organization licensee or concession  
25 shall make any sort of gift or contribution that is prohibited  
26 under Article 10 of the State Officials and Employees Ethics



1 ~~Act of any kind~~ or pay or give any money or other thing of value  
2 to any person who is a public official, or a candidate or  
3 nominee for public office if that payment or gift is prohibited  
4 under Article 10 of the State Officials and Employees Ethics  
5 Act.

6 (Source: P.A. 89-16, eff. 5-30-95.)

7 (230 ILCS 5/25) (from Ch. 8, par. 37-25)

8 Sec. 25. Admission charge; bond; fine.

9 (a) There shall be paid to the Board at such time or times  
10 as it shall prescribe, the sum of fifteen cents (15¢) for each  
11 person entering the grounds or enclosure of each organization  
12 licensee and inter-track wagering licensee upon a ticket of  
13 admission except as provided in subsection (g) of Section 27 of  
14 this Act. If tickets are issued for more than one day then the  
15 sum of fifteen cents (15¢) shall be paid for each person using  
16 such ticket on each day that the same shall be used. Provided,  
17 however, that no charge shall be made on tickets of admission  
18 issued to and in the name of directors, officers, agents or  
19 employees of the organization licensee, or inter-track  
20 wagering licensee, or to owners, trainers, jockeys, drivers and  
21 their employees or to any person or persons entering the  
22 grounds or enclosure for the transaction of business in  
23 connection with such race meeting. The organization licensee or  
24 inter-track wagering licensee may, if it desires, collect such  
25 amount from each ticket holder in addition to the amount or

1 amounts charged for such ticket of admission. Beginning on the  
2 date when any organization licensee begins conducting  
3 electronic gaming pursuant to an electronic gaming license  
4 issued under the Illinois Gambling Act, the admission charge  
5 imposed by this subsection (a) shall be 40 cents for each  
6 person entering the grounds or enclosure of each organization  
7 licensee and inter-track wagering licensee upon a ticket of  
8 admission, and if such tickets are issued for more than one  
9 day, 40 cents shall be paid for each person using such ticket  
10 on each day that the same shall be used.

11 (b) Accurate records and books shall at all times be kept  
12 and maintained by the organization licensees and inter-track  
13 wagering licensees showing the admission tickets issued and  
14 used on each racing day and the attendance thereat of each  
15 horse racing meeting. The Board or its duly authorized  
16 representative or representatives shall at all reasonable  
17 times have access to the admission records of any organization  
18 licensee and inter-track wagering licensee for the purpose of  
19 examining and checking the same and ascertaining whether or not  
20 the proper amount has been or is being paid the State of  
21 Illinois as herein provided. The Board shall also require,  
22 before issuing any license, that the licensee shall execute and  
23 deliver to it a bond, payable to the State of Illinois, in such  
24 sum as it shall determine, not, however, in excess of fifty  
25 thousand dollars (\$50,000), with a surety or sureties to be  
26 approved by it, conditioned for the payment of all sums due and

1 payable or collected by it under this Section upon admission  
2 fees received for any particular racing meetings. The Board may  
3 also from time to time require sworn statements of the number  
4 or numbers of such admissions and may prescribe blanks upon  
5 which such reports shall be made. Any organization licensee or  
6 inter-track wagering licensee failing or refusing to pay the  
7 amount found to be due as herein provided, shall be deemed  
8 guilty of a business offense and upon conviction shall be  
9 punished by a fine of not more than five thousand dollars  
10 (\$5,000) in addition to the amount due from such organization  
11 licensee or inter-track wagering licensee as herein provided.  
12 All fines paid into court by an organization licensee or  
13 inter-track wagering licensee found guilty of violating this  
14 Section shall be transmitted and paid over by the clerk of the  
15 court to the Board. Beginning on the date when any organization  
16 licensee begins conducting electronic gaming pursuant to an  
17 electronic gaming license issued under the Illinois Gambling  
18 Act, any fine imposed pursuant to this subsection (b) shall not  
19 exceed \$10,000.

20 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)

21 (230 ILCS 5/26) (from Ch. 8, par. 37-26)

22 Sec. 26. Wagering.

23 (a) Any licensee may conduct and supervise the pari-mutuel  
24 system of wagering, as defined in Section 3.12 of this Act, on  
25 horse races conducted by an Illinois organization licensee or

1 conducted at a racetrack located in another state or country  
2 ~~and televised in Illinois~~ in accordance with subsection (g) of  
3 Section 26 of this Act. Subject to the prior consent of the  
4 Board, licensees may supplement any pari-mutuel pool in order  
5 to guarantee a minimum distribution. Such pari-mutuel method of  
6 wagering shall not, under any circumstances if conducted under  
7 the provisions of this Act, be held or construed to be  
8 unlawful, other statutes of this State to the contrary  
9 notwithstanding. Subject to rules for advance wagering  
10 promulgated by the Board, any licensee may accept wagers in  
11 advance of the day of the race wagered upon occurs.

12 (b) Except for those gaming activities for which a license  
13 is obtained and authorized under the Illinois Lottery Act, the  
14 Charitable Games Act, the Raffles Act, or the Illinois Gambling  
15 Act, no ~~no~~ other method of betting, pool making, wagering or  
16 gambling shall be used or permitted by the licensee. Each  
17 licensee may retain, subject to the payment of all applicable  
18 taxes and purses, an amount not to exceed 17% of all money  
19 wagered under subsection (a) of this Section, except as may  
20 otherwise be permitted under this Act.

21 (b-5) An individual may place a wager under the pari-mutuel  
22 system from any licensed location authorized under this Act  
23 provided that wager is electronically recorded in the manner  
24 described in Section 3.12 of this Act. Any wager made  
25 electronically by an individual while physically on the  
26 premises of a licensee shall be deemed to have been made at the

1 premises of that licensee.

2 (c) Until January 1, 2000, the sum held by any licensee for  
3 payment of outstanding pari-mutuel tickets, if unclaimed prior  
4 to December 31 of the next year, shall be retained by the  
5 licensee for payment of such tickets until that date. Within 10  
6 days thereafter, the balance of such sum remaining unclaimed,  
7 less any uncashed supplements contributed by such licensee for  
8 the purpose of guaranteeing minimum distributions of any  
9 pari-mutuel pool, shall be paid to the Illinois Veterans'  
10 Rehabilitation Fund of the State treasury, except as provided  
11 in subsection (g) of Section 27 of this Act.

12 (c-5) Beginning January 1, 2000, the sum held by any  
13 licensee for payment of outstanding pari-mutuel tickets, if  
14 unclaimed prior to December 31 of the next year, shall be  
15 retained by the licensee for payment of such tickets until that  
16 date. Within 10 days thereafter, the balance of such sum  
17 remaining unclaimed, less any uncashed supplements contributed  
18 by such licensee for the purpose of guaranteeing minimum  
19 distributions of any pari-mutuel pool, shall be evenly  
20 distributed to the purse account of the organization licensee  
21 and the organization licensee.

22 (d) A pari-mutuel ticket shall be honored until December 31  
23 of the next calendar year, and the licensee shall pay the same  
24 and may charge the amount thereof against unpaid money  
25 similarly accumulated on account of pari-mutuel tickets not  
26 presented for payment.

1 (e) No licensee shall knowingly permit any minor, other  
2 than an employee of such licensee or an owner, trainer, jockey,  
3 driver, or employee thereof, to be admitted during a racing  
4 program unless accompanied by a parent or guardian, or any  
5 minor to be a patron of the pari-mutuel system of wagering  
6 conducted or supervised by it. The admission of any  
7 unaccompanied minor, other than an employee of the licensee or  
8 an owner, trainer, jockey, driver, or employee thereof at a  
9 race track is a Class C misdemeanor.

10 (f) Notwithstanding the other provisions of this Act, an  
11 organization licensee may contract with an entity in another  
12 state or country to permit any legal wagering entity in another  
13 state or country to accept wagers solely within such other  
14 state or country on races conducted by the organization  
15 licensee in this State. Beginning January 1, 2000, these wagers  
16 shall not be subject to State taxation. Until January 1, 2000,  
17 when the out-of-State entity conducts a pari-mutuel pool  
18 separate from the organization licensee, a privilege tax equal  
19 to 7 1/2% of all monies received by the organization licensee  
20 from entities in other states or countries pursuant to such  
21 contracts is imposed on the organization licensee, and such  
22 privilege tax shall be remitted to the Department of Revenue  
23 within 48 hours of receipt of the moneys from the simulcast.  
24 When the out-of-State entity conducts a combined pari-mutuel  
25 pool with the organization licensee, the tax shall be 10% of  
26 all monies received by the organization licensee with 25% of

1 the receipts from this 10% tax to be distributed to the county  
2 in which the race was conducted.

3 An organization licensee may permit one or more of its  
4 races to be utilized for pari-mutuel wagering at one or more  
5 locations in other states and may transmit audio and visual  
6 signals of races the organization licensee conducts to one or  
7 more locations outside the State or country and may also permit  
8 pari-mutuel pools in other states or countries to be combined  
9 with its gross or net wagering pools or with wagering pools  
10 established by other states.

11 (g) A host track may accept interstate simulcast wagers on  
12 horse races conducted in other states or countries and shall  
13 control the number of signals and types of breeds of racing in  
14 its simulcast program, subject to the disapproval of the Board.  
15 The Board may prohibit a simulcast program only if it finds  
16 that the simulcast program is clearly adverse to the integrity  
17 of racing. The host track simulcast program shall include the  
18 signal of live racing of all organization licensees. All  
19 non-host licensees and advance deposit wagering licensees  
20 shall carry the signal of and accept wagers on live racing of  
21 all organization licensees. Advance deposit wagering licensees  
22 shall not be permitted to accept out-of-state wagers on any  
23 Illinois signal provided pursuant to this Section without the  
24 approval and consent of the organization licensee providing the  
25 signal. Non-host licensees may carry the host track simulcast  
26 program and shall accept wagers on all races included as part

1 of the simulcast program upon which wagering is permitted. All  
2 organization licensees shall provide their live signal to all  
3 advance deposit wagering licensees for a simulcast commission  
4 fee not to exceed 6% of the advance deposit wagering licensee's  
5 Illinois handle on the organization licensee's signal without  
6 prior approval by the Board. The Board may adopt rules under  
7 which it may permit simulcast commission fees in excess of 6%.  
8 The Board shall adopt rules limiting the interstate commission  
9 fees charged to an advance deposit wagering licensee. The Board  
10 shall adopt rules regarding advance deposit wagering on  
11 interstate simulcast races that shall reflect, among other  
12 things, the General Assembly's desire to maximize revenues to  
13 the State, horsemen purses, and organizational licensees.  
14 However, organization licensees providing live signals  
15 pursuant to the requirements of this subsection (g) may  
16 petition the Board to withhold their live signals from an  
17 advance deposit wagering licensee if the organization licensee  
18 discovers and the Board finds reputable or credible information  
19 that the advance deposit wagering licensee is under  
20 investigation by another state or federal governmental agency,  
21 the advance deposit wagering licensee's license has been  
22 suspended in another state, or the advance deposit wagering  
23 licensee's license is in revocation proceedings in another  
24 state. The organization licensee's provision of their live  
25 signal to an advance deposit wagering licensee under this  
26 subsection (g) pertains to wagers placed from within Illinois.



1 Advance deposit wagering licensees may place advance deposit  
2 wagering terminals at wagering facilities as a convenience to  
3 customers. The advance deposit wagering licensee shall not  
4 charge or collect any fee from purses for the placement of the  
5 advance deposit wagering terminals. The costs and expenses of  
6 the host track and non-host licensees associated with  
7 interstate simulcast wagering, other than the interstate  
8 commission fee, shall be borne by the host track and all  
9 non-host licensees incurring these costs. The interstate  
10 commission fee shall not exceed 5% of Illinois handle on the  
11 interstate simulcast race or races without prior approval of  
12 the Board. The Board shall promulgate rules under which it may  
13 permit interstate commission fees in excess of 5%. The  
14 interstate commission fee and other fees charged by the sending  
15 racetrack, including, but not limited to, satellite decoder  
16 fees, shall be uniformly applied to the host track and all  
17 non-host licensees.

18 Notwithstanding any other provision of this Act, for a  
19 period of one year after the effective date of this amendatory  
20 Act of the 98th General Assembly ~~until January 1, 2013,~~ an  
21 organization licensee may maintain a system whereby advance  
22 deposit wagering may take place or an organization licensee,  
23 with the consent of the horsemen association representing the  
24 largest number of owners, breeders, trainers, jockeys, or  
25 standardbred drivers who race horses at that organization  
26 licensee's racing meeting, may contract with another person to

1 carry out a system of advance deposit wagering. Such consent  
2 may not be unreasonably withheld. All advance deposit wagers  
3 placed from within Illinois must be placed through a  
4 Board-approved advance deposit wagering licensee; no other  
5 entity may accept an advance deposit wager from a person within  
6 Illinois. All advance deposit wagering is subject to any rules  
7 adopted by the Board. The Board may adopt rules necessary to  
8 regulate advance deposit wagering through the use of emergency  
9 rulemaking in accordance with Section 5-45 of the Illinois  
10 Administrative Procedure Act. The General Assembly finds that  
11 the adoption of rules to regulate advance deposit wagering is  
12 deemed an emergency and necessary for the public interest,  
13 safety, and welfare. An advance deposit wagering licensee may  
14 retain all moneys as agreed to by contract with an organization  
15 licensee. Any moneys retained by the organization licensee from  
16 advance deposit wagering, not including moneys retained by the  
17 advance deposit wagering licensee, shall be paid 50% to the  
18 organization licensee's purse account and 50% to the  
19 organization licensee. If more than one breed races at the same  
20 race track facility, then the 50% of the moneys to be paid to  
21 an organization licensee's purse account shall be allocated  
22 among all organization licensees' purse accounts operating at  
23 that race track facility proportionately based on the actual  
24 number of host days that the Board grants to that breed at that  
25 race track facility in the current calendar year. To the extent  
26 any fees from advance deposit wagering conducted in Illinois

1 for wagers in Illinois or other states have been placed in  
2 escrow or otherwise withheld from wagers pending a  
3 determination of the legality of advance deposit wagering, no  
4 action shall be brought to declare such wagers or the  
5 disbursement of any fees previously escrowed illegal.

6 (1) Between the hours of 6:30 a.m. and 6:30 p.m. an  
7 intertrack wagering licensee other than the host track may  
8 supplement the host track simulcast program with  
9 additional simulcast races or race programs, provided that  
10 between January 1 and the third Friday in February of any  
11 year, inclusive, if no live thoroughbred racing is  
12 occurring in Illinois during this period, only  
13 thoroughbred races may be used for supplemental interstate  
14 simulcast purposes. The Board shall withhold approval for a  
15 supplemental interstate simulcast only if it finds that the  
16 simulcast is clearly adverse to the integrity of racing. A  
17 supplemental interstate simulcast may be transmitted from  
18 an intertrack wagering licensee to its affiliated non-host  
19 licensees. The interstate commission fee for a  
20 supplemental interstate simulcast shall be paid by the  
21 non-host licensee and its affiliated non-host licensees  
22 receiving the simulcast.

23 (2) Between the hours of 6:30 p.m. and 6:30 a.m. an  
24 intertrack wagering licensee other than the host track may  
25 receive supplemental interstate simulcasts only with the  
26 consent of the host track, except when the Board finds that

1 the simulcast is clearly adverse to the integrity of  
2 racing. Consent granted under this paragraph (2) to any  
3 intertrack wagering licensee shall be deemed consent to all  
4 non-host licensees. The interstate commission fee for the  
5 supplemental interstate simulcast shall be paid by all  
6 participating non-host licensees.

7 (3) Each licensee conducting interstate simulcast  
8 wagering may retain, subject to the payment of all  
9 applicable taxes and the purses, an amount not to exceed  
10 17% of all money wagered. If any licensee conducts the  
11 pari-mutuel system wagering on races conducted at  
12 racetracks in another state or country, each such race or  
13 race program shall be considered a separate racing day for  
14 the purpose of determining the daily handle and computing  
15 the privilege tax of that daily handle as provided in  
16 subsection (a) of Section 27. Until January 1, 2000, from  
17 the sums permitted to be retained pursuant to this  
18 subsection, each intertrack wagering location licensee  
19 shall pay 1% of the pari-mutuel handle wagered on simulcast  
20 wagering to the Horse Racing Tax Allocation Fund, subject  
21 to the provisions of subparagraph (B) of paragraph (11) of  
22 subsection (h) of Section 26 of this Act.

23 (4) A licensee who receives an interstate simulcast may  
24 combine its gross or net pools with pools at the sending  
25 racetracks pursuant to rules established by the Board. All  
26 licensees combining their gross pools at a sending

1 racetrack shall adopt the take-out percentages of the  
2 sending racetrack. A licensee may also establish a separate  
3 pool and takeout structure for wagering purposes on races  
4 conducted at race tracks outside of the State of Illinois.  
5 The licensee may permit pari-mutuel wagers placed in other  
6 states or countries to be combined with its gross or net  
7 wagering pools or other wagering pools.

8 (5) After the payment of the interstate commission fee  
9 (except for the interstate commission fee on a supplemental  
10 interstate simulcast, which shall be paid by the host track  
11 and by each non-host licensee through the host-track) and  
12 all applicable State and local taxes, except as provided in  
13 subsection (g) of Section 27 of this Act, the remainder of  
14 moneys retained from simulcast wagering pursuant to this  
15 subsection (g), and Section 26.2 shall be divided as  
16 follows:

17 (A) For interstate simulcast wagers made at a host  
18 track, 50% to the host track and 50% to purses at the  
19 host track.

20 (B) For wagers placed on interstate simulcast  
21 races, supplemental simulcasts as defined in  
22 subparagraphs (1) and (2), and separately pooled races  
23 conducted outside of the State of Illinois made at a  
24 non-host licensee, 25% to the host track, 25% to the  
25 non-host licensee, and 50% to the purses at the host  
26 track.

1           (6) Notwithstanding any provision in this Act to the  
2 contrary, non-host licensees who derive their licenses  
3 from a track located in a county with a population in  
4 excess of 230,000 and that borders the Mississippi River  
5 may receive supplemental interstate simulcast races at all  
6 times subject to Board approval, which shall be withheld  
7 only upon a finding that a supplemental interstate  
8 simulcast is clearly adverse to the integrity of racing.

9           (7) Notwithstanding any provision of this Act to the  
10 contrary, after payment of all applicable State and local  
11 taxes and interstate commission fees, non-host licensees  
12 who derive their licenses from a track located in a county  
13 with a population in excess of 230,000 and that borders the  
14 Mississippi River shall retain 50% of the retention from  
15 interstate simulcast wagers and shall pay 50% to purses at  
16 the track from which the non-host licensee derives its  
17 license as follows:

18           (A) Between January 1 and the third Friday in  
19 February, inclusive, if no live thoroughbred racing is  
20 occurring in Illinois during this period, when the  
21 interstate simulcast is a standardbred race, the purse  
22 share to its standardbred purse account;

23           (B) Between January 1 and the third Friday in  
24 February, inclusive, if no live thoroughbred racing is  
25 occurring in Illinois during this period, and the  
26 interstate simulcast is a thoroughbred race, the purse

1 share to its interstate simulcast purse pool to be  
2 distributed under paragraph (10) of this subsection  
3 (g);

4 (C) Between January 1 and the third Friday in  
5 February, inclusive, if live thoroughbred racing is  
6 occurring in Illinois, between 6:30 a.m. and 6:30 p.m.  
7 the purse share from wagers made during this time  
8 period to its thoroughbred purse account and between  
9 6:30 p.m. and 6:30 a.m. the purse share from wagers  
10 made during this time period to its standardbred purse  
11 accounts;

12 (D) Between the third Saturday in February and  
13 December 31, when the interstate simulcast occurs  
14 between the hours of 6:30 a.m. and 6:30 p.m., the purse  
15 share to its thoroughbred purse account;

16 (E) Between the third Saturday in February and  
17 December 31, when the interstate simulcast occurs  
18 between the hours of 6:30 p.m. and 6:30 a.m., the purse  
19 share to its standardbred purse account.

20 (7.1) Notwithstanding any other provision of this Act  
21 to the contrary, if no standardbred racing is conducted at  
22 a racetrack located in Madison County during any calendar  
23 year beginning on or after January 1, 2002, all moneys  
24 derived by that racetrack from simulcast wagering and  
25 inter-track wagering that (1) are to be used for purses and  
26 (2) are generated between the hours of 6:30 p.m. and 6:30

1 a.m. during that calendar year shall be paid as follows:

2 (A) If the licensee that conducts horse racing at  
3 that racetrack requests from the Board at least as many  
4 racing dates as were conducted in calendar year 2000,  
5 80% shall be paid to its thoroughbred purse account;  
6 and

7 (B) Twenty percent shall be deposited into the  
8 Illinois Colt Stakes Purse Distribution Fund and shall  
9 be paid to purses for standardbred races for Illinois  
10 conceived and foaled horses conducted at any county  
11 fairgrounds. The moneys deposited into the Fund  
12 pursuant to this subparagraph (B) shall be deposited  
13 within 2 weeks after the day they were generated, shall  
14 be in addition to and not in lieu of any other moneys  
15 paid to standardbred purses under this Act, and shall  
16 not be commingled with other moneys paid into that  
17 Fund. The moneys deposited pursuant to this  
18 subparagraph (B) shall be allocated as provided by the  
19 Department of Agriculture, with the advice and  
20 assistance of the Illinois Standardbred Breeders Fund  
21 Advisory Board.

22 (7.2) Notwithstanding any other provision of this Act  
23 to the contrary, if no thoroughbred racing is conducted at  
24 a racetrack located in Madison County during any calendar  
25 year beginning on or after January 1, 2002, all moneys  
26 derived by that racetrack from simulcast wagering and



1 inter-track wagering that (1) are to be used for purses and  
2 (2) are generated between the hours of 6:30 a.m. and 6:30  
3 p.m. during that calendar year shall be deposited as  
4 follows:

5 (A) If the licensee that conducts horse racing at  
6 that racetrack requests from the Board at least as many  
7 racing dates as were conducted in calendar year 2000,  
8 80% shall be deposited into its standardbred purse  
9 account; and

10 (B) Twenty percent shall be deposited into the  
11 Illinois Colt Stakes Purse Distribution Fund. Moneys  
12 deposited into the Illinois Colt Stakes Purse  
13 Distribution Fund pursuant to this subparagraph (B)  
14 shall be paid to Illinois conceived and foaled  
15 thoroughbred breeders' programs and to thoroughbred  
16 purses for races conducted at any county fairgrounds  
17 for Illinois conceived and foaled horses at the  
18 discretion of the Department of Agriculture, with the  
19 advice and assistance of the Illinois Thoroughbred  
20 Breeders Fund Advisory Board. The moneys deposited  
21 into the Illinois Colt Stakes Purse Distribution Fund  
22 pursuant to this subparagraph (B) shall be deposited  
23 within 2 weeks after the day they were generated, shall  
24 be in addition to and not in lieu of any other moneys  
25 paid to thoroughbred purses under this Act, and shall  
26 not be commingled with other moneys deposited into that

1 Fund.

2 (7.3) If no live standardbred racing is conducted at a  
3 racetrack located in Madison County in calendar year 2000  
4 or 2001, an organization licensee who is licensed to  
5 conduct horse racing at that racetrack shall, before  
6 January 1, 2002, pay all moneys derived from simulcast  
7 wagering and inter-track wagering in calendar years 2000  
8 and 2001 and paid into the licensee's standardbred purse  
9 account as follows:

10 (A) Eighty percent to that licensee's thoroughbred  
11 purse account to be used for thoroughbred purses; and

12 (B) Twenty percent to the Illinois Colt Stakes  
13 Purse Distribution Fund.

14 Failure to make the payment to the Illinois Colt Stakes  
15 Purse Distribution Fund before January 1, 2002 shall result  
16 in the immediate revocation of the licensee's organization  
17 license, inter-track wagering license, and inter-track  
18 wagering location license.

19 Moneys paid into the Illinois Colt Stakes Purse  
20 Distribution Fund pursuant to this paragraph (7.3) shall be  
21 paid to purses for standardbred races for Illinois  
22 conceived and foaled horses conducted at any county  
23 fairgrounds. Moneys paid into the Illinois Colt Stakes  
24 Purse Distribution Fund pursuant to this paragraph (7.3)  
25 shall be used as determined by the Department of  
26 Agriculture, with the advice and assistance of the Illinois

1 Standardbred Breeders Fund Advisory Board, shall be in  
2 addition to and not in lieu of any other moneys paid to  
3 standardbred purses under this Act, and shall not be  
4 commingled with any other moneys paid into that Fund.

5 (7.4) If live standardbred racing is conducted at a  
6 racetrack located in Madison County at any time in calendar  
7 year 2001 before the payment required under paragraph (7.3)  
8 has been made, the organization licensee who is licensed to  
9 conduct racing at that racetrack shall pay all moneys  
10 derived by that racetrack from simulcast wagering and  
11 inter-track wagering during calendar years 2000 and 2001  
12 that (1) are to be used for purses and (2) are generated  
13 between the hours of 6:30 p.m. and 6:30 a.m. during 2000 or  
14 2001 to the standardbred purse account at that racetrack to  
15 be used for standardbred purses.

16 (8) Notwithstanding any provision in this Act to the  
17 contrary, an organization licensee from a track located in  
18 a county with a population in excess of 230,000 and that  
19 borders the Mississippi River and its affiliated non-host  
20 licensees shall not be entitled to share in any retention  
21 generated on racing, inter-track wagering, or simulcast  
22 wagering at any other Illinois wagering facility.

23 (8.1) Notwithstanding any provisions in this Act to the  
24 contrary, if 2 organization licensees are conducting  
25 standardbred race meetings concurrently between the hours  
26 of 6:30 p.m. and 6:30 a.m., after payment of all applicable

1 State and local taxes and interstate commission fees, the  
2 remainder of the amount retained from simulcast wagering  
3 otherwise attributable to the host track and to host track  
4 purses shall be split daily between the 2 organization  
5 licensees and the purses at the tracks of the 2  
6 organization licensees, respectively, based on each  
7 organization licensee's share of the total live handle for  
8 that day, provided that this provision shall not apply to  
9 any non-host licensee that derives its license from a track  
10 located in a county with a population in excess of 230,000  
11 and that borders the Mississippi River.

12 (9) (Blank).

13 (10) (Blank).

14 (11) (Blank).

15 (12) The Board shall have authority to compel all host  
16 tracks to receive the simulcast of any or all races  
17 conducted at the Springfield or DuQuoin State fairgrounds  
18 and include all such races as part of their simulcast  
19 programs.

20 (13) Notwithstanding any other provision of this Act,  
21 in the event that the total Illinois pari-mutuel handle on  
22 Illinois horse races at all wagering facilities in any  
23 calendar year is less than 75% of the total Illinois  
24 pari-mutuel handle on Illinois horse races at all such  
25 wagering facilities for calendar year 1994, then each  
26 wagering facility that has an annual total Illinois

1 pari-mutuel handle on Illinois horse races that is less  
2 than 75% of the total Illinois pari-mutuel handle on  
3 Illinois horse races at such wagering facility for calendar  
4 year 1994, shall be permitted to receive, from any amount  
5 otherwise payable to the purse account at the race track  
6 with which the wagering facility is affiliated in the  
7 succeeding calendar year, an amount equal to 2% of the  
8 differential in total Illinois pari-mutuel handle on  
9 Illinois horse races at the wagering facility between that  
10 calendar year in question and 1994 provided, however, that  
11 a wagering facility shall not be entitled to any such  
12 payment until the Board certifies in writing to the  
13 wagering facility the amount to which the wagering facility  
14 is entitled and a schedule for payment of the amount to the  
15 wagering facility, based on: (i) the racing dates awarded  
16 to the race track affiliated with the wagering facility  
17 during the succeeding year; (ii) the sums available or  
18 anticipated to be available in the purse account of the  
19 race track affiliated with the wagering facility for purses  
20 during the succeeding year; and (iii) the need to ensure  
21 reasonable purse levels during the payment period. The  
22 Board's certification shall be provided no later than  
23 January 31 of the succeeding year. In the event a wagering  
24 facility entitled to a payment under this paragraph (13) is  
25 affiliated with a race track that maintains purse accounts  
26 for both standardbred and thoroughbred racing, the amount

1 to be paid to the wagering facility shall be divided  
2 between each purse account pro rata, based on the amount of  
3 Illinois handle on Illinois standardbred and thoroughbred  
4 racing respectively at the wagering facility during the  
5 previous calendar year. Annually, the General Assembly  
6 shall appropriate sufficient funds from the General  
7 Revenue Fund to the Department of Agriculture for payment  
8 into the thoroughbred and standardbred horse racing purse  
9 accounts at Illinois pari-mutuel tracks. The amount paid to  
10 each purse account shall be the amount certified by the  
11 Illinois Racing Board in January to be transferred from  
12 each account to each eligible racing facility in accordance  
13 with the provisions of this Section. Beginning in the  
14 calendar year in which an organization licensee that is  
15 eligible to receive payment under this paragraph (13)  
16 begins to receive funds from electronic gaming, the amount  
17 of the payment due to all wagering facilities licensed  
18 under that organization licensee under this paragraph (13)  
19 shall be the amount certified by the Board in January of  
20 that year. An organization licensee and its related  
21 wagering facilities shall no longer be able to receive  
22 payments under this paragraph (13) beginning in the year  
23 subsequent to the first year in which the organization  
24 licensee begins to receive funds from electronic gaming.

25 (h) The Board may approve and license the conduct of  
26 inter-track wagering and simulcast wagering by inter-track

1     wagering licensees and inter-track wagering location licensees  
2     subject to the following terms and conditions:

3             (1) Any person licensed to conduct a race meeting (i)  
4             at a track where 60 or more days of racing were conducted  
5             during the immediately preceding calendar year or where  
6             over the 5 immediately preceding calendar years an average  
7             of 30 or more days of racing were conducted annually may be  
8             issued an inter-track wagering license; (ii) at a track  
9             located in a county that is bounded by the Mississippi  
10            River, which has a population of less than 150,000  
11            according to the 1990 decennial census, and an average of  
12            at least 60 days of racing per year between 1985 and 1993  
13            may be issued an inter-track wagering license; or (iii) at  
14            a track located in Madison County that conducted at least  
15            100 days of live racing during the immediately preceding  
16            calendar year may be issued an inter-track wagering  
17            license, unless a lesser schedule of live racing is the  
18            result of (A) weather, unsafe track conditions, or other  
19            acts of God; (B) an agreement between the organization  
20            licensee and the associations representing the largest  
21            number of owners, trainers, jockeys, or standardbred  
22            drivers who race horses at that organization licensee's  
23            racing meeting; or (C) a finding by the Board of  
24            extraordinary circumstances and that it was in the best  
25            interest of the public and the sport to conduct fewer than  
26            100 days of live racing. Any such person having operating

1 control of the racing facility may also receive up to 6  
2 inter-track wagering location licenses. In no event shall  
3 more than 6 inter-track wagering locations be established  
4 for each eligible race track, except that an eligible race  
5 track located in a county that has a population of more  
6 than 230,000 and that is bounded by the Mississippi River  
7 may establish up to 7 inter-track wagering locations. An  
8 application for said license shall be filed with the Board  
9 prior to such dates as may be fixed by the Board. With an  
10 application for an inter-track wagering location license  
11 there shall be delivered to the Board a certified check or  
12 bank draft payable to the order of the Board for an amount  
13 equal to \$500. The application shall be on forms prescribed  
14 and furnished by the Board. The application shall comply  
15 with all other rules, regulations and conditions imposed by  
16 the Board in connection therewith.

17 (2) The Board shall examine the applications with  
18 respect to their conformity with this Act and the rules and  
19 regulations imposed by the Board. If found to be in  
20 compliance with the Act and rules and regulations of the  
21 Board, the Board may then issue a license to conduct  
22 inter-track wagering and simulcast wagering to such  
23 applicant. All such applications shall be acted upon by the  
24 Board at a meeting to be held on such date as may be fixed  
25 by the Board.

26 (3) In granting licenses to conduct inter-track



1           wagering and simulcast wagering, the Board shall give due  
2           consideration to the best interests of the public, of horse  
3           racing, and of maximizing revenue to the State.

4           (4) Prior to the issuance of a license to conduct  
5           inter-track wagering and simulcast wagering, the applicant  
6           shall file with the Board a bond payable to the State of  
7           Illinois in the sum of \$50,000, executed by the applicant  
8           and a surety company or companies authorized to do business  
9           in this State, and conditioned upon (i) the payment by the  
10          licensee of all taxes due under Section 27 or 27.1 and any  
11          other monies due and payable under this Act, and (ii)  
12          distribution by the licensee, upon presentation of the  
13          winning ticket or tickets, of all sums payable to the  
14          patrons of pari-mutuel pools.

15          (5) Each license to conduct inter-track wagering and  
16          simulcast wagering shall specify the person to whom it is  
17          issued, the dates on which such wagering is permitted, and  
18          the track or location where the wagering is to be  
19          conducted.

20          (6) All wagering under such license is subject to this  
21          Act and to the rules and regulations from time to time  
22          prescribed by the Board, and every such license issued by  
23          the Board shall contain a recital to that effect.

24          (7) An inter-track wagering licensee or inter-track  
25          wagering location licensee may accept wagers at the track  
26          or location where it is licensed, or as otherwise provided

1 under this Act.

2 (8) Inter-track wagering or simulcast wagering shall  
3 not be conducted at any track less than 4 ~~5~~ miles from a  
4 track at which a racing meeting is in progress.

5 (8.1) Inter-track wagering location licensees who  
6 derive their licenses from a particular organization  
7 licensee shall conduct inter-track wagering and simulcast  
8 wagering only at locations which are either within 90 miles  
9 of that race track where the particular organization  
10 licensee is licensed to conduct racing, or within 135 miles  
11 of that race track where the particular organization  
12 licensee is licensed to conduct racing in the case of race  
13 tracks in counties of less than 400,000 that were operating  
14 on or before June 1, 1986. However, inter-track wagering  
15 and simulcast wagering shall not be conducted by those  
16 licensees at any location within 5 miles of any race track  
17 at which a horse race meeting has been licensed in the  
18 current year, unless the person having operating control of  
19 such race track has given its written consent to such  
20 inter-track wagering location licensees, which consent  
21 must be filed with the Board at or prior to the time  
22 application is made.

23 (8.2) Inter-track wagering or simulcast wagering shall  
24 not be conducted by an inter-track wagering location  
25 licensee at any location within 500 feet of an existing  
26 church, an ~~or~~ existing elementary or secondary public

1        school, or an existing elementary or secondary private  
2        school registered with or recognized by the State Board of  
3        Education ~~school~~, nor within 500 feet of the residences of  
4        more than 50 registered voters without receiving written  
5        permission from a majority of the registered voters at such  
6        residences. Such written permission statements shall be  
7        filed with the Board. The distance of 500 feet shall be  
8        measured to the nearest part of any building used for  
9        worship services, education programs, residential  
10       purposes, or conducting inter-track wagering by an  
11       inter-track wagering location licensee, and not to  
12       property boundaries. However, inter-track wagering or  
13       simulcast wagering may be conducted at a site within 500  
14       feet of a church, school or residences of 50 or more  
15       registered voters if such church, school or residences have  
16       been erected or established, or such voters have been  
17       registered, after the Board issues the original  
18       inter-track wagering location license at the site in  
19       question. Inter-track wagering location licensees may  
20       conduct inter-track wagering and simulcast wagering only  
21       in areas that are zoned for commercial or manufacturing  
22       purposes or in areas for which a special use has been  
23       approved by the local zoning authority. However, no license  
24       to conduct inter-track wagering and simulcast wagering  
25       shall be granted by the Board with respect to any  
26       inter-track wagering location within the jurisdiction of

1 any local zoning authority which has, by ordinance or by  
2 resolution, prohibited the establishment of an inter-track  
3 wagering location within its jurisdiction. However,  
4 inter-track wagering and simulcast wagering may be  
5 conducted at a site if such ordinance or resolution is  
6 enacted after the Board licenses the original inter-track  
7 wagering location licensee for the site in question.

8 (9) (Blank).

9 (10) An inter-track wagering licensee or an  
10 inter-track wagering location licensee may retain, subject  
11 to the payment of the privilege taxes and the purses, an  
12 amount not to exceed 17% of all money wagered. Each program  
13 of racing conducted by each inter-track wagering licensee  
14 or inter-track wagering location licensee shall be  
15 considered a separate racing day for the purpose of  
16 determining the daily handle and computing the privilege  
17 tax or pari-mutuel tax on such daily handle as provided in  
18 Section 27.

19 (10.1) Except as provided in subsection (g) of Section  
20 27 of this Act, inter-track wagering location licensees  
21 shall pay 1% of the pari-mutuel handle at each location to  
22 the municipality in which such location is situated and 1%  
23 of the pari-mutuel handle at each location to the county in  
24 which such location is situated. In the event that an  
25 inter-track wagering location licensee is situated in an  
26 unincorporated area of a county, such licensee shall pay 2%

1 of the pari-mutuel handle from such location to such  
2 county.

3 (10.2) Notwithstanding any other provision of this  
4 Act, with respect to intertrack wagering at a race track  
5 located in a county that has a population of more than  
6 230,000 and that is bounded by the Mississippi River ("the  
7 first race track"), or at a facility operated by an  
8 inter-track wagering licensee or inter-track wagering  
9 location licensee that derives its license from the  
10 organization licensee that operates the first race track,  
11 on races conducted at the first race track or on races  
12 conducted at another Illinois race track and  
13 simultaneously televised to the first race track or to a  
14 facility operated by an inter-track wagering licensee or  
15 inter-track wagering location licensee that derives its  
16 license from the organization licensee that operates the  
17 first race track, those moneys shall be allocated as  
18 follows:

19 (A) That portion of all moneys wagered on  
20 standardbred racing that is required under this Act to  
21 be paid to purses shall be paid to purses for  
22 standardbred races.

23 (B) That portion of all moneys wagered on  
24 thoroughbred racing that is required under this Act to  
25 be paid to purses shall be paid to purses for  
26 thoroughbred races.

1           (11) (A) After payment of the privilege or pari-mutuel  
2 tax, any other applicable taxes, and the costs and expenses  
3 in connection with the gathering, transmission, and  
4 dissemination of all data necessary to the conduct of  
5 inter-track wagering, the remainder of the monies retained  
6 under either Section 26 or Section 26.2 of this Act by the  
7 inter-track wagering licensee on inter-track wagering  
8 shall be allocated with 50% to be split between the 2  
9 participating licensees and 50% to purses, except that an  
10 intertrack wagering licensee that derives its license from  
11 a track located in a county with a population in excess of  
12 230,000 and that borders the Mississippi River shall not  
13 divide any remaining retention with the Illinois  
14 organization licensee that provides the race or races, and  
15 an intertrack wagering licensee that accepts wagers on  
16 races conducted by an organization licensee that conducts a  
17 race meet in a county with a population in excess of  
18 230,000 and that borders the Mississippi River shall not  
19 divide any remaining retention with that organization  
20 licensee.

21           (B) From the sums permitted to be retained pursuant to  
22 this Act each inter-track wagering location licensee shall  
23 pay (i) the privilege or pari-mutuel tax to the State; (ii)  
24 4.75% of the pari-mutuel handle on intertrack wagering at  
25 such location on races as purses, except that an intertrack  
26 wagering location licensee that derives its license from a

1 track located in a county with a population in excess of  
2 230,000 and that borders the Mississippi River shall retain  
3 all purse moneys for its own purse account consistent with  
4 distribution set forth in this subsection (h), and  
5 intertrack wagering location licensees that accept wagers  
6 on races conducted by an organization licensee located in a  
7 county with a population in excess of 230,000 and that  
8 borders the Mississippi River shall distribute all purse  
9 moneys to purses at the operating host track; (iii) until  
10 January 1, 2000, except as provided in subsection (g) of  
11 Section 27 of this Act, 1% of the pari-mutuel handle  
12 wagered on inter-track wagering and simulcast wagering at  
13 each inter-track wagering location licensee facility to  
14 the Horse Racing Tax Allocation Fund, provided that, to the  
15 extent the total amount collected and distributed to the  
16 Horse Racing Tax Allocation Fund under this subsection (h)  
17 during any calendar year exceeds the amount collected and  
18 distributed to the Horse Racing Tax Allocation Fund during  
19 calendar year 1994, that excess amount shall be  
20 redistributed (I) to all inter-track wagering location  
21 licensees, based on each licensee's pro-rata share of the  
22 total handle from inter-track wagering and simulcast  
23 wagering for all inter-track wagering location licensees  
24 during the calendar year in which this provision is  
25 applicable; then (II) the amounts redistributed to each  
26 inter-track wagering location licensee as described in

1 subpart (I) shall be further redistributed as provided in  
2 subparagraph (B) of paragraph (5) of subsection (g) of this  
3 Section 26 provided first, that the shares of those  
4 amounts, which are to be redistributed to the host track or  
5 to purses at the host track under subparagraph (B) of  
6 paragraph (5) of subsection (g) of this Section 26 shall be  
7 redistributed based on each host track's pro rata share of  
8 the total inter-track wagering and simulcast wagering  
9 handle at all host tracks during the calendar year in  
10 question, and second, that any amounts redistributed as  
11 described in part (I) to an inter-track wagering location  
12 licensee that accepts wagers on races conducted by an  
13 organization licensee that conducts a race meet in a county  
14 with a population in excess of 230,000 and that borders the  
15 Mississippi River shall be further redistributed as  
16 provided in subparagraphs (D) and (E) of paragraph (7) of  
17 subsection (g) of this Section 26, with the portion of that  
18 further redistribution allocated to purses at that  
19 organization licensee to be divided between standardbred  
20 purses and thoroughbred purses based on the amounts  
21 otherwise allocated to purses at that organization  
22 licensee during the calendar year in question; and (iv) 8%  
23 of the pari-mutuel handle on inter-track wagering wagered  
24 at such location to satisfy all costs and expenses of  
25 conducting its wagering. The remainder of the monies  
26 retained by the inter-track wagering location licensee



1 shall be allocated 40% to the location licensee and 60% to  
2 the organization licensee which provides the Illinois  
3 races to the location, except that an intertrack wagering  
4 location licensee that derives its license from a track  
5 located in a county with a population in excess of 230,000  
6 and that borders the Mississippi River shall not divide any  
7 remaining retention with the organization licensee that  
8 provides the race or races and an intertrack wagering  
9 location licensee that accepts wagers on races conducted by  
10 an organization licensee that conducts a race meet in a  
11 county with a population in excess of 230,000 and that  
12 borders the Mississippi River shall not divide any  
13 remaining retention with the organization licensee.  
14 Notwithstanding the provisions of clauses (ii) and (iv) of  
15 this paragraph, in the case of the additional inter-track  
16 wagering location licenses authorized under paragraph (1)  
17 of this subsection (h) by this amendatory Act of 1991,  
18 those licensees shall pay the following amounts as purses:  
19 during the first 12 months the licensee is in operation,  
20 5.25% of the pari-mutuel handle wagered at the location on  
21 races; during the second 12 months, 5.25%; during the third  
22 12 months, 5.75%; during the fourth 12 months, 6.25%; and  
23 during the fifth 12 months and thereafter, 6.75%. The  
24 following amounts shall be retained by the licensee to  
25 satisfy all costs and expenses of conducting its wagering:  
26 during the first 12 months the licensee is in operation,

1 8.25% of the pari-mutuel handle wagered at the location;  
2 during the second 12 months, 8.25%; during the third 12  
3 months, 7.75%; during the fourth 12 months, 7.25%; and  
4 during the fifth 12 months and thereafter, 6.75%. For  
5 additional intertrack wagering location licensees  
6 authorized under this amendatory Act of 1995, purses for  
7 the first 12 months the licensee is in operation shall be  
8 5.75% of the pari-mutuel wagered at the location, purses  
9 for the second 12 months the licensee is in operation shall  
10 be 6.25%, and purses thereafter shall be 6.75%. For  
11 additional intertrack location licensees authorized under  
12 this amendatory Act of 1995, the licensee shall be allowed  
13 to retain to satisfy all costs and expenses: 7.75% of the  
14 pari-mutuel handle wagered at the location during its first  
15 12 months of operation, 7.25% during its second 12 months  
16 of operation, and 6.75% thereafter.

17 (C) There is hereby created the Horse Racing Tax  
18 Allocation Fund which shall remain in existence until  
19 December 31, 1999. Moneys remaining in the Fund after  
20 December 31, 1999 shall be paid into the General Revenue  
21 Fund. Until January 1, 2000, all monies paid into the Horse  
22 Racing Tax Allocation Fund pursuant to this paragraph (11)  
23 by inter-track wagering location licensees located in park  
24 districts of 500,000 population or less, or in a  
25 municipality that is not included within any park district  
26 but is included within a conservation district and is the

1 county seat of a county that (i) is contiguous to the state  
2 of Indiana and (ii) has a 1990 population of 88,257  
3 according to the United States Bureau of the Census, and  
4 operating on May 1, 1994 shall be allocated by  
5 appropriation as follows:

6 Two-sevenths to the Department of Agriculture.  
7 Fifty percent of this two-sevenths shall be used to  
8 promote the Illinois horse racing and breeding  
9 industry, and shall be distributed by the Department of  
10 Agriculture upon the advice of a 9-member committee  
11 appointed by the Governor consisting of the following  
12 members: the Director of Agriculture, who shall serve  
13 as chairman; 2 representatives of organization  
14 licensees conducting thoroughbred race meetings in  
15 this State, recommended by those licensees; 2  
16 representatives of organization licensees conducting  
17 standardbred race meetings in this State, recommended  
18 by those licensees; a representative of the Illinois  
19 Thoroughbred Breeders and Owners Foundation,  
20 recommended by that Foundation; a representative of  
21 the Illinois Standardbred Owners and Breeders  
22 Association, recommended by that Association; a  
23 representative of the Horsemen's Benevolent and  
24 Protective Association or any successor organization  
25 thereto established in Illinois comprised of the  
26 largest number of owners, breeders, and trainers,

1 recommended by that Association or that successor  
2 organization; and a representative of the Illinois  
3 Harness Horsemen's Association, recommended by that  
4 Association. Committee members shall serve for terms  
5 of 2 years, commencing January 1 of each even-numbered  
6 year. If a representative of any of the above-named  
7 entities has not been recommended by January 1 of any  
8 even-numbered year, the Governor shall appoint a  
9 committee member to fill that position. Committee  
10 members shall receive no compensation for their  
11 services as members but shall be reimbursed for all  
12 actual and necessary expenses and disbursements  
13 incurred in the performance of their official duties.  
14 The remaining 50% of this two-sevenths shall be  
15 distributed to county fairs for premiums and  
16 rehabilitation as set forth in the Agricultural Fair  
17 Act;

18 Four-sevenths to park districts or municipalities  
19 that do not have a park district of 500,000 population  
20 or less for museum purposes (if an inter-track wagering  
21 location licensee is located in such a park district)  
22 or to conservation districts for museum purposes (if an  
23 inter-track wagering location licensee is located in a  
24 municipality that is not included within any park  
25 district but is included within a conservation  
26 district and is the county seat of a county that (i) is

1           contiguous to the state of Indiana and (ii) has a 1990  
2           population of 88,257 according to the United States  
3           Bureau of the Census, except that if the conservation  
4           district does not maintain a museum, the monies shall  
5           be allocated equally between the county and the  
6           municipality in which the inter-track wagering  
7           location licensee is located for general purposes) or  
8           to a municipal recreation board for park purposes (if  
9           an inter-track wagering location licensee is located  
10          in a municipality that is not included within any park  
11          district and park maintenance is the function of the  
12          municipal recreation board and the municipality has a  
13          1990 population of 9,302 according to the United States  
14          Bureau of the Census); provided that the monies are  
15          distributed to each park district or conservation  
16          district or municipality that does not have a park  
17          district in an amount equal to four-sevenths of the  
18          amount collected by each inter-track wagering location  
19          licensee within the park district or conservation  
20          district or municipality for the Fund. Monies that were  
21          paid into the Horse Racing Tax Allocation Fund before  
22          the effective date of this amendatory Act of 1991 by an  
23          inter-track wagering location licensee located in a  
24          municipality that is not included within any park  
25          district but is included within a conservation  
26          district as provided in this paragraph shall, as soon

1 as practicable after the effective date of this  
2 amendatory Act of 1991, be allocated and paid to that  
3 conservation district as provided in this paragraph.  
4 Any park district or municipality not maintaining a  
5 museum may deposit the monies in the corporate fund of  
6 the park district or municipality where the  
7 inter-track wagering location is located, to be used  
8 for general purposes; and

9 One-seventh to the Agricultural Premium Fund to be  
10 used for distribution to agricultural home economics  
11 extension councils in accordance with "An Act in  
12 relation to additional support and finances for the  
13 Agricultural and Home Economic Extension Councils in  
14 the several counties of this State and making an  
15 appropriation therefor", approved July 24, 1967.

16 Until January 1, 2000, all other monies paid into the  
17 Horse Racing Tax Allocation Fund pursuant to this paragraph  
18 (11) shall be allocated by appropriation as follows:

19 Two-sevenths to the Department of Agriculture.  
20 Fifty percent of this two-sevenths shall be used to  
21 promote the Illinois horse racing and breeding  
22 industry, and shall be distributed by the Department of  
23 Agriculture upon the advice of a 9-member committee  
24 appointed by the Governor consisting of the following  
25 members: the Director of Agriculture, who shall serve  
26 as chairman; 2 representatives of organization

1 licenses conducting thoroughbred race meetings in  
2 this State, recommended by those licensees; 2  
3 representatives of organization licensees conducting  
4 standardbred race meetings in this State, recommended  
5 by those licensees; a representative of the Illinois  
6 Thoroughbred Breeders and Owners Foundation,  
7 recommended by that Foundation; a representative of  
8 the Illinois Standardbred Owners and Breeders  
9 Association, recommended by that Association; a  
10 representative of the Horsemen's Benevolent and  
11 Protective Association or any successor organization  
12 thereto established in Illinois comprised of the  
13 largest number of owners, breeders, and trainers,  
14 recommended by that Association or that successor  
15 organization; and a representative of the Illinois  
16 Harness Horsemen's Association, recommended by that  
17 Association. Committee members shall serve for terms  
18 of 2 years, commencing January 1 of each even-numbered  
19 year. If a representative of any of the above-named  
20 entities has not been recommended by January 1 of any  
21 even-numbered year, the Governor shall appoint a  
22 committee member to fill that position. Committee  
23 members shall receive no compensation for their  
24 services as members but shall be reimbursed for all  
25 actual and necessary expenses and disbursements  
26 incurred in the performance of their official duties.

1           The remaining 50% of this two-sevenths shall be  
2           distributed to county fairs for premiums and  
3           rehabilitation as set forth in the Agricultural Fair  
4           Act;

5           Four-sevenths to museums and aquariums located in  
6           park districts of over 500,000 population; provided  
7           that the monies are distributed in accordance with the  
8           previous year's distribution of the maintenance tax  
9           for such museums and aquariums as provided in Section 2  
10          of the Park District Aquarium and Museum Act; and

11          One-seventh to the Agricultural Premium Fund to be  
12          used for distribution to agricultural home economics  
13          extension councils in accordance with "An Act in  
14          relation to additional support and finances for the  
15          Agricultural and Home Economic Extension Councils in  
16          the several counties of this State and making an  
17          appropriation therefor", approved July 24, 1967. This  
18          subparagraph (C) shall be inoperative and of no force  
19          and effect on and after January 1, 2000.

20          (D) Except as provided in paragraph (11) of this  
21          subsection (h), with respect to purse allocation from  
22          intertrack wagering, the monies so retained shall be  
23          divided as follows:

24                 (i) If the inter-track wagering licensee,  
25                 except an intertrack wagering licensee that  
26                 derives its license from an organization licensee



1 located in a county with a population in excess of  
2 230,000 and bounded by the Mississippi River, is  
3 not conducting its own race meeting during the same  
4 dates, then the entire purse allocation shall be to  
5 purses at the track where the races wagered on are  
6 being conducted.

7 (ii) If the inter-track wagering licensee,  
8 except an intertrack wagering licensee that  
9 derives its license from an organization licensee  
10 located in a county with a population in excess of  
11 230,000 and bounded by the Mississippi River, is  
12 also conducting its own race meeting during the  
13 same dates, then the purse allocation shall be as  
14 follows: 50% to purses at the track where the races  
15 wagered on are being conducted; 50% to purses at  
16 the track where the inter-track wagering licensee  
17 is accepting such wagers.

18 (iii) If the inter-track wagering is being  
19 conducted by an inter-track wagering location  
20 licensee, except an intertrack wagering location  
21 licensee that derives its license from an  
22 organization licensee located in a county with a  
23 population in excess of 230,000 and bounded by the  
24 Mississippi River, the entire purse allocation for  
25 Illinois races shall be to purses at the track  
26 where the race meeting being wagered on is being

1           held.

2           (12) The Board shall have all powers necessary and  
3 proper to fully supervise and control the conduct of  
4 inter-track wagering and simulcast wagering by inter-track  
5 wagering licensees and inter-track wagering location  
6 licensees, including, but not limited to the following:

7           (A) The Board is vested with power to promulgate  
8 reasonable rules and regulations for the purpose of  
9 administering the conduct of this wagering and to  
10 prescribe reasonable rules, regulations and conditions  
11 under which such wagering shall be held and conducted.  
12 Such rules and regulations are to provide for the  
13 prevention of practices detrimental to the public  
14 interest and for the best interests of said wagering  
15 and to impose penalties for violations thereof.

16           (B) The Board, and any person or persons to whom it  
17 delegates this power, is vested with the power to enter  
18 the facilities of any licensee to determine whether  
19 there has been compliance with the provisions of this  
20 Act and the rules and regulations relating to the  
21 conduct of such wagering.

22           (C) The Board, and any person or persons to whom it  
23 delegates this power, may eject or exclude from any  
24 licensee's facilities, any person whose conduct or  
25 reputation is such that his presence on such premises  
26 may, in the opinion of the Board, call into the

1 question the honesty and integrity of, or interfere  
2 with the orderly conduct of such wagering; provided,  
3 however, that no person shall be excluded or ejected  
4 from such premises solely on the grounds of race,  
5 color, creed, national origin, ancestry, or sex.

6 (D) (Blank).

7 (E) The Board is vested with the power to appoint  
8 delegates to execute any of the powers granted to it  
9 under this Section for the purpose of administering  
10 this wagering and any rules and regulations  
11 promulgated in accordance with this Act.

12 (F) The Board shall name and appoint a State  
13 director of this wagering who shall be a representative  
14 of the Board and whose duty it shall be to supervise  
15 the conduct of inter-track wagering as may be provided  
16 for by the rules and regulations of the Board; such  
17 rules and regulation shall specify the method of  
18 appointment and the Director's powers, authority and  
19 duties.

20 (G) The Board is vested with the power to impose  
21 civil penalties of up to \$5,000 against individuals and  
22 up to \$10,000 against licensees for each violation of  
23 any provision of this Act relating to the conduct of  
24 this wagering, any rules adopted by the Board, any  
25 order of the Board or any other action which in the  
26 Board's discretion, is a detriment or impediment to

1           such wagering.

2           (13) The Department of Agriculture may enter into  
3 agreements with licensees authorizing such licensees to  
4 conduct inter-track wagering on races to be held at the  
5 licensed race meetings conducted by the Department of  
6 Agriculture. Such agreement shall specify the races of the  
7 Department of Agriculture's licensed race meeting upon  
8 which the licensees will conduct wagering. In the event  
9 that a licensee conducts inter-track pari-mutuel wagering  
10 on races from the Illinois State Fair or DuQuoin State Fair  
11 which are in addition to the licensee's previously approved  
12 racing program, those races shall be considered a separate  
13 racing day for the purpose of determining the daily handle  
14 and computing the privilege or pari-mutuel tax on that  
15 daily handle as provided in Sections 27 and 27.1. Such  
16 agreements shall be approved by the Board before such  
17 wagering may be conducted. In determining whether to grant  
18 approval, the Board shall give due consideration to the  
19 best interests of the public and of horse racing. The  
20 provisions of paragraphs (1), (8), (8.1), and (8.2) of  
21 subsection (h) of this Section which are not specified in  
22 this paragraph (13) shall not apply to licensed race  
23 meetings conducted by the Department of Agriculture at the  
24 Illinois State Fair in Sangamon County or the DuQuoin State  
25 Fair in Perry County, or to any wagering conducted on those  
26 race meetings.

1 (i) Notwithstanding the other provisions of this Act, the  
2 conduct of wagering at wagering facilities is authorized on all  
3 days, except as limited by subsection (b) of Section 19 of this  
4 Act.

5 (Source: P.A. 96-762, eff. 8-25-09; 97-1060, eff. 8-24-12.)

6 (230 ILCS 5/27) (from Ch. 8, par. 37-27)

7 Sec. 27. (a) In addition to the organization license fee  
8 provided by this Act, until January 1, 2000, a graduated  
9 privilege tax is hereby imposed for conducting the pari-mutuel  
10 system of wagering permitted under this Act. Until January 1,  
11 2000, except as provided in subsection (g) of Section 27 of  
12 this Act, all of the breakage of each racing day held by any  
13 licensee in the State shall be paid to the State. Until January  
14 1, 2000, such daily graduated privilege tax shall be paid by  
15 the licensee from the amount permitted to be retained under  
16 this Act. Until January 1, 2000, each day's graduated privilege  
17 tax, breakage, and Horse Racing Tax Allocation funds shall be  
18 remitted to the Department of Revenue within 48 hours after the  
19 close of the racing day upon which it is assessed or within  
20 such other time as the Board prescribes. The privilege tax  
21 hereby imposed, until January 1, 2000, shall be a flat tax at  
22 the rate of 2% of the daily pari-mutuel handle except as  
23 provided in Section 27.1.

24 In addition, every organization licensee, except as  
25 provided in Section 27.1 of this Act, which conducts multiple

1     wagering shall pay, until January 1, 2000, as a privilege tax  
2     on multiple wagers an amount equal to 1.25% of all moneys  
3     wagered each day on such multiple wagers, plus an additional  
4     amount equal to 3.5% of the amount wagered each day on any  
5     other multiple wager which involves a single betting interest  
6     on 3 or more horses. The licensee shall remit the amount of  
7     such taxes to the Department of Revenue within 48 hours after  
8     the close of the racing day on which it is assessed or within  
9     such other time as the Board prescribes.

10     This subsection (a) shall be inoperative and of no force  
11     and effect on and after January 1, 2000.

12     (a-5) Beginning on January 1, 2000, a flat pari-mutuel tax  
13     at the rate of 1.5% of the daily pari-mutuel handle is imposed  
14     at all pari-mutuel wagering facilities and on advance deposit  
15     wagering from a location other than a wagering facility, except  
16     as otherwise provided for in this subsection (a-5). In addition  
17     to the pari-mutuel tax imposed on advance deposit wagering  
18     pursuant to this subsection (a-5), beginning on the effective  
19     date of this amendatory Act of the 97th General Assembly until  
20     January 1, 2013, an additional pari-mutuel tax at the rate of  
21     0.25% shall be imposed on advance deposit wagering. Until  
22     August 25, 2012, the additional 0.25% pari-mutuel tax imposed  
23     on advance deposit wagering by Public Act 96-972 shall be  
24     deposited into the Quarter Horse Purse Fund, which shall be  
25     created as a non-appropriated trust fund administered by the  
26     Board for grants to thoroughbred organization licensees for

1 payment of purses for quarter horse races conducted by the  
2 organization licensee. Beginning on August 26, 2012, the  
3 additional 0.25% pari-mutuel tax imposed on advance deposit  
4 wagering shall be deposited equally into the standardbred purse  
5 accounts of organization licensees conducting standardbred  
6 racing. Thoroughbred organization licensees may petition the  
7 Board to conduct quarter horse racing and receive purse grants  
8 from the Quarter Horse Purse Fund. The Board shall have  
9 complete discretion in distributing the Quarter Horse Purse  
10 Fund to the petitioning organization licensees. Beginning on  
11 the effective date of this amendatory Act of the 96th General  
12 Assembly and until moneys deposited pursuant to Section 54 are  
13 distributed and received, a pari-mutuel tax at the rate of  
14 0.75% of the daily pari-mutuel handle is imposed at a  
15 pari-mutuel facility whose license is derived from a track  
16 located in a county that borders the Mississippi River and  
17 conducted live racing in the previous year. After moneys  
18 deposited pursuant to Section 54 are distributed and received,  
19 a pari-mutuel tax at the rate of 1.5% of the daily pari-mutuel  
20 handle is imposed at a pari-mutuel facility whose license is  
21 derived from a track located in a county that borders the  
22 Mississippi River and conducted live racing in the previous  
23 year. The pari-mutuel tax imposed by this subsection (a-5)  
24 shall be remitted to the Department of Revenue within 48 hours  
25 after the close of the racing day upon which it is assessed or  
26 within such other time as the Board prescribes.

1       (a-10) Beginning on the date when an organization licensee  
2 begins conducting electronic gaming pursuant to an electronic  
3 gaming license, the following pari-mutuel tax is imposed upon  
4 an organization licensee on Illinois races at the licensee's  
5 race track:

6           1.5% of the pari-mutuel handle at or below the average  
7 daily pari-mutuel handle for 2011.

8           2% of the pari-mutuel handle above the average daily  
9 pari-mutuel handle for 2011 up to 125% of the average daily  
10 pari-mutuel handle for 2011.

11           2.5% of the pari-mutuel handle 125% or more above the  
12 average daily pari-mutuel handle for 2011 up to 150% of the  
13 average daily pari-mutuel handle for 2011.

14           3% of the pari-mutuel handle 150% or more above the  
15 average daily pari-mutuel handle for 2011 up to 175% of the  
16 average daily pari-mutuel handle for 2011.

17           3.5% of the pari-mutuel handle 175% or more above the  
18 average daily pari-mutuel handle for 2011.

19       The pari-mutuel tax imposed by this subsection (a-10) shall  
20 be remitted to the Board within 48 hours after the close of the  
21 racing day upon which it is assessed or within such other time  
22 as the Board prescribes.

23       (b) On or before December 31, 1999, in the event that any  
24 organization licensee conducts 2 separate programs of races on  
25 any day, each such program shall be considered a separate  
26 racing day for purposes of determining the daily handle and



1 computing the privilege tax on such daily handle as provided in  
2 subsection (a) of this Section.

3 (c) Licensees shall at all times keep accurate books and  
4 records of all monies wagered on each day of a race meeting and  
5 of the taxes paid to the Department of Revenue under the  
6 provisions of this Section. The Board or its duly authorized  
7 representative or representatives shall at all reasonable  
8 times have access to such records for the purpose of examining  
9 and checking the same and ascertaining whether the proper  
10 amount of taxes is being paid as provided. The Board shall  
11 require verified reports and a statement of the total of all  
12 monies wagered daily at each wagering facility upon which the  
13 taxes are assessed and may prescribe forms upon which such  
14 reports and statement shall be made.

15 (d) Before a license is issued or re-issued, the licensee  
16 shall post a bond in the sum of \$500,000 to the State of  
17 Illinois. The bond shall be used to guarantee that the licensee  
18 faithfully makes the payments, keeps the books and records and  
19 makes reports, and conducts games of chance in conformity with  
20 this Act and the rules adopted by the Board. The bond shall not  
21 be canceled by a surety on less than 30 days' notice in writing  
22 to the Board. If a bond is canceled and the licensee fails to  
23 file a new bond with the Board in the required amount on or  
24 before the effective date of cancellation, the licensee's  
25 license shall be revoked. The total and aggregate liability of  
26 the surety on the bond is limited to the amount specified in

1 ~~the bond. Any licensee failing or refusing to pay the amount of~~  
2 ~~any tax due under this Section shall be guilty of a business~~  
3 ~~offense and upon conviction shall be fined not more than \$5,000~~  
4 ~~in addition to the amount found due as tax under this Section.~~  
5 ~~Each day's violation shall constitute a separate offense. All~~  
6 ~~finer paid into Court by a licensee hereunder shall be~~  
7 ~~transmitted and paid over by the Clerk of the Court to the~~  
8 ~~Board.~~

9 (e) No other license fee, privilege tax, excise tax, or  
10 racing fee, except as provided in this Act, shall be assessed  
11 or collected from any such licensee by the State.

12 (f) No other license fee, privilege tax, excise tax or  
13 racing fee shall be assessed or collected from any such  
14 licensee by units of local government except as provided in  
15 paragraph 10.1 of subsection (h) and subsection (f) of Section  
16 26 of this Act. However, any municipality that has a Board  
17 licensed horse race meeting at a race track wholly within its  
18 corporate boundaries or a township that has a Board licensed  
19 horse race meeting at a race track wholly within the  
20 unincorporated area of the township may charge a local  
21 amusement tax not to exceed 10¢ per admission to such horse  
22 race meeting by the enactment of an ordinance. However, any  
23 municipality or county that has a Board licensed inter-track  
24 wagering location facility wholly within its corporate  
25 boundaries may each impose an admission fee not to exceed \$1.00  
26 per admission to such inter-track wagering location facility,

1 so that a total of not more than \$2.00 per admission may be  
2 imposed. Except as provided in subparagraph (g) of Section 27  
3 of this Act, the inter-track wagering location licensee shall  
4 collect any and all such fees and within 48 hours remit the  
5 fees to the Board, which shall, pursuant to rule, cause the  
6 fees to be distributed to the county or municipality.

7 (g) Notwithstanding any provision in this Act to the  
8 contrary, if in any calendar year the total taxes and fees from  
9 wagering on live racing and from inter-track wagering required  
10 to be collected from licensees and distributed under this Act  
11 to all State and local governmental authorities exceeds the  
12 amount of such taxes and fees distributed to each State and  
13 local governmental authority to which each State and local  
14 governmental authority was entitled under this Act for calendar  
15 year 1994, then the first \$11 million of that excess amount  
16 shall be allocated at the earliest possible date for  
17 distribution as purse money for the succeeding calendar year.  
18 Upon reaching the 1994 level, and until the excess amount of  
19 taxes and fees exceeds \$11 million, the Board shall direct all  
20 licensees to cease paying the subject taxes and fees and the  
21 Board shall direct all licensees to allocate any such excess  
22 amount for purses as follows:

23 (i) the excess amount shall be initially divided  
24 between thoroughbred and standardbred purses based on the  
25 thoroughbred's and standardbred's respective percentages  
26 of total Illinois live wagering in calendar year 1994;

1           (ii) each thoroughbred and standardbred organization  
2           licensee issued an organization licensee in that  
3           succeeding allocation year shall be allocated an amount  
4           equal to the product of its percentage of total Illinois  
5           live thoroughbred or standardbred wagering in calendar  
6           year 1994 (the total to be determined based on the sum of  
7           1994 on-track wagering for all organization licensees  
8           issued organization licenses in both the allocation year  
9           and the preceding year) multiplied by the total amount  
10          allocated for standardbred or thoroughbred purses,  
11          provided that the first \$1,500,000 of the amount allocated  
12          to standardbred purses under item (i) shall be allocated to  
13          the Department of Agriculture to be expended with the  
14          assistance and advice of the Illinois Standardbred  
15          Breeders Funds Advisory Board for the purposes listed in  
16          subsection (g) of Section 31 of this Act, before the amount  
17          allocated to standardbred purses under item (i) is  
18          allocated to standardbred organization licensees in the  
19          succeeding allocation year.

20          To the extent the excess amount of taxes and fees to be  
21          collected and distributed to State and local governmental  
22          authorities exceeds \$11 million, that excess amount shall be  
23          collected and distributed to State and local authorities as  
24          provided for under this Act.

25          (Source: P.A. 96-762, eff. 8-25-09; 96-1287, eff. 7-26-10;  
26          97-1060, eff. 8-24-12.)

1 (230 ILCS 5/30) (from Ch. 8, par. 37-30)

2 Sec. 30. (a) The General Assembly declares that it is the  
3 policy of this State to encourage the breeding of thoroughbred  
4 horses in this State and the ownership of such horses by  
5 residents of this State in order to provide for: sufficient  
6 numbers of high quality thoroughbred horses to participate in  
7 thoroughbred racing meetings in this State, and to establish  
8 and preserve the agricultural and commercial benefits of such  
9 breeding and racing industries to the State of Illinois. It is  
10 the intent of the General Assembly to further this policy by  
11 the provisions of this Act.

12 (b) Each organization licensee conducting a thoroughbred  
13 racing meeting pursuant to this Act shall provide at least two  
14 races each day limited to Illinois conceived and foaled horses  
15 or Illinois foaled horses or both. A minimum of 6 races shall  
16 be conducted each week limited to Illinois conceived and foaled  
17 or Illinois foaled horses or both. No horses shall be permitted  
18 to start in such races unless duly registered under the rules  
19 of the Department of Agriculture.

20 (c) Conditions of races under subsection (b) shall be  
21 commensurate with past performance, quality, and class of  
22 Illinois conceived and foaled and Illinois foaled horses  
23 available. If, however, sufficient competition cannot be had  
24 among horses of that class on any day, the races may, with  
25 consent of the Board, be eliminated for that day and substitute

1 races provided.

2 (d) There is hereby created a special fund of the State  
3 Treasury to be known as the Illinois Thoroughbred Breeders  
4 Fund.

5 Beginning on the effective date of this amendatory Act of  
6 the 98th General Assembly, the Illinois Thoroughbred Breeders  
7 Fund shall become a non-appropriated trust fund held separately  
8 from State moneys. Expenditures from this Fund shall no longer  
9 be subject to appropriation.

10 Except as provided in subsection (g) of Section 27 of this  
11 Act, 8.5% of all the monies received by the State as privilege  
12 taxes on Thoroughbred racing meetings shall be paid into the  
13 Illinois Thoroughbred Breeders Fund.

14 Notwithstanding any provision of law to the contrary,  
15 amounts deposited into the Illinois Thoroughbred Breeders Fund  
16 from revenues generated by electronic gaming after the  
17 effective date of this amendatory Act of the 98th General  
18 Assembly shall be in addition to tax and fee amounts paid under  
19 this Section for calendar year 2013 and thereafter.

20 (e) The Illinois Thoroughbred Breeders Fund shall be  
21 administered by the Department of Agriculture with the advice  
22 and assistance of the Advisory Board created in subsection (f)  
23 of this Section.

24 (f) The Illinois Thoroughbred Breeders Fund Advisory Board  
25 shall consist of the Director of the Department of Agriculture,  
26 who shall serve as Chairman; a member of the Illinois Racing

1 Board, designated by it; 2 representatives of the organization  
2 licensees conducting thoroughbred racing meetings, recommended  
3 by them; 2 representatives of the Illinois Thoroughbred  
4 Breeders and Owners Foundation, recommended by it; one  
5 representative ~~and 2 representatives~~ of the Horsemen's  
6 Benevolent Protective Association; and one representative from  
7 the Illinois Thoroughbred Horsemen's Association ~~or any~~  
8 ~~successor organization established in Illinois comprised of~~  
9 ~~the largest number of owners and trainers, recommended by it,~~  
10 ~~with one representative of the Horsemen's Benevolent and~~  
11 ~~Protective Association to come from its Illinois Division, and~~  
12 ~~one from its Chicago Division.~~ Advisory Board members shall  
13 serve for 2 years commencing January 1 of each odd numbered  
14 year. If representatives of the organization licensees  
15 conducting thoroughbred racing meetings, the Illinois  
16 Thoroughbred Breeders and Owners Foundation, ~~and~~ the  
17 Horsemen's Benevolent Protection Association, and the Illinois  
18 Thoroughbred Horsemen's Association have not been recommended  
19 by January 1, of each odd numbered year, the Director of the  
20 Department of Agriculture shall make an appointment for the  
21 organization failing to so recommend a member of the Advisory  
22 Board. Advisory Board members shall receive no compensation for  
23 their services as members but shall be reimbursed for all  
24 actual and necessary expenses and disbursements incurred in the  
25 execution of their official duties.

26 (g) ~~No monies shall be expended from the Illinois~~

1 ~~Thoroughbred Breeders Fund except as appropriated by the~~  
2 ~~General Assembly.~~ Monies expended ~~appropriated~~ from the  
3 Illinois Thoroughbred Breeders Fund shall be expended by the  
4 Department of Agriculture, with the advice and assistance of  
5 the Illinois Thoroughbred Breeders Fund Advisory Board, for the  
6 following purposes only:

7 (1) To provide purse supplements to breeders ~~owners~~ of  
8 horses participating in races limited to Illinois  
9 conceived and foaled and Illinois foaled horses. Any such  
10 purse supplements shall not be included in and shall be  
11 paid in addition to any purses, stakes, or breeders' awards  
12 offered by each organization licensee as determined by  
13 agreement between such organization licensee and an  
14 organization representing the horsemen. No monies from the  
15 Illinois Thoroughbred Breeders Fund shall be used to  
16 provide purse supplements for claiming races in which the  
17 minimum claiming price is less than \$7,500.

18 (2) To provide stakes and awards to be paid to the  
19 breeders ~~owners~~ of the winning horses in certain races  
20 limited to Illinois conceived and foaled and Illinois  
21 foaled horses designated as stakes races.

22 (2.5) To provide an award to the breeder ~~owner~~ or  
23 breeders ~~owners~~ of an Illinois conceived and foaled or  
24 Illinois foaled horse that wins a maiden special weight, an  
25 allowance, overnight handicap race, or claiming race with  
26 claiming price of \$10,000 or more providing the race is not



1 restricted to Illinois conceived and foaled or Illinois  
2 foaled horses. Awards shall also be provided to the owner  
3 or owners of Illinois conceived and foaled and Illinois  
4 foaled horses that place second or third in those races. To  
5 the extent that additional moneys are required to pay the  
6 minimum additional awards of 40% of the purse the horse  
7 earns for placing first, second or third in those races for  
8 Illinois foaled horses and of 60% of the purse the horse  
9 earns for placing first, second or third in those races for  
10 Illinois conceived and foaled horses, those moneys shall be  
11 provided from the purse account at the track where earned.

12 (3) To provide stallion awards to the owner or owners  
13 of any stallion that is duly registered with the Illinois  
14 Thoroughbred Breeders Fund Program ~~prior to the effective~~  
15 ~~date of this amendatory Act of 1995~~ whose duly registered  
16 Illinois conceived and foaled offspring wins a race  
17 conducted at an Illinois thoroughbred racing meeting other  
18 than a claiming race, provided that the stallion stood  
19 service within Illinois at the time the offspring was  
20 conceived and that the stallion did not stand for service  
21 outside of Illinois at any time during the year in which  
22 the offspring was conceived. ~~Such award shall not be paid~~  
23 ~~to the owner or owners of an Illinois stallion that served~~  
24 ~~outside this State at any time during the calendar year in~~  
25 ~~which such race was conducted.~~

26 (4) To provide \$75,000 annually for purses to be

1 distributed to county fairs that provide for the running of  
2 races during each county fair exclusively for the  
3 thoroughbreds conceived and foaled in Illinois. The  
4 conditions of the races shall be developed by the county  
5 fair association and reviewed by the Department with the  
6 advice and assistance of the Illinois Thoroughbred  
7 Breeders Fund Advisory Board. There shall be no wagering of  
8 any kind on the running of Illinois conceived and foaled  
9 races at county fairs.

10 (4.1) To provide purse money for an Illinois stallion  
11 stakes program.

12 (5) No less than 90% ~~80%~~ of all monies appropriated  
13 from the Illinois Thoroughbred Breeders Fund shall be  
14 expended for the purposes in (1), (2), (2.5), (3), (4),  
15 (4.1), and (5) as shown above.

16 (6) To provide for educational programs regarding the  
17 thoroughbred breeding industry.

18 (7) To provide for research programs concerning the  
19 health, development and care of the thoroughbred horse.

20 (8) To provide for a scholarship and training program  
21 for students of equine veterinary medicine.

22 (9) To provide for dissemination of public information  
23 designed to promote the breeding of thoroughbred horses in  
24 Illinois.

25 (10) To provide for all expenses incurred in the  
26 administration of the Illinois Thoroughbred Breeders Fund.

1           (h) The Illinois Thoroughbred Breeders Fund is not subject  
2 to administrative charges or chargebacks, including, but not  
3 limited to, those authorized under Section 8h of the State  
4 Finance Act. ~~Whenever the Governor finds that the amount in the~~  
5 ~~Illinois Thoroughbred Breeders Fund is more than the total of~~  
6 ~~the outstanding appropriations from such fund, the Governor~~  
7 ~~shall notify the State Comptroller and the State Treasurer of~~  
8 ~~such fact. The Comptroller and the State Treasurer, upon~~  
9 ~~receipt of such notification, shall transfer such excess amount~~  
10 ~~from the Illinois Thoroughbred Breeders Fund to the General~~  
11 ~~Revenue Fund.~~

12           (i) A sum equal to 13% ~~12 1/2%~~ of the first prize money of  
13 every purse won by an Illinois foaled or an Illinois conceived  
14 and foaled horse in races not limited to Illinois foaled horses  
15 or Illinois conceived and foaled horses, or both, shall be paid  
16 by the organization licensee conducting the horse race meeting.  
17 Such sum shall be paid 50% from the organization licensee's  
18 account and 50% from the purse account of the licensee ~~share of~~  
19 ~~the money wagered~~ as follows: 11 1/2% to the breeder of the  
20 winning horse 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 distribution in accordance with this Act, and servicing  
25 and promoting the Illinois thoroughbred horse racing industry.  
26 The organization representing thoroughbred breeders and owners

1 shall cause all expenditures of monies received under this  
2 subsection (i) to be audited at least annually by a registered  
3 public accountant. The organization shall file copies of each  
4 annual audit with the Racing Board, the Clerk of the House of  
5 Representatives and the Secretary of the Senate, and shall make  
6 copies of each annual audit available to the public upon  
7 request and upon payment of the reasonable cost of photocopying  
8 the requested number of copies. Such payments shall not reduce  
9 any award to the owner of the horse or reduce the taxes payable  
10 under this Act. Upon completion of its racing meet, each  
11 organization licensee shall deliver to the organization  
12 representing thoroughbred breeders and owners whose  
13 representative serves on the Illinois Thoroughbred Breeders  
14 Fund Advisory Board a listing of all the Illinois foaled and  
15 the Illinois conceived and foaled horses which won breeders'  
16 awards and the amount of such breeders' awards under this  
17 subsection to verify accuracy of payments and assure proper  
18 distribution of breeders' awards in accordance with the  
19 provisions of this Act. Such payments shall be delivered by the  
20 organization licensee within 30 days of the end of each race  
21 meeting.

22 (j) A sum equal to 13% ~~12 1/2%~~ of the first prize money won  
23 in each race limited to Illinois foaled horses or Illinois  
24 conceived and foaled horses, or both, shall be paid in the  
25 following manner by the organization licensee conducting the  
26 horse race meeting, 50% from the organization licensee's

1 account and 50% from the purse account of the licensee ~~share of~~  
2 ~~the money wagered~~: 11 1/2% to the breeders of the horses in  
3 each such race which are the official first, second, third and  
4 fourth finishers and 1 1/2% ~~1%~~ to the organization representing  
5 thoroughbred breeders and owners whose representative serves  
6 on the Illinois Thoroughbred Breeders Fund Advisory Board for  
7 verifying the amounts of breeders' awards earned, assuring  
8 their proper distribution in accordance with this Act, and  
9 servicing and promoting the Illinois thoroughbred horse racing  
10 industry. The organization representing thoroughbred breeders  
11 and owners shall cause all expenditures of monies received  
12 under this subsection (j) to be audited at least annually by a  
13 registered public accountant. The organization shall file  
14 copies of each annual audit with the Racing Board, the Clerk of  
15 the House of Representatives and the Secretary of the Senate,  
16 and shall make copies of each annual audit available to the  
17 public upon request and upon payment of the reasonable cost of  
18 photocopying the requested number of copies.

19 The 11 1/2% paid to the breeders in accordance with this  
20 subsection shall be distributed as follows:

21 (1) 60% of such sum shall be paid to the breeder of the  
22 horse which finishes in the official first position;

23 (2) 20% of such sum shall be paid to the breeder of the  
24 horse which finishes in the official second position;

25 (3) 15% of such sum shall be paid to the breeder of the  
26 horse which finishes in the official third position; and

1           (4) 5% of such sum shall be paid to the breeder of the  
2           horse which finishes in the official fourth position.

3           Such payments shall not reduce any award to the owners of a  
4           horse or reduce the taxes payable under this Act. Upon  
5           completion of its racing meet, each organization licensee shall  
6           deliver to the organization representing thoroughbred breeders  
7           and owners whose representative serves on the Illinois  
8           Thoroughbred Breeders Fund Advisory Board a listing of all the  
9           Illinois foaled and the Illinois conceived and foaled horses  
10          which won breeders' awards and the amount of such breeders'  
11          awards in accordance with the provisions of this Act. Such  
12          payments shall be delivered by the organization licensee within  
13          30 days of the end of each race meeting.

14          (k) The term "breeder", as used herein, means the owner of  
15          the mare at the time the foal is dropped. An "Illinois foaled  
16          horse" is a foal dropped by a mare which enters this State on  
17          or before December 1, in the year in which the horse is bred,  
18          provided the mare remains continuously in this State until its  
19          foal is born. An "Illinois foaled horse" also means a foal born  
20          of a mare in the same year as the mare enters this State on or  
21          before March 1, and remains in this State at least 30 days  
22          after foaling, is bred back during the season of the foaling to  
23          an Illinois Registered Stallion (unless a veterinarian  
24          certifies that the mare should not be bred for health reasons),  
25          and is not bred to a stallion standing in any other state  
26          during the season of foaling. An "Illinois foaled horse" also

1 means a foal born in Illinois of a mare purchased at public  
2 auction subsequent to the mare entering this State on or before  
3 March 1 ~~prior to February 1~~ of the foaling year providing the  
4 mare is owned solely by one or more Illinois residents or an  
5 Illinois entity that is entirely owned by one or more Illinois  
6 residents.

7 (1) The Department of Agriculture shall, by rule, with the  
8 advice and assistance of the Illinois Thoroughbred Breeders  
9 Fund Advisory Board:

10 (1) Qualify stallions for Illinois breeding; such  
11 stallions to stand for service within the State of Illinois  
12 at the time of a foal's conception. Such stallion must not  
13 stand for service at any place outside the State of  
14 Illinois during the calendar year in which the foal is  
15 conceived. The Department of Agriculture may assess and  
16 collect an application fee of up to \$500 ~~fees~~ for the  
17 registration of Illinois-eligible stallions. All fees  
18 collected are to be held in trust accounts for the purposes  
19 set forth in this Act and in accordance with Section 205-15  
20 of the Department of Agriculture Law ~~paid into the Illinois~~  
21 ~~Thoroughbred Breeders Fund.~~

22 (2) Provide for the registration of Illinois conceived  
23 and foaled horses and Illinois foaled horses. No such horse  
24 shall compete in the races limited to Illinois conceived  
25 and foaled horses or Illinois foaled horses or both unless  
26 registered with the Department of Agriculture. The

1 Department of Agriculture may prescribe such forms as are  
2 necessary to determine the eligibility of such horses. The  
3 Department of Agriculture may assess and collect  
4 application fees for the registration of Illinois-eligible  
5 foals. All fees collected are to be held in trust accounts  
6 for the purposes set forth in this Act and in accordance  
7 with Section 205-15 of the Department of Agriculture Law  
8 ~~paid into the Illinois Thoroughbred Breeders Fund~~. No  
9 person shall knowingly prepare or cause preparation of an  
10 application for registration of such foals containing  
11 false information.

12 (m) The Department of Agriculture, with the advice and  
13 assistance of the Illinois Thoroughbred Breeders Fund Advisory  
14 Board, shall provide that certain races limited to Illinois  
15 conceived and foaled and Illinois foaled horses be stakes races  
16 and determine the total amount of stakes and awards to be paid  
17 to the breeders ~~owners~~ of the winning horses in such races.

18 In determining the stakes races and the amount of awards  
19 for such races, the Department of Agriculture shall consider  
20 factors, including but not limited to, the amount of money  
21 appropriated for the Illinois Thoroughbred Breeders Fund  
22 program, organization licensees' contributions, availability  
23 of stakes caliber horses as demonstrated by past performances,  
24 whether the race can be coordinated into the proposed racing  
25 dates within organization licensees' racing dates, opportunity  
26 for colts and fillies and various age groups to race, public



1       wagering on such races, and the previous racing schedule.

2           (n) The Board and the organizational licensee shall notify  
3       the Department of the conditions and minimum purses for races  
4       limited to Illinois conceived and foaled and Illinois foaled  
5       horses conducted for each organizational licensee conducting a  
6       thoroughbred racing meeting. The Department of Agriculture  
7       with the advice and assistance of the Illinois Thoroughbred  
8       Breeders Fund Advisory Board may allocate monies for purse  
9       supplements for such races. In determining whether to allocate  
10      money and the amount, the Department of Agriculture shall  
11      consider factors, including but not limited to, the amount of  
12      money appropriated for the Illinois Thoroughbred Breeders Fund  
13      program, the number of races that may occur, and the  
14      organizational licensee's purse structure.

15          (o) In order to improve the breeding quality of  
16      thoroughbred horses in the State, the General Assembly  
17      recognizes that existing provisions of this Section to  
18      encourage such quality breeding need to be revised and  
19      strengthened. As such, a Thoroughbred Breeder's Program Task  
20      Force is to be appointed by the Governor by September 1, 1999  
21      to make recommendations to the General Assembly by no later  
22      than March 1, 2000. This task force is to be composed of 2  
23      representatives from the Illinois Thoroughbred Breeders and  
24      Owners Foundation, 2 from the Illinois Thoroughbred Horsemen's  
25      Association, 3 from Illinois race tracks operating  
26      thoroughbred race meets for an average of at least 30 days in

1 the past 3 years, the Director of Agriculture, the Executive  
2 Director of the Racing Board, who shall serve as Chairman.

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

4 (230 ILCS 5/30.5)

5 Sec. 30.5. Illinois Racing Quarter Horse Breeders Fund.

6 (a) The General Assembly declares that it is the policy of  
7 this State to encourage the breeding of racing quarter horses  
8 in this State and the ownership of such horses by residents of  
9 this State in order to provide for sufficient numbers of high  
10 quality racing quarter horses in this State and to establish  
11 and preserve the agricultural and commercial benefits of such  
12 breeding and racing industries to the State of Illinois. It is  
13 the intent of the General Assembly to further this policy by  
14 the provisions of this Act.

15 (b) There is hereby created non-appropriated trust ~~a~~  
16 ~~special fund in the State Treasury~~ to be known as the Illinois  
17 Racing Quarter Horse Breeders Fund, which is held separately  
18 from State moneys. Except as provided in subsection (g) of  
19 Section 27 of this Act, 8.5% of all the moneys received by the  
20 State as pari-mutuel taxes on quarter horse racing shall be  
21 paid into the Illinois Racing Quarter Horse Breeders Fund. The  
22 Illinois Racing Quarter Horse Breeders Fund shall not be  
23 subject to administrative charges or chargebacks, including,  
24 but not limited to, those authorized under Section 8h of the  
25 State Finance Act.

1 (c) The Illinois Racing Quarter Horse Breeders Fund shall  
2 be administered by the Department of Agriculture with the  
3 advice and assistance of the Advisory Board created in  
4 subsection (d) of this Section.

5 (d) The Illinois Racing Quarter Horse Breeders Fund  
6 Advisory Board shall consist of the Director of the Department  
7 of Agriculture, who shall serve as Chairman; a member of the  
8 Illinois Racing Board, designated by it; one representative of  
9 the organization licensees conducting pari-mutuel quarter  
10 horse racing meetings, recommended by them; 2 representatives  
11 of the Illinois Running Quarter Horse Association, recommended  
12 by it; and the Superintendent of Fairs and Promotions from the  
13 Department of Agriculture. Advisory Board members shall serve  
14 for 2 years commencing January 1 of each odd numbered year. If  
15 representatives have not been recommended by January 1 of each  
16 odd numbered year, the Director of the Department of  
17 Agriculture may make an appointment for the organization  
18 failing to so recommend a member of the Advisory Board.  
19 Advisory Board members shall receive no compensation for their  
20 services as members but may be reimbursed for all actual and  
21 necessary expenses and disbursements incurred in the execution  
22 of their official duties.

23 (e) Moneys in ~~No moneys shall be expended from the Illinois~~  
24 ~~Racing Quarter Horse Breeders Fund except as appropriated by~~  
25 ~~the General Assembly. Moneys appropriated from the Illinois~~  
26 Racing Quarter Horse Breeders Fund shall be expended by the

1 Department of Agriculture, with the advice and assistance of  
2 the Illinois Racing Quarter Horse Breeders Fund Advisory Board,  
3 for the following purposes only:

4 (1) To provide stakes and awards to be paid to the  
5 owners of the winning horses in certain races. This  
6 provision is limited to Illinois conceived and foaled  
7 horses.

8 (2) To provide an award to the owner or owners of an  
9 Illinois conceived and foaled horse that wins a race when  
10 pari-mutuel wagering is conducted; providing the race is  
11 not restricted to Illinois conceived and foaled horses.

12 (3) To provide purse money for an Illinois stallion  
13 stakes program.

14 (4) To provide for purses to be distributed for the  
15 running of races during the Illinois State Fair and the  
16 DuQuoin State Fair exclusively for quarter horses  
17 conceived and foaled in Illinois.

18 (5) To provide for purses to be distributed for the  
19 running of races at Illinois county fairs exclusively for  
20 quarter horses conceived and foaled in Illinois.

21 (6) To provide for purses to be distributed for running  
22 races exclusively for quarter horses conceived and foaled  
23 in Illinois at locations in Illinois determined by the  
24 Department of Agriculture with advice and consent of the  
25 Illinois Racing Quarter Horse Breeders Fund Advisory  
26 Board.

1           (7) No less than 90% of all moneys appropriated from  
2 the Illinois Racing Quarter Horse Breeders Fund shall be  
3 expended for the purposes in items (1), (2), (3), (4), and  
4 (5) of this subsection (e).

5           (8) To provide for research programs concerning the  
6 health, development, and care of racing quarter horses.

7           (9) To provide for dissemination of public information  
8 designed to promote the breeding of racing quarter horses  
9 in Illinois.

10          (10) To provide for expenses incurred in the  
11 administration of the Illinois Racing Quarter Horse  
12 Breeders Fund.

13          (f) The Department of Agriculture shall, by rule, with the  
14 advice and assistance of the Illinois Racing Quarter Horse  
15 Breeders Fund Advisory Board:

16           (1) Qualify stallions for Illinois breeding; such  
17 stallions to stand for service within the State of  
18 Illinois, at the time of a foal's conception. Such stallion  
19 must not stand for service at any place outside the State  
20 of Illinois during the calendar year in which the foal is  
21 conceived. The Department of Agriculture may assess and  
22 collect application fees for the registration of  
23 Illinois-eligible stallions. All fees collected are to be  
24 paid into the Illinois Racing Quarter Horse Breeders Fund.

25           (2) Provide for the registration of Illinois conceived  
26 and foaled horses. No such horse shall compete in the races

1 limited to Illinois conceived and foaled horses unless it  
2 is registered with the Department of Agriculture. The  
3 Department of Agriculture may prescribe such forms as are  
4 necessary to determine the eligibility of such horses. The  
5 Department of Agriculture may assess and collect  
6 application fees for the registration of Illinois-eligible  
7 foals. All fees collected are to be paid into the Illinois  
8 Racing Quarter Horse Breeders Fund. No person shall  
9 knowingly prepare or cause preparation of an application  
10 for registration of such foals that contains false  
11 information.

12 (g) The Department of Agriculture, with the advice and  
13 assistance of the Illinois Racing Quarter Horse Breeders Fund  
14 Advisory Board, shall provide that certain races limited to  
15 Illinois conceived and foaled be stakes races and determine the  
16 total amount of stakes and awards to be paid to the owners of  
17 the winning horses in such races.

18 (Source: P.A. 91-40, eff. 6-25-99; revised 10-18-12.)

19 (230 ILCS 5/31) (from Ch. 8, par. 37-31)

20 Sec. 31. (a) The General Assembly declares that it is the  
21 policy of this State to encourage the breeding of standardbred  
22 horses in this State and the ownership of such horses by  
23 residents of this State in order to provide for: sufficient  
24 numbers of high quality standardbred horses to participate in  
25 harness racing meetings in this State, and to establish and

1 preserve the agricultural and commercial benefits of such  
2 breeding and racing industries to the State of Illinois. It is  
3 the intent of the General Assembly to further this policy by  
4 the provisions of this Section of this Act.

5 (b) Each organization licensee conducting a harness racing  
6 meeting pursuant to this Act shall provide for at least two  
7 races each race program limited to Illinois conceived and  
8 foaled horses. A minimum of 6 races shall be conducted each  
9 week limited to Illinois conceived and foaled horses. No horses  
10 shall be permitted to start in such races unless duly  
11 registered under the rules of the Department of Agriculture.

12 (b-5) Organization licensees, not including the Illinois  
13 State Fair or the DuQuoin State Fair, shall provide stake races  
14 and early closer races for Illinois conceived and foaled horses  
15 so that purses distributed for such races shall be no less than  
16 17% of total purses distributed for harness racing in that  
17 calendar year in addition to any stakes payments and starting  
18 fees contributed by horse owners.

19 (b-10) Each organization licensee conducting a harness  
20 racing meeting pursuant to this Act shall provide an owner  
21 award to be paid from the purse account equal to 25% of the  
22 amount earned by Illinois conceived and foaled horses in races  
23 that are not restricted to Illinois conceived and foaled  
24 horses. The owner awards shall not be paid on races below the  
25 \$10,000 claiming class.

26 (c) Conditions of races under subsection (b) shall be

1 commensurate with past performance, quality and class of  
2 Illinois conceived and foaled horses available. If, however,  
3 sufficient competition cannot be had among horses of that class  
4 on any day, the races may, with consent of the Board, be  
5 eliminated for that day and substitute races provided.

6 (d) There is hereby created a special fund of the State  
7 Treasury to be known as the Illinois Standardbred Breeders  
8 Fund.

9 During the calendar year 1981, and each year thereafter,  
10 except as provided in subsection (g) of Section 27 of this Act,  
11 eight and one-half per cent of all the monies received by the  
12 State as privilege taxes on harness racing meetings shall be  
13 paid into the Illinois Standardbred Breeders Fund.

14 (e) The Illinois Standardbred Breeders Fund shall be  
15 administered by the Department of Agriculture with the  
16 assistance and advice of the Advisory Board created in  
17 subsection (f) of this Section.

18 (f) The Illinois Standardbred Breeders Fund Advisory Board  
19 is hereby created. The Advisory Board shall consist of the  
20 Director of the Department of Agriculture, who shall serve as  
21 Chairman; the Superintendent of the Illinois State Fair; a  
22 member of the Illinois Racing Board, designated by it; a  
23 representative of the Illinois Standardbred Owners and  
24 Breeders Association, recommended by it; a representative of  
25 the Illinois Association of Agricultural Fairs, recommended by  
26 it, such representative to be from a fair at which Illinois



1 conceived and foaled racing is conducted; a representative of  
2 the organization licensees conducting harness racing meetings,  
3 recommended by them and a representative of the Illinois  
4 Harness Horsemen's Association, recommended by it. Advisory  
5 Board members shall serve for 2 years commencing January 1, of  
6 each odd numbered year. If representatives of the Illinois  
7 Standardbred Owners and Breeders Associations, the Illinois  
8 Association of Agricultural Fairs, the Illinois Harness  
9 Horsemen's Association, and the organization licensees  
10 conducting harness racing meetings have not been recommended by  
11 January 1, of each odd numbered year, the Director of the  
12 Department of Agriculture shall make an appointment for the  
13 organization failing to so recommend a member of the Advisory  
14 Board. Advisory Board members shall receive no compensation for  
15 their services as members but shall be reimbursed for all  
16 actual and necessary expenses and disbursements incurred in the  
17 execution of their official duties.

18 (g) No monies shall be expended from the Illinois  
19 Standardbred Breeders Fund except as appropriated by the  
20 General Assembly. Monies appropriated from the Illinois  
21 Standardbred Breeders Fund shall be expended by the Department  
22 of Agriculture, with the assistance and advice of the Illinois  
23 Standardbred Breeders Fund Advisory Board for the following  
24 purposes only:

- 25 1. To provide purses for races limited to Illinois  
26 conceived and foaled horses at the State Fair and the

1           DuQuoin State Fair.

2           2. To provide purses for races limited to Illinois  
3 conceived and foaled horses at county fairs.

4           3. To provide purse supplements for races limited to  
5 Illinois conceived and foaled horses conducted by  
6 associations conducting harness racing meetings.

7           4. No less than 75% of all monies in the Illinois  
8 Standardbred Breeders Fund shall be expended for purses in  
9 1, 2 and 3 as shown above.

10          5. In the discretion of the Department of Agriculture  
11 to provide awards to harness breeders of Illinois conceived  
12 and foaled horses which win races conducted by organization  
13 licensees conducting harness racing meetings. A breeder is  
14 the owner of a mare at the time of conception. No more than  
15 10% of all monies appropriated from the Illinois  
16 Standardbred Breeders Fund shall be expended for such  
17 harness breeders awards. No more than 25% of the amount  
18 expended for harness breeders awards shall be expended for  
19 expenses incurred in the administration of such harness  
20 breeders awards.

21          6. To pay for the improvement of racing facilities  
22 located at the State Fair and County fairs.

23          7. To pay the expenses incurred in the administration  
24 of the Illinois Standardbred Breeders Fund.

25          8. To promote the sport of harness racing, including  
26 grants up to a maximum of \$7,500 per fair per year for

1 conducting pari-mutuel wagering during the advertised  
2 dates of a county fair.

3 9. To pay up to \$50,000 annually for the Department of  
4 Agriculture to conduct drug testing at county fairs racing  
5 standardbred horses.

6 10. To pay up to \$100,000 annually for distribution to  
7 Illinois county fairs to supplement premiums offered in  
8 junior classes.

9 11. To pay up to \$100,000 annually for division and  
10 equal distribution to the animal sciences department of  
11 each Illinois public university system engaged in equine  
12 research and education on or before the effective date of  
13 this amendatory Act of the 98th General Assembly for equine  
14 research and education.

15 (h) (Blank) ~~Whenever the Governor finds that the amount in~~  
16 ~~the Illinois Standardbred Breeders Fund is more than the total~~  
17 ~~of the outstanding appropriations from such fund, the Governor~~  
18 ~~shall notify the State Comptroller and the State Treasurer of~~  
19 ~~such fact. The Comptroller and the State Treasurer, upon~~  
20 ~~receipt of such notification, shall transfer such excess amount~~  
21 ~~from the Illinois Standardbred Breeders Fund to the General~~  
22 ~~Revenue Fund.~~

23 (i) A sum equal to 13% ~~12 1/2%~~ of the first prize money of  
24 the gross ~~every~~ purse won by an Illinois conceived and foaled  
25 horse shall be paid 50% by the organization licensee conducting  
26 the horse race meeting to the breeder of such winning horse

1 from the organization licensee's account and 50% from the purse  
2 account of the licensee ~~share of the money wagered~~. Such  
3 payment shall not reduce any award to the owner of the horse or  
4 reduce the taxes payable under this Act. Such payment shall be  
5 delivered by the organization licensee at the end of each  
6 quarter ~~race meeting~~.

7 (j) The Department of Agriculture shall, by rule, with the  
8 assistance and advice of the Illinois Standardbred Breeders  
9 Fund Advisory Board:

10 1. Qualify stallions for Illinois Standardbred  
11 Breeders Fund breeding; ~~such stallion shall be owned by a~~  
12 ~~resident of the State of Illinois or by an Illinois~~  
13 ~~corporation all of whose shareholders, directors, officers~~  
14 ~~and incorporators are residents of the State of Illinois.~~  
15 Such stallion shall stand for service at and within the  
16 State of Illinois at the time of a foal's conception, and  
17 such stallion must not stand for service at any place, ~~nor~~  
18 ~~may semen from such stallion be transported,~~ outside the  
19 State of Illinois during that calendar year in which the  
20 foal is conceived ~~and that the owner of the stallion was~~  
21 ~~for the 12 months prior, a resident of Illinois.~~ Foals  
22 conceived outside the State of Illinois from shipped semen  
23 from a stallion qualified for breeders' awards under this  
24 Section are not eligible to participate in the Illinois  
25 conceived and foaled program. ~~The articles of agreement of~~  
26 ~~any partnership, joint venture, limited partnership,~~

1 ~~syndicate, association or corporation and any bylaws and~~  
2 ~~stock certificates must contain a restriction that~~  
3 ~~provides that the ownership or transfer of interest by any~~  
4 ~~one of the persons a party to the agreement can only be~~  
5 ~~made to a person who qualifies as an Illinois resident.~~

6 2. Provide for the registration of Illinois conceived  
7 and foaled horses and no such horse shall compete in the  
8 races limited to Illinois conceived and foaled horses  
9 unless registered with the Department of Agriculture. The  
10 Department of Agriculture may prescribe such forms as may  
11 be necessary to determine the eligibility of such horses.  
12 No person shall knowingly prepare or cause preparation of  
13 an application for registration of such foals containing  
14 false information. A mare (dam) must be in the state at  
15 least 30 days prior to foaling or remain in the State at  
16 least 30 days at the time of foaling. Beginning with the  
17 1996 breeding season and for foals of 1997 and thereafter,  
18 a foal conceived in the State of Illinois by transported  
19 fresh semen may be eligible for Illinois conceived and  
20 foaled registration provided all breeding and foaling  
21 requirements are met. The stallion must be qualified for  
22 Illinois Standardbred Breeders Fund breeding at the time of  
23 conception and the mare must be inseminated within the  
24 State of Illinois. The foal must be dropped in Illinois and  
25 properly registered with the Department of Agriculture in  
26 accordance with this Act.

1           3. Provide that at least a 5 day racing program shall  
2 be conducted at the State Fair each year, which program  
3 shall include at least the following races limited to  
4 Illinois conceived and foaled horses: (a) a two year old  
5 Trot and Pace, and Filly Division of each; (b) a three year  
6 old Trot and Pace, and Filly Division of each; (c) an aged  
7 Trot and Pace, and Mare Division of each.

8           4. Provide for the payment of nominating, sustaining  
9 and starting fees for races promoting the sport of harness  
10 racing and for the races to be conducted at the State Fair  
11 as provided in subsection (j) 3 of this Section provided  
12 that the nominating, sustaining and starting payment  
13 required from an entrant shall not exceed 2% of the purse  
14 of such race. All nominating, sustaining and starting  
15 payments shall be held for the benefit of entrants and  
16 shall be paid out as part of the respective purses for such  
17 races. Nominating, sustaining and starting fees shall be  
18 held in trust accounts for the purposes as set forth in  
19 this Act and in accordance with Section 205-15 of the  
20 Department of Agriculture Law (20 ILCS 205/205-15).

21           5. Provide for the registration with the Department of  
22 Agriculture of Colt Associations or county fairs desiring  
23 to sponsor races at county fairs.

24           6. Provide for the promotion of producing standardbred  
25 racehorses by providing a bonus award program for owners of  
26 2-year-old horses that win multiple major stakes races that

1       are limited to Illinois conceived and foaled horses.

2       (k) The Department of Agriculture, with the advice and  
3 assistance of the Illinois Standardbred Breeders Fund Advisory  
4 Board, may allocate monies for purse supplements for such  
5 races. In determining whether to allocate money and the amount,  
6 the Department of Agriculture shall consider factors,  
7 including but not limited to, the amount of money appropriated  
8 for the Illinois Standardbred Breeders Fund program, the number  
9 of races that may occur, and an organizational licensee's purse  
10 structure. The organizational licensee shall notify the  
11 Department of Agriculture of the conditions and minimum purses  
12 for races limited to Illinois conceived and foaled horses to be  
13 conducted by each organizational licensee conducting a harness  
14 racing meeting for which purse supplements have been  
15 negotiated.

16       (l) All races held at county fairs and the State Fair which  
17 receive funds from the Illinois Standardbred Breeders Fund  
18 shall be conducted in accordance with the rules of the United  
19 States Trotting Association unless otherwise modified by the  
20 Department of Agriculture.

21       (m) At all standardbred race meetings held or conducted  
22 under authority of a license granted by the Board, and at all  
23 standardbred races held at county fairs which are approved by  
24 the Department of Agriculture or at the Illinois or DuQuoin  
25 State Fairs, no one shall jog, train, warm up or drive a  
26 standardbred horse unless he or she is wearing a protective

1 safety helmet, with the chin strap fastened and in place, which  
2 meets the standards and requirements as set forth in the 1984  
3 Standard for Protective Headgear for Use in Harness Racing and  
4 Other Equestrian Sports published by the Snell Memorial  
5 Foundation, or any standards and requirements for headgear the  
6 Illinois Racing Board may approve. Any other standards and  
7 requirements so approved by the Board shall equal or exceed  
8 those published by the Snell Memorial Foundation. Any  
9 equestrian helmet bearing the Snell label shall be deemed to  
10 have met those standards and requirements.

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

12 (230 ILCS 5/31.1) (from Ch. 8, par. 37-31.1)

13 Sec. 31.1. (a) Organization licensees collectively shall  
14 contribute annually to charity the sum of \$1,000,000 ~~\$750,000~~  
15 to non-profit organizations that provide medical and family,  
16 counseling, and similar services to persons who reside or work  
17 on the backstretch of Illinois racetracks. These contributions  
18 shall be collected as follows: (i) no later than July 1st of  
19 each year the Board shall assess each organization licensee,  
20 except those tracks which are not within 100 miles of each  
21 other which tracks shall pay \$40,000 ~~\$30,000~~ annually apiece  
22 into the Board charity fund, that amount which equals \$920,000  
23 ~~\$690,000~~ multiplied by the amount of pari-mutuel wagering  
24 handled by the organization licensee in the year preceding  
25 assessment and divided by the total pari-mutuel wagering



1 handled by all Illinois organization licensees, except those  
2 tracks which are not within 100 miles of each other, in the  
3 year preceding assessment; (ii) notice of the assessed  
4 contribution shall be mailed to each organization licensee;  
5 (iii) within thirty days of its receipt of such notice, each  
6 organization licensee shall remit the assessed contribution to  
7 the Board. If an organization licensee wilfully fails to so  
8 remit the contribution, the Board may revoke its license to  
9 conduct horse racing.

10 (b) No later than October 1st of each year, any qualified  
11 charitable organization seeking an allotment of contributed  
12 funds shall submit to the Board an application for those funds,  
13 using the Board's approved form. No later than December 31st of  
14 each year, the Board shall distribute all such amounts  
15 collected that year to such charitable organization  
16 applicants.

17 (Source: P.A. 87-110.)

18 (230 ILCS 5/32.1)

19 Sec. 32.1. Pari-mutuel tax credit; statewide racetrack  
20 real estate equalization.

21 (a) In order to encourage new investment in Illinois  
22 racetrack facilities and mitigate differing real estate tax  
23 burdens among all racetracks, the licensees affiliated or  
24 associated with each racetrack that has been awarded live  
25 racing dates in the current year shall receive an immediate

1 pari-mutuel tax credit in an amount equal to the greater of (i)  
2 50% of the amount of the real estate taxes paid in the prior  
3 year attributable to that racetrack, or (ii) the amount by  
4 which the real estate taxes paid in the prior year attributable  
5 to that racetrack exceeds 60% of the average real estate taxes  
6 paid in the prior year for all racetracks awarded live horse  
7 racing meets in the current year.

8 Each year, regardless of whether the organization licensee  
9 conducted live racing in the year of certification, the Board  
10 shall certify in writing, prior to December 31, the real estate  
11 taxes paid in that year for each racetrack and the amount of  
12 the pari-mutuel tax credit that each organization licensee,  
13 intertrack wagering licensee, and intertrack wagering location  
14 licensee that derives its license from such racetrack is  
15 entitled in the succeeding calendar year. The real estate taxes  
16 considered under this Section for any racetrack shall be those  
17 taxes on the real estate parcels and related facilities used to  
18 conduct a horse race meeting and inter-track wagering at such  
19 racetrack under this Act. In no event shall the amount of the  
20 tax credit under this Section exceed the amount of pari-mutuel  
21 taxes otherwise calculated under this Act. The amount of the  
22 tax credit under this Section shall be retained by each  
23 licensee and shall not be subject to any reallocation or  
24 further distribution under this Act. The Board may promulgate  
25 emergency rules to implement this Section.

26 (b) Beginning on January 1 following the calendar year

1 during which an organization licensee begins conducting  
2 electronic gaming operations pursuant to an electric gaming  
3 license issued under the Illinois Gambling Act, the  
4 organization licensee shall be ineligible to receive a tax  
5 credit under this Section.

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

7 (230 ILCS 5/34.3 new)

8 Sec. 34.3. Drug testing. The Illinois Racing Board and the  
9 Department of Agriculture shall jointly establish a program for  
10 the purpose of conducting drug testing of horses at county  
11 fairs and shall adopt any rules necessary for enforcement of  
12 the program. The rules shall include appropriate penalties for  
13 violations.

14 (230 ILCS 5/36) (from Ch. 8, par. 37-36)

15 Sec. 36. (a) Whoever administers or conspires to administer  
16 to any horse a hypnotic, narcotic, stimulant, depressant or any  
17 chemical substance which may affect the speed of a horse at any  
18 time in any race where the purse or any part of the purse is  
19 made of money authorized by any Section of this Act, except  
20 those chemical substances permitted by ruling of the Board,  
21 internally, externally or by hypodermic method in a race or  
22 prior thereto, or whoever knowingly enters a horse in any race  
23 within a period of 24 hours after any hypnotic, narcotic,  
24 stimulant, depressant or any other chemical substance which may

1 affect the speed of a horse at any time, except those chemical  
2 substances permitted by ruling of the Board, has been  
3 administered to such horse either internally or externally or  
4 by hypodermic method for the purpose of increasing or retarding  
5 the speed of such horse shall be guilty of a Class 4 felony.  
6 The Board shall suspend or revoke such violator's license.

7 (b) The term "hypnotic" as used in this Section includes  
8 all barbituric acid preparations and derivatives.

9 (c) The term "narcotic" as used in this Section includes  
10 opium and all its alkaloids, salts, preparations and  
11 derivatives, cocaine and all its salts, preparations and  
12 derivatives and substitutes.

13 (d) The provisions of this Section 36 and the treatment  
14 authorized herein apply to horses entered in and competing in  
15 race meetings as defined in Section 3.07 of this Act and to  
16 horses entered in and competing at any county fair.

17 (Source: P.A. 79-1185.)

18 (230 ILCS 5/39.2 new)

19 Sec. 39.2. Prohibition of 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  
25 certain political campaign contributions by certain persons

1 involved in the horse racing and video gaming industries and  
2 regulated by the State. Unlike most other regulated industries,  
3 horse racing and gaming are especially susceptible to  
4 corruption and potential criminal influence. In Illinois, only  
5 licensed horse racing and gaming activities are legal and all  
6 other such activities are strictly prohibited. Given these  
7 circumstances, it is imperative to eliminate any potential  
8 corrupt influence in the horse racing and industries and the  
9 electoral process.

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

20 (b) As used in this Section:

21 "Affiliated entity" means (i) any corporate parent and each  
22 operating subsidiary of the business entity applying for or  
23 holding a license, (ii) each operating subsidiary of the  
24 corporate parent of the business entity applying for or holding  
25 a license, (iii) any organization recognized by the United  
26 States Internal Revenue Service as a tax-exempt organization

1 described in Section 501(c) of the Internal Revenue Code of  
2 1986 (or any successor provision of federal tax law)  
3 established by one or more business entities seeking or holding  
4 a license, any affiliated entity of such business entity, or  
5 any affiliated person of such business entity, and (iv) any  
6 political committee for which the business entity applying for  
7 or holding a license, or any 501(c) organization described in  
8 item (iii) related to that business entity, is the sponsoring  
9 entity, as defined in Section 9-3 of the Election Code. For  
10 purposes of item (iv), the funding of all business entities  
11 applying for or holding a license shall be aggregated in  
12 determining whether such political committee is an affiliated  
13 entity.

14 "Affiliated person" means (i) any person with any ownership  
15 interest or distributive share in excess of 7.5% of any  
16 business entity applying for or holding a license, (ii)  
17 executive employees of any such business entity, and (iii) the  
18 spouse of the persons described in items (i) and (ii).

19 "Business entity" means any entity doing business for  
20 profit, whether organized as a corporation, partnership, sole  
21 proprietorship, limited liability company, or partnership or  
22 otherwise.

23 "Contribution" means a contribution as defined in Section  
24 9-1.4 of the Election Code.

25 "Declared candidate" means a person who has filed a  
26 statement of candidacy and petition for nomination or election

1 in the principal office of the State Board of Elections, or in  
2 the office of the appropriate election authority for any county  
3 or municipality in which a race track is located.

4 "Executive employee" means (i) any person who is an officer  
5 or director or who fulfills duties equivalent to those of an  
6 officer or director of a business entity applying for or  
7 holding a license and (ii) any employee of such business entity  
8 who is required to register under the Lobbyist Registration  
9 Act.

10 "License" means any organization, inter-track wagering,  
11 inter-track wagering location, advance deposit wagering,  
12 concessionaire, or electronic gaming license issued pursuant  
13 to this Act.

14 "Officeholder" means the Governor, Lieutenant Governor,  
15 Attorney General, Secretary of State, Comptroller, Treasurer,  
16 member of the General Assembly, or any officeholder in any  
17 county or municipality in which a race track is located.

18 (c) Any person or business entity applying for or holding a  
19 license, any affiliated entities or persons of such business  
20 entity, any horsemen's association, and any entities or persons  
21 soliciting a contribution or causing a contribution to be made  
22 on behalf of such person, business entity, or horsemen's  
23 association, are prohibited from making any contribution to any  
24 officeholder or declared candidate or any political committee  
25 affiliated with any officeholder or declared candidate, as  
26 defined in Section 9-1.8 of the Election Code. This prohibition

1 shall commence upon filing of an application for a license and  
2 shall continue for a period of 2 years after termination,  
3 suspension or revocation of the license.

4 The Board shall have authority to suspend, revoke, or  
5 restrict the license and to impose civil penalties of up to  
6 \$100,000 for each violation of this subsection (c). A notice of  
7 each such violation and the penalty imposed shall be published  
8 on the Board's Internet website and in the Illinois Register.  
9 Payments received by the State pursuant to this subsection  
10 shall be deposited into the General Revenue Fund.

11 Any officeholder or declared candidate or any political  
12 committee affiliated with any officeholder or declared  
13 candidate that has received a contribution in violation of this  
14 subsection (c) shall pay an amount equal to the value of the  
15 contribution to the State no more than 30 days after notice of  
16 the violation concerning the contribution appears in the  
17 Illinois Register. Payments received by the State pursuant to  
18 this subsection (c) shall be deposited into the General Revenue  
19 Fund.

20 (d) The Board shall post on its website a list of all  
21 persons, business entities, horsemen's associations, and  
22 affiliated entities prohibited from making contributions to  
23 any officeholder or declared candidate political committee  
24 pursuant to subsection (c), which list shall be updated and  
25 published, at a minimum, every 6 months.

26 Any person, business entity, horsemen's association, or



1 affiliated entity prohibited from making contributions to any  
2 officeholder or declared candidate political committee  
3 pursuant to subsection (c) shall notify the Board within 7 days  
4 after discovering any necessary change or addition to the  
5 information relating to that person, business entity,  
6 horsemen's association, or affiliated entity contained in the  
7 list.

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

11 (e) If any provision of this Section is held invalid or its  
12 application to any person or circumstance is held invalid, the  
13 invalidity of that provision or application does not affect the  
14 other provisions or applications of this Section that can be  
15 given effect without the invalid application or provision.

16 (230 ILCS 5/40) (from Ch. 8, par. 37-40)

17 Sec. 40. (a) The imposition of any fine or penalty provided  
18 in this Act shall not preclude the Board in its rules and  
19 regulations from imposing a fine or penalty for any other  
20 action which, in the Board's discretion, is a detriment or  
21 impediment to horse racing.

22 (b) The Director of Agriculture or his or her authorized  
23 representative shall impose the following monetary penalties  
24 and hold administrative hearings as required for failure to  
25 submit the following applications, lists, or reports within the

1 time period, date or manner required by statute or rule or for  
2 removing a foal from Illinois prior to inspection:

3 (1) late filing of a renewal application for offering  
4 or standing stallion for service:

5 (A) if an application is submitted no more than 30  
6 days late, \$50;

7 (B) if an application is submitted no more than 45  
8 days late, \$150; or

9 (C) if an application is submitted more than 45  
10 days late, if filing of the application is allowed  
11 under an administrative hearing, \$250;

12 (2) late filing of list or report of mares bred:

13 (A) if a list or report is submitted no more than  
14 30 days late, \$50;

15 (B) if a list or report is submitted no more than  
16 60 days late \$150; or

17 (C) if a list or report is submitted more than 60  
18 days late, if filing of the list or report is allowed  
19 under an administrative hearing, \$250;

20 (3) filing an Illinois foaled thoroughbred mare status  
21 report after the statutory deadline as provided in  
22 subsection (k) of Section 30 of this Act ~~December 31~~:

23 (A) if a report is submitted no more than 30 days  
24 late, \$50;

25 (B) if a report is submitted no more than 90 days  
26 late, \$150;

1 (C) if a report is submitted no more than 150 days  
2 late, \$250; or

3 (D) if a report is submitted more than 150 days  
4 late, if filing of the report is allowed under an  
5 administrative hearing, \$500;

6 (4) late filing of application for foal eligibility  
7 certificate:

8 (A) if an application is submitted no more than 30  
9 days late, \$50;

10 (B) if an application is submitted no more than 90  
11 days late, \$150;

12 (C) if an application is submitted no more than 150  
13 days late, \$250; or

14 (D) if an application is submitted more than 150  
15 days late, if filing of the application is allowed  
16 under an administrative hearing, \$500;

17 (5) failure to report the intent to remove a foal from  
18 Illinois prior to inspection, identification and  
19 certification by a Department of Agriculture investigator,  
20 \$50; and

21 (6) if a list or report of mares bred is incomplete,  
22 \$50 per mare not included on the list or report.

23 Any person upon whom monetary penalties are imposed under  
24 this Section 3 times within a 5 year period shall have any  
25 further monetary penalties imposed at double the amounts set  
26 forth above. All monies assessed and collected for violations

1 relating to thoroughbreds shall be paid into the Thoroughbred  
2 Breeders Fund. All monies assessed and collected for violations  
3 relating to standardbreds shall be paid into the Standardbred  
4 Breeders Fund.

5 (Source: P.A. 87-397.)

6 (230 ILCS 5/54.75)

7 Sec. 54.75. Horse Racing Equity Trust Fund.

8 (a) There is created a Fund to be known as the Horse Racing  
9 Equity Trust Fund, which is a non-appropriated trust fund held  
10 separate and apart from State moneys. The Fund shall consist of  
11 moneys paid into it by owners licensees under the Illinois  
12 ~~Riverboat~~ Gambling Act for the purposes described in this  
13 Section. The Fund shall be administered by the Board. Moneys in  
14 the Fund shall be distributed as directed and certified by the  
15 Board in accordance with the provisions of subsection (b).

16 (b) The moneys deposited into the Fund, plus any accrued  
17 interest on those moneys, shall be distributed within 10 days  
18 after those moneys are deposited into the Fund as follows:

19 (1) Sixty percent of all moneys distributed under this  
20 subsection shall be distributed to organization licensees  
21 to be distributed at their race meetings as purses.  
22 Fifty-seven percent of the amount distributed under this  
23 paragraph (1) shall be distributed for thoroughbred race  
24 meetings and 43% shall be distributed for standardbred race  
25 meetings. Within each breed, moneys shall be allocated to

1 each organization licensee's purse fund in accordance with  
2 the ratio between the purses generated for that breed by  
3 that licensee during the prior calendar year and the total  
4 purses generated throughout the State for that breed during  
5 the prior calendar year by licensees in the current  
6 calendar year.

7 (2) The remaining 40% of the moneys distributed under  
8 this subsection (b) shall be distributed as follows:

9 (A) 11% shall be distributed to any person (or its  
10 successors or assigns) who had operating control of a  
11 racetrack that conducted live racing in 2002 at a  
12 racetrack in a county with at least 230,000 inhabitants  
13 that borders the Mississippi River and is a licensee in  
14 the current year; and

15 (B) the remaining 89% shall be distributed pro rata  
16 according to the aggregate proportion of total handle  
17 from wagering on live races conducted in Illinois  
18 (irrespective of where the wagers are placed) for  
19 calendar years 2004 and 2005 to any person (or its  
20 successors or assigns) who (i) had majority operating  
21 control of a racing facility at which live racing was  
22 conducted in calendar year 2002, (ii) is a licensee in  
23 the current year, and (iii) is not eligible to receive  
24 moneys under subparagraph (A) of this paragraph (2).

25 The moneys received by an organization licensee  
26 under this paragraph (2) shall be used by each

1 organization licensee to improve, maintain, market,  
2 and otherwise operate its racing facilities to conduct  
3 live racing, which shall include backstretch services  
4 and capital improvements related to live racing and the  
5 backstretch. Any organization licensees sharing common  
6 ownership may pool the moneys received and spent at all  
7 racing facilities commonly owned in order to meet these  
8 requirements.

9 If any person identified in this paragraph (2) becomes  
10 ineligible to receive moneys from the Fund, such amount  
11 shall be redistributed among the remaining persons in  
12 proportion to their percentages otherwise calculated.

13 (c) The Board shall monitor organization licensees to  
14 ensure that moneys paid to organization licensees under this  
15 Section are distributed by the organization licensees as  
16 provided in subsection (b).

17 (Source: P.A. 95-1008, eff. 12-15-08.)

18 (230 ILCS 5/56 new)

19 Sec. 56. Electronic gaming.

20 (a) A person, firm, corporation, or limited liability  
21 company having operating control of a race track may apply to  
22 the Gaming Board for an electronic gaming license. An  
23 electronic gaming license shall authorize its holder to conduct  
24 electronic gaming on the grounds of the race track controlled  
25 by the licensee's race track. Only one electronic gaming

1 license may be awarded for any race track. A holder of an  
2 electronic gaming license shall be subject to the Illinois  
3 Gambling Act and rules of the Illinois Gaming Board concerning  
4 electronic gaming. If the person, firm, corporation, or limited  
5 liability company having operating control of a race track is  
6 found by the Illinois Gaming Board to be unsuitable for an  
7 electronic gaming license under the Illinois Gambling Act and  
8 rules of the Gaming Board, that person, firm, corporation, or  
9 limited liability company shall not be granted an electronic  
10 gaming license. Each license shall specify the number of gaming  
11 positions that its holder may operate.

12 An electronic gaming licensee may not permit persons under  
13 21 years of age to be present in its electronic gaming  
14 facility, but the licensee may accept wagers on live racing and  
15 inter-track wagers at its electronic gaming facility.

16 (b) For purposes of this subsection, "adjusted gross  
17 receipts" means an electronic gaming licensee's gross receipts  
18 less winnings paid to wagerers and shall also include any  
19 amounts that would otherwise be deducted pursuant to subsection  
20 (a-9) of Section 13 of the Illinois Gambling Act. The adjusted  
21 gross receipts by an electronic gaming licensee from electronic  
22 gaming remaining after the payment of taxes under Section 13 of  
23 the Illinois Gambling Act shall be distributed as follows:

24 (1) Amounts shall be paid to the purse account at the  
25 track at which the organization licensee is conducting  
26 racing equal to the following:

1           12.75% of annual adjusted gross receipts up to and  
2           including \$75,000,000;

3           20% of annual adjusted gross receipts in excess of  
4           \$75,000,000 but not exceeding \$100,000,000;

5           26.5% of annual adjusted gross receipts in excess  
6           of \$100,000,000 but not exceeding \$125,000,000; and

7           20.5% of annual adjusted gross receipts in excess  
8           of \$125,000,000.

9           (2) The remainder shall be retained by the electronic  
10          gaming licensee.

11          (c) Electronic gaming receipts placed into the purse  
12          account of an organization licensee racing thoroughbred horses  
13          shall be used for purses, for health care services or worker's  
14          compensation for racing industry workers, for equine research,  
15          for programs to care for and transition injured and retired  
16          thoroughbred horses that race at the race track, or for horse  
17          ownership promotion, in accordance with the agreement of the  
18          horsemen's association representing the largest number of  
19          owners, breeders, and trainers who race at that organization  
20          licensee's race meetings.

21          Annually, from the purse account of an organization  
22          licensee racing thoroughbred horses in this State, except for  
23          in Madison County, an amount equal to 12% of the electronic  
24          gaming receipts placed into the purse accounts shall be paid to  
25          the Illinois Thoroughbred Breeders Fund and shall be used for  
26          owner awards; a stallion program pursuant to paragraph (3) of



1 subsection (g) of Section 30 of this Act; and Illinois  
2 conceived and foaled stakes races pursuant to paragraph (2) of  
3 subsection (g) of Section 30 of this Act, as specifically  
4 designated by the horsemen's association representing the  
5 largest number of owners, breeders, and trainers who race at  
6 the organization licensee's race meetings.

7 Annually, from the purse account of an organization  
8 licensee racing thoroughbred horses in Madison County, an  
9 amount equal to 10% of the electronic gaming receipts placed  
10 into the purse accounts shall be paid to the Illinois  
11 Thoroughbred Breeders Fund and shall be used for owner awards;  
12 a stallion program pursuant to paragraph (3) of subsection (g)  
13 of Section 30 of this Act; and Illinois conceived and foaled  
14 stakes races pursuant to paragraph (2) of subsection (g) of  
15 Section 30 of this Act, as specifically designated by the  
16 horsemen's association representing the largest number of  
17 owners, breeders, and trainers who race at the organization  
18 licensee's race meetings.

19 Annually, from the purse account of an organization  
20 licensee conducting thoroughbred races at a race track in  
21 Madison County, an amount equal to 1% of the electronic gaming  
22 receipts distributed to purses per subsection (b) of this  
23 Section 56 shall be paid as follows: 0.33 1/3% to Southern  
24 Illinois University Department of Animal Sciences for equine  
25 research and education, an amount equal to 0.33 1/3% of the  
26 electronic gaming receipts shall be used to operate laundry

1 facilities for backstretch workers at that race track, and an  
2 amount equal to 0.33 1/3% of the electronic gaming receipts  
3 shall be paid to programs to care for injured and unwanted  
4 horses that race at that race track.

5 Annually, from the purse account of organization licensees  
6 conducting thoroughbred races at race tracks in Cook County,  
7 \$100,000 shall be paid for division and equal distribution to  
8 the animal sciences department of each Illinois public  
9 university system engaged in equine research and education on  
10 or before the effective date of this amendatory Act of the 98th  
11 General Assembly for equine research and education.

12 (d) Annually, from the purse account of an organization  
13 licensee racing standardbred horses, an amount equal to 15% of  
14 the electronic gaming receipts placed into that purse account  
15 shall be paid to the Illinois Colt Stakes Purse Distribution  
16 Fund. Moneys deposited into the Illinois Colt Stakes Purse  
17 Distribution Fund shall be used for standardbred racing as  
18 authorized in paragraphs 1, 2, 3, 8, 9, 10, and 11 of  
19 subsection (g) of Section 31 of this Act and for bonus awards  
20 as authorized under paragraph 6 of subsection (j) of Section 31  
21 of this Act.

22 (e) As a requirement for continued eligibility to conduct  
23 electronic gaming, each organization licensee must promote  
24 live racing and horse ownership through marketing and  
25 promotional efforts. To meet this requirement, all  
26 organization licensees operating at each race track facility

1 must collectively expend the amount of the pari-mutuel tax  
2 credit that was certified by the Illinois Racing Board in the  
3 prior calendar year pursuant to Section 32.1 of this Act for  
4 that race track facility, in addition to the amount that was  
5 expended by each organizational licensee for such efforts in  
6 calendar year 2009. Such incremental expenditures must be  
7 directed to assure that all marketing expenditures, including  
8 those for the organization licensee's electronic gaming  
9 facility, advertise, market, and promote horse racing or horse  
10 ownership. The amount spent by the organization licensee for  
11 such marketing and promotional efforts in 2009 shall be  
12 certified by the Board no later than 90 days after the  
13 effective date of this Section.

14 The Board shall review any amounts expended pursuant to  
15 this subsection (e) and shall also include an itemized  
16 description of the amount that was expended by each  
17 organization licensee pursuant to this subsection (e) in the  
18 annual report that the Board is required to submit pursuant to  
19 subsection (d) of Section 14 of the Illinois Horse Racing Act  
20 of 1975.

21 (f) The Illinois Gaming Board shall submit a report to the  
22 General Assembly on or before December 31, 2014 that examines  
23 the feasibility of conducting electronic gaming at the Illinois  
24 State Fairgrounds in Sangamon County. At a minimum, this report  
25 shall analyze the projected revenues that will be generated,  
26 the potential for cannibalization of existing riverboats,

1 casinos, or other electronic gaming facilities, and the  
2 potential detriment to the surrounding area and its population.  
3 The report shall include the Illinois Gaming Board's findings  
4 together with appropriate recommendations for legislative  
5 action.

6 Section 90-40. The Riverboat Gambling Act is amended by  
7 changing Sections 1, 2, 3, 4, 5, 5.1, 6, 7, 7.3, 7.5, 8, 9, 11,  
8 11.1, 12, 13, 14, 15, 16, 17, 17.1, 18, 18.1, 19, 20, 21, 23,  
9 and 24 and by adding Sections 5.3, 7.6, 7.7, 7.8, 7.9, 7.10,  
10 7.11, 7.12, and 18.2 as follows:

11 (230 ILCS 10/1) (from Ch. 120, par. 2401)

12 Sec. 1. Short title. This Act shall be known and may be  
13 cited as the Illinois Riverboat Gambling Act.

14 (Source: P.A. 86-1029.)

15 (230 ILCS 10/2) (from Ch. 120, par. 2402)

16 Sec. 2. Legislative Intent.

17 (a) This Act is intended to benefit the people of the State  
18 of Illinois by assisting economic development, ~~and~~ promoting  
19 Illinois tourism, ~~and~~ ~~by~~ increasing the amount of revenues  
20 available to the State to assist and support education, and to  
21 defray State expenses, including unpaid bills.

22 (b) While authorization of riverboat and casino gambling  
23 will enhance investment, beautification, development and

1 tourism in Illinois, it is recognized that it will do so  
2 successfully only if public confidence and trust in the  
3 credibility and integrity of the gambling operations and the  
4 regulatory process is maintained. Therefore, regulatory  
5 provisions of this Act are designed to strictly regulate the  
6 facilities, persons, associations and practices related to  
7 gambling operations pursuant to the police powers of the State,  
8 including comprehensive law enforcement supervision.

9 (c) The Illinois Gaming Board established under this Act  
10 should, as soon as possible, inform each applicant for an  
11 owners license of the Board's intent to grant or deny a  
12 license.

13 (Source: P.A. 93-28, eff. 6-20-03.)

14 (230 ILCS 10/3) (from Ch. 120, par. 2403)

15 Sec. 3. ~~Riverboat~~ Gambling Authorized.

16 (a) Riverboat and casino gambling operations and  
17 electronic gaming operations ~~and the system of wagering~~  
18 ~~incorporated therein~~, as defined in this Act, are hereby  
19 authorized to the extent that they are carried out in  
20 accordance with the provisions of this Act.

21 (b) This Act does not apply to the pari-mutuel system of  
22 wagering used or intended to be used in connection with the  
23 horse-race meetings as authorized under the Illinois Horse  
24 Racing Act of 1975, lottery games authorized under the Illinois  
25 Lottery Law, bingo authorized under the Bingo License and Tax

1 Act, charitable games authorized under the Charitable Games Act  
2 or pull tabs and jar games conducted under the Illinois Pull  
3 Tabs and Jar Games Act. This Act applies to electronic gaming  
4 authorized under the Illinois Horse Racing Act of 1975 to the  
5 extent provided in that Act and in this Act.

6 (c) Riverboat gambling conducted pursuant to this Act may  
7 be authorized upon any water within the State of Illinois or  
8 any water other than Lake Michigan which constitutes a boundary  
9 of the State of Illinois. Notwithstanding any provision in this  
10 subsection (c) to the contrary, a licensee that receives its  
11 license pursuant to subsection (e-5) of Section 7 may conduct  
12 riverboat gambling on Lake Michigan from a home dock located on  
13 Lake Michigan subject to any limitations contained in Section  
14 7. Notwithstanding any provision in this subsection (c) to the  
15 contrary, a licensee may conduct gambling at its home dock  
16 facility as provided in Sections 7 and 11. A licensee may  
17 conduct riverboat gambling authorized under this Act  
18 regardless of whether it conducts excursion cruises. A licensee  
19 may permit the continuous ingress and egress of passengers for  
20 the purpose of gambling.

21 (d) Gambling that is conducted in accordance with this Act  
22 using slot machines and video games of chance and other  
23 electronic gambling games as defined in both the Illinois  
24 Gambling Act and the Illinois Horse Racing Act of 1975 is  
25 authorized.

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

1 (230 ILCS 10/4) (from Ch. 120, par. 2404)

2 Sec. 4. Definitions. As used in this Act:

3 ~~(a)~~ "Board" means the Illinois Gaming Board.

4 ~~(b)~~ "Occupational license" means a license issued by the  
5 Board to a person or entity to perform an occupation which the  
6 Board has identified as requiring a license to engage in  
7 riverboat gambling in Illinois.

8 ~~(c)~~ "Gambling game" includes, but is not limited to,  
9 baccarat, twenty-one, poker, craps, slot machine, video game of  
10 chance, roulette wheel, klondike table, punchboard, faro  
11 layout, keno layout, numbers ticket, push card, jar ticket, or  
12 pull tab which is authorized by the Board as a wagering device  
13 under this Act.

14 ~~(d)~~ "Riverboat" means a self-propelled excursion boat, a  
15 permanently moored barge, or permanently moored barges that are  
16 permanently fixed together to operate as one vessel, on which  
17 lawful gambling is authorized and licensed as provided in this  
18 Act.

19 "Slot machine" means any mechanical, electrical, or other  
20 device, contrivance, or machine that is authorized by the Board  
21 as a wagering device under this Act which, upon insertion of a  
22 coin, currency, token, or similar object therein, or upon  
23 payment of any consideration whatsoever, is available to play  
24 or operate, the play or operation of which may deliver or  
25 entitle the person playing or operating the machine to receive

1 cash, premiums, merchandise, tokens, or anything of value  
2 whatsoever, whether the payoff is made automatically from the  
3 machine or in any other manner whatsoever. A slot machine:

4 (1) may utilize spinning reels or video displays or  
5 both;

6 (2) may or may not dispense coins, tickets, or tokens  
7 to winning patrons;

8 (3) may use an electronic credit system for receiving  
9 wagers and making payouts; and

10 (4) may simulate a table game.

11 "Slot machine" does not include table games authorized by  
12 the Board as a wagering device under this Act.

13 ~~(e)~~ "Managers license" means a license issued by the Board  
14 to a person or entity to manage gambling operations conducted  
15 by the State pursuant to Section 7.3.

16 ~~(f)~~ "Dock" means the location where a riverboat moors for  
17 the purpose of embarking passengers for and disembarking  
18 passengers from the riverboat.

19 ~~(g)~~ "Gross receipts" means the total amount of money  
20 exchanged for the purchase of chips, tokens, or electronic  
21 cards by riverboat patrons.

22 ~~(h)~~ "Adjusted gross receipts" means the gross receipts less  
23 winnings paid to wagerers.

24 ~~(i)~~ "Cheat" means to alter the selection of criteria which  
25 determine the result of a gambling game or the amount or  
26 frequency of payment in a gambling game.



1       ~~(j)~~ (Blank).

2       ~~(k)~~ "Gambling operation" means the conduct of ~~authorized~~  
3 gambling games authorized under this Act upon a riverboat or in  
4 a casino or authorized under this Act and the Illinois Horse  
5 Racing Act of 1975 at an electronic gaming facility.

6       ~~(l)~~ "License bid" means the lump sum amount of money that  
7 an applicant bids and agrees to pay the State in return for an  
8 owners license that is issued or re-issued on or after July 1,  
9 2003.

10       "Table game" means a live gaming apparatus upon which  
11 gaming is conducted or that determines an outcome that is the  
12 object of a wager, including, but not limited to, baccarat,  
13 twenty-one, blackjack, poker, craps, roulette wheel, klondike  
14 table, punchboard, faro layout, keno layout, numbers ticket,  
15 push card, jar ticket, pull tab, or other similar games that  
16 are authorized by the Board as a wagering device under this  
17 Act. "Table game" does not include slot machines or video games  
18 of chance.

19       ~~(m)~~ The terms "minority person", "female", and "person with  
20 a disability" shall have the same meaning as defined in Section  
21 2 of the Business Enterprise for Minorities, Females, and  
22 Persons with Disabilities Act.

23       "Authority" means the Chicago Casino Development  
24 Authority.

25       "Casino" means a facility at which lawful gambling is  
26 authorized as provided in this Act.

1       "Owners license" means a license to conduct riverboat or  
2 casino gambling operations, but does not include an electronic  
3 gaming license.

4       "Licensed owner" means a person who holds an owners  
5 license.

6       "Electronic gaming" means slot machine gambling, video  
7 game of chance gambling, or gambling with electronic gambling  
8 games as defined in the Illinois Gambling Act or defined by the  
9 Board that is conducted at a race track pursuant to an  
10 electronic gaming license.

11       "Electronic gaming facility" means the area where the Board  
12 has authorized electronic gaming at a race track of an  
13 organization licensee under the Illinois Horse Racing Act of  
14 1975 that holds an electronic gaming license.

15       "Electronic gaming license" means a license issued by the  
16 Board under Section 7.6 of this Act authorizing electronic  
17 gaming at an electronic gaming facility.

18       "Electronic gaming licensee" means an entity that holds an  
19 electronic gaming license.

20       "Organization licensee" means an entity authorized by the  
21 Illinois Racing Board to conduct pari-mutuel wagering in  
22 accordance with the Illinois Horse Racing Act of 1975. With  
23 respect only to electronic gaming, "organization licensee"  
24 includes the authorization for electronic gaming created under  
25 subsection (a) of Section 56 of the Illinois Horse Racing Act  
26 of 1975.

1       "Casino operator license" means the license held by the  
2 person or entity selected by the Authority to manage and  
3 operate a riverboat or casino within the geographic area of the  
4 authorized municipality pursuant to this Act and the Chicago  
5 Casino Development Authority Act.

6       (Source: P.A. 95-331, eff. 8-21-07; 96-1392, eff. 1-1-11.)

7           (230 ILCS 10/5) (from Ch. 120, par. 2405)

8       Sec. 5. Gaming Board.

9       (a) (1) There is hereby established the Illinois Gaming  
10 Board, which shall have the powers and duties specified in this  
11 Act and in the Chicago Casino Development Authority Act, and  
12 all other powers necessary and proper to fully and effectively  
13 execute this Act for the purpose of administering, regulating,  
14 and enforcing the system of riverboat and casino gambling and  
15 electronic gaming established by this Act and by the Chicago  
16 Casino Development Authority Act. Its jurisdiction shall  
17 extend under this Act and the Chicago Casino Development  
18 Authority Act to every person, association, corporation,  
19 partnership and trust involved in riverboat and casino gambling  
20 operations and electronic gaming in the State of Illinois.

21       (2) Notwithstanding any provision of this Section to the  
22 contrary, the term of office of each member of the Board  
23 appointed by the Governor who is sitting on the Board on the  
24 effective date of this amendatory Act of the 98th General  
25 Assembly is terminated on that effective date.

1        Beginning on the 90th day after the effective date of this  
2 amendatory Act of the 98th General Assembly, the ~~The~~ Board  
3 shall consist of 5 members to be appointed by the Governor with  
4 the advice and consent of the Senate, one of whom shall be  
5 designated by the Governor to be chairperson ~~chairman~~. Each  
6 member shall have a reasonable knowledge of the practice,  
7 procedure and principles of gambling operations. Each member  
8 shall either be a resident of Illinois or shall certify that he  
9 or she will become a resident of Illinois before taking office.

10        For the purposes of this subsection (a), the Governor may  
11 make a nomination and the Senate may confirm the nominee in  
12 advance of the commencement of the nominee's term of office.  
13 The Governor shall make nominations for appointment to the  
14 Board under this Section within 60 days after the effective  
15 date of this amendatory Act of the 98th General Assembly. A  
16 Board member sitting on the Board on the effective date of this  
17 amendatory Act of the 98th General Assembly may not hold over  
18 in office for more than 90 days after the effective date of  
19 this amendatory Act of the 98th General Assembly. Nothing in  
20 this Section shall prevent the Governor from making a temporary  
21 appointment or nominating a Board member holding office on the  
22 day before the effective date of this amendatory Act of the  
23 98th General Assembly.

24        The Board must include the following:

25            (A) One member who has received, at a minimum, a  
26 bachelor's degree from an accredited school and at least 10

1       years of verifiable training and experience in the fields  
2       of investigation and law enforcement.

3       (B) One member who is a certified public accountant  
4       with experience in auditing and with knowledge of complex  
5       corporate structures and transactions.

6       (C) One member who has 5 years' experience as a  
7       principal, senior officer, or director of a company or  
8       business with either material responsibility for the daily  
9       operations and management of the overall company or  
10       business or material responsibility for the policy making  
11       of the company or business.

12       (D) One member who is a lawyer licensed to practice law  
13       in Illinois.

14       No more than 3 members of the Board may be from the same  
15       political party. The Board should reflect the ethnic, cultural,  
16       and geographic diversity of the State. No Board member shall,  
17       within a period of one year immediately preceding nomination,  
18       have been employed or received compensation or fees for  
19       services from a person or entity, or its parent or affiliate,  
20       that has engaged in business with the Board, a licensee, or a  
21       licensee under the Illinois Horse Racing Act of 1975. Board  
22       members must publicly disclose all prior affiliations with  
23       gaming interests, including any compensation, fees, bonuses,  
24       salaries, and other reimbursement received from a person or  
25       entity, or its parent or affiliate, that has engaged in  
26       business with the Board, a licensee, or a licensee under the

1 Illinois Horse Racing Act of 1975. This disclosure must be made  
2 within 30 days after nomination but prior to confirmation by  
3 the Senate and must be made available to the members of the  
4 Senate. ~~At least one member shall be experienced in law~~  
5 ~~enforcement and criminal investigation, at least one member~~  
6 ~~shall be a certified public accountant experienced in~~  
7 ~~accounting and auditing, and at least one member shall be a~~  
8 ~~lawyer licensed to practice law in Illinois.~~

9 (3) The terms of office of the Board members shall be 3  
10 years, except that the terms of office of the initial Board  
11 members appointed pursuant to this Act will commence from the  
12 effective date of this Act and run as follows: one for a term  
13 ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for  
14 a term ending July 1, 1993. Upon the expiration of the  
15 foregoing terms, the successors of such members shall serve a  
16 term for 3 years and until their successors are appointed and  
17 qualified for like terms. Vacancies in the Board shall be  
18 filled for the unexpired term in like manner as original  
19 appointments. Each member of the Board shall be eligible for  
20 reappointment at the discretion of the Governor with the advice  
21 and consent of the Senate.

22 (4) Each member of the Board shall receive \$300 for each  
23 day the Board meets and for each day the member conducts any  
24 hearing pursuant to this Act. Each member of the Board shall  
25 also be reimbursed for all actual and necessary expenses and  
26 disbursements incurred in the execution of official duties.

1           (5) No person shall be appointed a member of the Board or  
2 continue to be a member of the Board who is, or whose spouse,  
3 child or parent is, a member of the board of directors of, or a  
4 person financially interested in, any gambling operation  
5 subject to the jurisdiction of this Board, or any race track,  
6 race meeting, racing association or the operations thereof  
7 subject to the jurisdiction of the Illinois Racing Board. No  
8 Board member shall hold any other public office. No person  
9 shall be a member of the Board who is not of good moral  
10 character or who has been convicted of, or is under indictment  
11 for, a felony under the laws of Illinois or any other state, or  
12 the United States.

13           (5.5) No member of the Board shall engage in any political  
14 activity. For the purposes of this Section, "political" means  
15 any activity in support of or in connection with any campaign  
16 for federal, State, or local elective office or any political  
17 organization, but does not include activities (i) relating to  
18 the support or opposition of any executive, legislative, or  
19 administrative action (as those terms are defined in Section 2  
20 of the Lobbyist Registration Act), (ii) relating to collective  
21 bargaining, or (iii) that are otherwise in furtherance of the  
22 person's official State duties or governmental and public  
23 service functions.

24           (6) Any member of the Board may be removed by the Governor  
25 for neglect of duty, misfeasance, malfeasance, or nonfeasance  
26 in office or for engaging in any political activity.

1           (7) Before entering upon the discharge of the duties of his  
2 office, each member of the Board shall take an oath that he  
3 will faithfully execute the duties of his office according to  
4 the laws of the State and the rules and regulations adopted  
5 therewith and shall give bond to the State of Illinois,  
6 approved by the Governor, in the sum of \$25,000. Every such  
7 bond, when duly executed and approved, shall be recorded in the  
8 office of the Secretary of State. Whenever the Governor  
9 determines that the bond of any member of the Board has become  
10 or is likely to become invalid or insufficient, he shall  
11 require such member forthwith to renew his bond, which is to be  
12 approved by the Governor. Any member of the Board who fails to  
13 take oath and give bond within 30 days from the date of his  
14 appointment, or who fails to renew his bond within 30 days  
15 after it is demanded by the Governor, shall be guilty of  
16 neglect of duty and may be removed by the Governor. The cost of  
17 any bond given by any member of the Board under this Section  
18 shall be taken to be a part of the necessary expenses of the  
19 Board.

20           (8) The Board shall employ such personnel as may be  
21 necessary to carry out its functions and shall determine the  
22 salaries of all personnel, except those personnel whose  
23 salaries are determined under the terms of a collective  
24 bargaining agreement. No person shall be employed to serve the  
25 Board who is, or whose spouse, parent or child is, an official  
26 of, or has a financial interest in or financial relation with,



1 any operator engaged in gambling operations within this State  
2 or any organization engaged in conducting horse racing within  
3 this State. For the one year immediately preceding employment,  
4 an employee shall not have been employed or received  
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 Board, a licensee, or a licensee under the Illinois Horse  
8 Racing Act of 1975. Any employee violating these prohibitions  
9 shall be subject to termination of employment. In addition, all  
10 Board members and employees are subject to the restrictions set  
11 forth in Section 5-45 of the State Officials and Employees  
12 Ethics Act.

13 (9) An Administrator shall perform any and all duties that  
14 the Board shall assign him. The salary of the Administrator  
15 shall be determined by the Board and, in addition, he shall be  
16 reimbursed for all actual and necessary expenses incurred by  
17 him in discharge of his official duties. The Administrator  
18 shall keep records of all proceedings of the Board and shall  
19 preserve all records, books, documents and other papers  
20 belonging to the Board or entrusted to its care. The  
21 Administrator shall devote his full time to the duties of the  
22 office and shall not hold any other office or employment. In  
23 addition to other prescribed duties, the Administrator shall  
24 establish a system by which personnel assisting the Board  
25 regarding the issuance of owners licenses, whether it be  
26 relocation, re-issuance, or the initial issuance, shall be

1 assigned specific duties in each instance, thereby preventing a  
2 conflict of interest in regards to the decision-making process.  
3 A conflict of interest exists if a situation influences or  
4 creates the appearance that it may influence judgment or  
5 performance of duties or responsibilities.

6 (b) The Board shall have general responsibility for the  
7 implementation of this Act. Its duties include, without  
8 limitation, the following:

9 (1) To decide promptly and in reasonable order all  
10 license applications. Any party aggrieved by an action of  
11 the Board denying, suspending, revoking, restricting or  
12 refusing to renew a license may request a hearing before  
13 the Board. A request for a hearing must be made to the  
14 Board in writing within 5 days after service of notice of  
15 the action of the Board. Notice of the action of the Board  
16 shall be served either by personal delivery or by certified  
17 mail, postage prepaid, to the aggrieved party. Notice  
18 served by certified mail shall be deemed complete on the  
19 business day following the date of such mailing. The Board  
20 shall conduct all requested hearings promptly and in  
21 reasonable order;

22 (2) To conduct all hearings pertaining to civil  
23 violations of this Act or rules and regulations promulgated  
24 hereunder;

25 (3) To promulgate such rules and regulations as in its  
26 judgment may be necessary to protect or enhance the

1       credibility and integrity of gambling operations  
2       authorized by this Act and the regulatory process  
3       hereunder;

4           (4) To provide for the establishment and collection of  
5       all license and registration fees and taxes imposed by this  
6       Act and the rules and regulations issued pursuant hereto.  
7       All such fees and taxes shall be deposited into the State  
8       Gaming Fund;

9           (5) To provide for the levy and collection of penalties  
10      and fines for the violation of provisions of this Act and  
11      the rules and regulations promulgated hereunder. All such  
12      fines and penalties shall be deposited into the Education  
13      Assistance Fund, created by Public Act 86-0018, of the  
14      State of Illinois;

15          (6) To be present through its inspectors and agents any  
16      time gambling operations are conducted on any riverboat, in  
17      any casino, or at any electronic gaming facility for the  
18      purpose of certifying the revenue thereof, receiving  
19      complaints from the public, and conducting such other  
20      investigations into the conduct of the gambling games and  
21      the maintenance of the equipment as from time to time the  
22      Board may deem necessary and proper;

23          (7) To review and rule upon any complaint by a licensee  
24      regarding any investigative procedures of the State which  
25      are unnecessarily disruptive of gambling operations. The  
26      need to inspect and investigate shall be presumed at all

1 times. The disruption of a licensee's operations shall be  
2 proved by clear and convincing evidence, and establish  
3 that: (A) the procedures had no reasonable law enforcement  
4 purposes, and (B) the procedures were so disruptive as to  
5 unreasonably inhibit gambling operations;

6 (8) To hold at least one meeting each quarter of the  
7 fiscal year. In addition, special meetings may be called by  
8 the Chairman or any 2 Board members upon 72 hours written  
9 notice to each member. All Board meetings shall be subject  
10 to the Open Meetings Act. Three members of the Board shall  
11 constitute a quorum, and 3 votes shall be required for any  
12 final determination by the Board. The Board shall keep a  
13 complete and accurate record of all its meetings. A  
14 majority of the members of the Board shall constitute a  
15 quorum for the transaction of any business, for the  
16 performance of any duty, or for the exercise of any power  
17 which this Act requires the Board members to transact,  
18 perform or exercise en banc, except that, upon order of the  
19 Board, one of the Board members or an administrative law  
20 judge designated by the Board may conduct any hearing  
21 provided for under this Act or by Board rule and may  
22 recommend findings and decisions to the Board. The Board  
23 member or administrative law judge conducting such hearing  
24 shall have all powers and rights granted to the Board in  
25 this Act. The record made at the time of the hearing shall  
26 be reviewed by the Board, or a majority thereof, and the

1 findings and decision of the majority of the Board shall  
2 constitute the order of the Board in such case;

3 (9) To maintain records which are separate and distinct  
4 from the records of any other State board or commission.  
5 Such records shall be available for public inspection and  
6 shall accurately reflect all Board proceedings;

7 (10) To file a written annual report with the Governor  
8 on or before March 1 each year and such additional reports  
9 as the Governor may request. The annual report shall  
10 include a statement of receipts and disbursements by the  
11 Board, actions taken by the Board, and any additional  
12 information and recommendations which the Board may deem  
13 valuable or which the Governor may request;

14 (11) (Blank);

15 (12) (Blank);

16 (13) To assume responsibility for administration and  
17 enforcement of the Video Gaming Act; ~~and~~

18 (13.1) To assume responsibility for the administration  
19 and enforcement of operations at electronic gaming  
20 facilities pursuant to this Act and the Illinois Horse  
21 Racing Act of 1975;

22 (13.2) To assume responsibility for the administration  
23 and enforcement of gambling operations at the Chicago  
24 Casino Development Authority's casino pursuant to the  
25 Chicago Casino Development Authority Act; and

26 (14) To adopt, by rule, a code of conduct governing

1 Board members and employees that ensure, to the maximum  
2 extent possible, that persons subject to this Code avoid  
3 situations, relationships, or associations that may  
4 represent or lead to a conflict of interest.

5 Any action by the Board or staff of the Board, including,  
6 but not limited to, denying a renewal, approving procedures  
7 (including internal controls), levying a fine or penalty,  
8 promotions, or other activities affecting an applicant for  
9 licensure or a licensee, may, at the discretion of the  
10 applicant or licensee, be appealed to an administrative law  
11 judge in accordance with subsection (b) of Section 17.1.

12 Internal controls and changes submitted by licensees must  
13 be reviewed and either approved or denied with cause within 60  
14 days after receipt by the Illinois Gaming Board. In the event  
15 an internal control submission or change does not meet the  
16 standards set by the Board, staff of the Board must provide  
17 technical assistance to the licensee to rectify such  
18 deficiencies within 60 days after the initial submission and  
19 the revised submission must be reviewed and approved or denied  
20 with cause within 60 days. For the purposes of this paragraph,  
21 "with cause" means that the approval of the submission would  
22 jeopardize the integrity of gaming. In the event the Board  
23 staff has not acted within the timeframe, the submission shall  
24 be deemed approved.

25 (c) The Board shall have jurisdiction over and shall  
26 supervise all gambling operations governed by this Act and the

1 Chicago Casino Development Authority Act. The Board shall have  
2 all powers necessary and proper to fully and effectively  
3 execute the provisions of this Act and the Chicago Casino  
4 Development Authority Act, including, but not limited to, the  
5 following:

6 (1) To investigate applicants and determine the  
7 eligibility of applicants for licenses and to select among  
8 competing applicants the applicants which best serve the  
9 interests of the citizens of Illinois.

10 (2) To have jurisdiction and supervision over all  
11 ~~riverboat~~ gambling operations authorized under this Act  
12 and the Chicago Casino Development Authority Act ~~in this~~  
13 ~~State~~ and all persons in places ~~on riverboats~~ where  
14 gambling operations are conducted.

15 (3) To promulgate rules and regulations for the purpose  
16 of administering the provisions of this Act and the Chicago  
17 Casino Development Authority Act and to prescribe rules,  
18 regulations and conditions under which all ~~riverboat~~  
19 gambling operations subject to this Act and the Chicago  
20 Casino Development Authority Act ~~in the State~~ shall be  
21 conducted. Such rules and regulations are to provide for  
22 the prevention of practices detrimental to the public  
23 interest and for the best interests of ~~riverboat~~ gambling,  
24 including rules and regulations regarding the inspection  
25 of electronic gaming facilities, casinos, and ~~such~~  
26 ~~riverboats,~~ and the review of any permits or licenses

1 necessary to operate a riverboat, casino, or electronic  
2 gaming facilities under any laws or regulations applicable  
3 to riverboats, casinos, or electronic gaming facilities  
4 and to impose penalties for violations thereof.

5 (4) To enter the office, riverboats, casinos,  
6 electronic gaming facilities, and other facilities, or  
7 other places of business of a licensee, where evidence of  
8 the compliance or noncompliance with the provisions of this  
9 Act and the Chicago Casino Development Authority Act is  
10 likely to be found.

11 (5) To investigate alleged violations of this Act, the  
12 Chicago Casino Development Authority Act, or the rules of  
13 the Board and to take appropriate disciplinary action  
14 against a licensee or a holder of an occupational license  
15 for a violation, or institute appropriate legal action for  
16 enforcement, or both.

17 (6) To adopt standards for the licensing of all persons  
18 and entities under this Act and the Chicago Casino  
19 Development Authority Act, as well as for electronic or  
20 mechanical gambling games, and to establish fees for such  
21 licenses.

22 (7) To adopt appropriate standards for all electronic  
23 gaming facilities, riverboats, casinos, and other  
24 facilities authorized under this Act and the Chicago Casino  
25 Development Authority Act.

26 (8) To require that the records, including financial or



1 other statements of any licensee under this Act and the  
2 Chicago Casino Development Authority Act, shall be kept in  
3 such manner as prescribed by the Board and that any such  
4 licensee involved in the ownership or management of  
5 gambling operations submit to the Board an annual balance  
6 sheet and profit and loss statement, list of the  
7 stockholders or other persons having a 1% or greater  
8 beneficial interest in the gambling activities of each  
9 licensee, and any other information the Board deems  
10 necessary in order to effectively administer this Act and  
11 the Chicago Casino Development Authority Act and all rules,  
12 regulations, orders and final decisions promulgated under  
13 this Act and the Chicago Casino Development Authority Act.

14 (9) To conduct hearings, issue subpoenas for the  
15 attendance of witnesses and subpoenas duces tecum for the  
16 production of books, records and other pertinent documents  
17 in accordance with the Illinois Administrative Procedure  
18 Act, and to administer oaths and affirmations to the  
19 witnesses, when, in the judgment of the Board, it is  
20 necessary to administer or enforce this Act, the Chicago  
21 Casino Development Authority Act, or the Board rules.

22 (10) To prescribe a form to be used by any licensee  
23 involved in the ownership or management of gambling  
24 operations as an application for employment for their  
25 employees.

26 (11) To revoke or suspend licenses, other than the

1 license issued to the Chicago Casino Development  
2 Authority, as the Board may see fit and in compliance with  
3 applicable laws of the State regarding administrative  
4 procedures, and to review applications for the renewal of  
5 licenses. The Board may suspend an owners license (other  
6 than the license issued to the Chicago Casino Development  
7 Authority), electronic gaming license, or casino operator  
8 license, without notice or hearing upon a determination  
9 that the safety or health of patrons or employees is  
10 jeopardized by continuing a gambling operation conducted  
11 under that license ~~riverboat's operation~~. The suspension  
12 may remain in effect until the Board determines that the  
13 cause for suspension has been abated. The Board may revoke  
14 ~~an~~ the owners license (other than the license issued to the  
15 Chicago Casino Development Authority), electronic gaming  
16 license, or casino operator license upon a determination  
17 that the licensee ~~owner~~ has not made satisfactory progress  
18 toward abating the hazard.

19 (12) To eject or exclude or authorize the ejection or  
20 exclusion of, any person from ~~riverboat~~ gambling  
21 facilities where that ~~such~~ person is in violation of this  
22 Act or the Chicago Casino Development Authority Act, rules  
23 and regulations thereunder, or final orders of the Board,  
24 or where such person's conduct or reputation is such that  
25 his or her presence within the ~~riverboat~~ gambling  
26 facilities may, in the opinion of the Board, call into

1 question the honesty and integrity of the gambling  
2 operations or interfere with the orderly conduct thereof;  
3 provided that the propriety of such ejection or exclusion  
4 is subject to subsequent hearing by the Board.

5 (13) To require all licensees of gambling operations to  
6 utilize a cashless wagering system whereby all players'  
7 money is converted to tokens, electronic cards, or chips  
8 which shall be used only for wagering in the gambling  
9 establishment.

10 (14) (Blank).

11 (15) To suspend, revoke or restrict licenses, other  
12 than the license issued to the Chicago Casino Development  
13 Authority, to require the removal of a licensee or an  
14 employee of a licensee for a violation of this Act, the  
15 Chicago Casino Development Authority Act, or a Board rule  
16 or for engaging in a fraudulent practice, and to impose  
17 civil penalties of up to \$5,000 against individuals and up  
18 to \$10,000 or an amount equal to the daily gross receipts,  
19 whichever is larger, against licensees for each violation  
20 of any provision of the Act, the Chicago Casino Development  
21 Authority Act, any rules adopted by the Board, any order of  
22 the Board or any other action which, in the Board's  
23 discretion, is a detriment or impediment to ~~riverboat~~  
24 gambling operations.

25 (16) To hire employees to gather information, conduct  
26 investigations and carry out any other tasks contemplated

1 under this Act or the Chicago Casino Development Authority  
2 Act.

3 (17) To establish minimum levels of insurance to be  
4 maintained by licensees.

5 (18) To authorize a licensee to sell or serve alcoholic  
6 liquors, wine or beer as defined in the Liquor Control Act  
7 of 1934 on board a riverboat or in a casino and to have  
8 exclusive authority to establish the hours for sale and  
9 consumption of alcoholic liquor on board a riverboat or in  
10 a casino, notwithstanding any provision of the Liquor  
11 Control Act of 1934 or any local ordinance, and regardless  
12 of whether the riverboat makes excursions. The  
13 establishment of the hours for sale and consumption of  
14 alcoholic liquor on board a riverboat or in a casino is an  
15 exclusive power and function of the State. A home rule unit  
16 may not establish the hours for sale and consumption of  
17 alcoholic liquor on board a riverboat or in a casino. This  
18 subdivision (18) amendatory Act of 1991 is a denial and  
19 limitation of home rule powers and functions under  
20 subsection (h) of Section 6 of Article VII of the Illinois  
21 Constitution.

22 (19) After consultation with the U.S. Army Corps of  
23 Engineers, to establish binding emergency orders upon the  
24 concurrence of a majority of the members of the Board  
25 regarding the navigability of water, relative to  
26 excursions, in the event of extreme weather conditions,

1 acts of God or other extreme circumstances.

2 (20) To delegate the execution of any of its powers  
3 under this Act or the Chicago Casino Development Authority  
4 Act for the purpose of administering and enforcing this  
5 Act, the Chicago Casino Development Authority Act, and the  
6 its rules adopted by the Board under both Acts ~~and~~  
7 ~~regulations hereunder.~~

8 (20.5) To approve any contract entered into on its  
9 behalf.

10 (20.6) To appoint investigators to conduct  
11 investigations, searches, seizures, arrests, and other  
12 duties imposed under this Act, as deemed necessary by the  
13 Board. These investigators have and may exercise all of the  
14 rights and powers of peace officers, provided that these  
15 powers shall be limited to offenses or violations occurring  
16 or committed in a casino, in an electronic gaming facility,  
17 or on a riverboat or dock, as defined in subsections (d)  
18 and (f) of Section 4, or as otherwise provided by this Act, the  
19 Chicago Casino Development Authority Act, or any other  
20 law.

21 (20.7) To contract with the Department of State Police  
22 for the use of trained and qualified State police officers  
23 and with the Department of Revenue for the use of trained  
24 and qualified Department of Revenue investigators to  
25 conduct investigations, searches, seizures, arrests, and  
26 other duties imposed under this Act or the Chicago Casino

1        Development Authority Act and to exercise all of the rights  
2        and powers of peace officers, provided that the powers of  
3        Department of Revenue investigators under this subdivision  
4        (20.7) shall be limited to offenses or violations occurring  
5        or committed in a casino, in an electronic gaming facility,  
6        or on a riverboat or dock, as defined in subsections (d)  
7        and (f) of Section 4, or as otherwise provided by this Act  
8        or any other law. In the event the Department of State  
9        Police or the Department of Revenue is unable to fill  
10        contracted police or investigative positions, the Board  
11        may appoint investigators to fill those positions pursuant  
12        to subdivision (20.6).

13        (21) To adopt rules concerning the conduct of  
14        electronic gaming.

15        (22) To have the same jurisdiction and supervision over  
16        casinos and electronic gaming facilities as the Board has  
17        over riverboats, including, but not limited to, the power  
18        to (i) investigate, review, and approve contracts as that  
19        power is applied to riverboats, (ii) adopt rules for  
20        administering the provisions of this Act or the Chicago  
21        Casino Development Authority Act, (iii) adopt standards  
22        for the licensing of all persons involved with a casino or  
23        electronic gaming facility, (iv) investigate alleged  
24        violations of this Act by any person involved with a casino  
25        or electronic gaming facility, and (v) require that  
26        records, including financial or other statements of any

1       casino or electronic gaming facility, shall be kept in such  
2       manner as prescribed by the Board.

3       (23) To supervise and regulate the Chicago Casino  
4       Development Authority in accordance with the Chicago  
5       Casino Development Authority Act and the provisions of this  
6       Act.

7       (24) ~~(21)~~ To take any other action as may be reasonable  
8       or appropriate to enforce this Act, the Chicago Casino  
9       Development Authority Act, and the rules adopted by the  
10       Board under both Acts and regulations hereunder.

11       All Board powers enumerated in this Section in relation to  
12       licensees shall apply equally to the holder of any casino  
13       management contract entered into pursuant to the Chicago Casino  
14       Development Authority Act.

15       (d) The Board may seek and shall receive the cooperation of  
16       the Department of State Police in conducting background  
17       investigations of applicants and in fulfilling its  
18       responsibilities under this Section. Costs incurred by the  
19       Department of State Police as a result of such cooperation  
20       shall be paid by the Board in conformance with the requirements  
21       of Section 2605-400 of the Department of State Police Law (20  
22       ILCS 2605/2605-400).

23       (e) The Board must authorize to each investigator and to  
24       any other employee of the Board exercising the powers of a  
25       peace officer a distinct badge that, on its face, (i) clearly  
26       states that the badge is authorized by the Board and (ii)

1 contains a unique identifying number. No other badge shall be  
2 authorized by the Board.

3 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09;  
4 96-1000, eff. 7-2-10; 96-1392, eff. 1-1-11.)

5 (230 ILCS 10/5.1) (from Ch. 120, par. 2405.1)

6 Sec. 5.1. Disclosure of records.

7 (a) Notwithstanding any applicable statutory provision to  
8 the contrary, the Board shall, on written request from any  
9 person, provide information furnished by an applicant or  
10 licensee concerning the applicant or licensee, his products,  
11 services or gambling enterprises and his business holdings, as  
12 follows:

13 (1) The name, business address and business telephone  
14 number of any applicant or licensee.

15 (2) An identification of any applicant or licensee  
16 including, if an applicant or licensee is not an  
17 individual, the names and addresses of all stockholders and  
18 directors, if the entity is a corporation; the names and  
19 addresses of all members, if the entity is a limited  
20 liability company; the names and addresses of all partners,  
21 both general and limited, if the entity is a partnership;  
22 and the names and addresses of all beneficiaries, if the  
23 entity is a trust ~~the state of incorporation or~~  
24 ~~registration, the corporate officers, and the identity of~~  
25 ~~all shareholders or participants.~~ If an applicant or



1 licensee has a pending registration statement filed with  
2 the Securities and Exchange Commission, only the names of  
3 those persons or entities holding interest of 5% or more  
4 must be provided.

5 (3) An identification of any business, including, if  
6 applicable, the state of incorporation or registration, in  
7 which an applicant or licensee or an applicant's or  
8 licensee's spouse or children has an equity interest of  
9 more than 1%. If an applicant or licensee is a corporation,  
10 partnership or other business entity, the applicant or  
11 licensee shall identify any other corporation, partnership  
12 or business entity in which it has an equity interest of 1%  
13 or more, including, if applicable, the state of  
14 incorporation or registration. This information need not  
15 be provided by a corporation, partnership or other business  
16 entity that has a pending registration statement filed with  
17 the Securities and Exchange Commission.

18 (4) Whether an applicant or licensee has been indicted,  
19 convicted, pleaded guilty or nolo contendere, or forfeited  
20 bail concerning any criminal offense under the laws of any  
21 jurisdiction, either felony or misdemeanor (except for  
22 traffic violations), including the date, the name and  
23 location of the court, arresting agency and prosecuting  
24 agency, the case number, the offense, the disposition and  
25 the location and length of incarceration.

26 (5) Whether an applicant or licensee has had any

1 license or certificate issued by a licensing authority in  
2 Illinois or any other jurisdiction denied, restricted,  
3 suspended, revoked or not renewed and a statement  
4 describing the facts and circumstances concerning the  
5 denial, restriction, suspension, revocation or  
6 non-renewal, including the licensing authority, the date  
7 each such action was taken, and the reason for each such  
8 action.

9 (6) Whether an applicant or licensee has ever filed or  
10 had filed against it a proceeding in bankruptcy or has ever  
11 been involved in any formal process to adjust, defer,  
12 suspend or otherwise work out the payment of any debt  
13 including the date of filing, the name and location of the  
14 court, the case and number of the disposition.

15 (7) Whether an applicant or licensee has filed, or been  
16 served with a complaint or other notice filed with any  
17 public body, regarding the delinquency in the payment of,  
18 or a dispute over the filings concerning the payment of,  
19 any tax required under federal, State or local law,  
20 including the amount, type of tax, the taxing agency and  
21 time periods involved.

22 (8) A statement listing the names and titles of all  
23 public officials or officers of any unit of government, and  
24 relatives of said public officials or officers who,  
25 directly or indirectly, own any financial interest in, have  
26 any beneficial interest in, are the creditors of or hold

1 any debt instrument issued by, or hold or have any interest  
2 in any contractual or service relationship with, an  
3 applicant or licensee.

4 (9) Whether an applicant or licensee has made, directly  
5 or indirectly, any political contribution, or any loans,  
6 donations or other payments, to any candidate or office  
7 holder, within 5 years from the date of filing the  
8 application, including the amount and the method of  
9 payment.

10 (10) The name and business telephone number of the  
11 counsel representing an applicant or licensee in matters  
12 before the Board.

13 (11) A description of any proposed or approved  
14 riverboat or casino gaming or electronic gaming operation,  
15 including the type of boat, home dock or casino or  
16 electronic gaming location, expected economic benefit to  
17 the community, anticipated or actual number of employees,  
18 any statement from an applicant or licensee regarding  
19 compliance with federal and State affirmative action  
20 guidelines, projected or actual admissions and projected  
21 or actual adjusted gross gaming receipts.

22 (12) A description of the product or service to be  
23 supplied by an applicant for a supplier's license.

24 (b) Notwithstanding any applicable statutory provision to  
25 the contrary, the Board shall, on written request from any  
26 person, also provide the following information:

1           (1) The amount of the wagering tax and admission tax  
2           paid daily to the State of Illinois by the holder of an  
3           owner's license.

4           (2) Whenever the Board finds an applicant for an  
5           owner's license unsuitable for licensing, a copy of the  
6           written letter outlining the reasons for the denial.

7           (3) Whenever the Board has refused to grant leave for  
8           an applicant to withdraw his application, a copy of the  
9           letter outlining the reasons for the refusal.

10          (c) Subject to the above provisions, the Board shall not  
11          disclose any information which would be barred by:

12                 (1) Section 7 of the Freedom of Information Act; or

13                 (2) The statutes, rules, regulations or  
14                 intergovernmental agreements of any jurisdiction.

15          (d) The Board may assess fees for the copying of  
16          information in accordance with Section 6 of the Freedom of  
17          Information Act.

18          (Source: P.A. 96-1392, eff. 1-1-11.)

19                 (230 ILCS 10/5.3 new)

20                 Sec. 5.3. Ethical conduct.

21                 (a) Officials and employees of the corporate authority of a  
22                 host community must carry out their duties and responsibilities  
23                 in such a manner as to promote and preserve public trust and  
24                 confidence in the integrity and conduct of gaming.

25                 (b) Officials and employees of the corporate authority of a

1 host community shall not use or attempt to use his or her  
2 official position to secure or attempt to secure any privilege,  
3 advantage, favor, or influence for himself or herself or  
4 others.

5 (c) Officials and employees of the corporate authority of a  
6 host community may not have a financial interest, directly or  
7 indirectly, in his or her own name or in the name of any other  
8 person, partnership, association, trust, corporation, or other  
9 entity in any contract or subcontract for the performance of  
10 any work for a riverboat or casino that is located in the host  
11 community. This prohibition shall extend to the holding or  
12 acquisition of an interest in any entity identified by Board  
13 action that, in the Board's judgment, could represent the  
14 potential for or the appearance of a financial interest. The  
15 holding or acquisition of an interest in such entities through  
16 an indirect means, such as through a mutual fund, shall not be  
17 prohibited, except that the Board may identify specific  
18 investments or funds that, in its judgment, are so influenced  
19 by gaming holdings as to represent the potential for or the  
20 appearance of a conflict of interest.

21 (d) Officials and employees of the corporate authority of a  
22 host community may not accept any gift, gratuity, service,  
23 compensation, travel, lodging, or thing of value, with the  
24 exception of unsolicited items of an incidental nature, from  
25 any person, corporation, or entity doing business with the  
26 riverboat or casino that is located in the host community.

1       (e) Officials and employees of the corporate authority of a  
2 host community shall not, during the period that the person is  
3 an official or employee of the corporate authority or for a  
4 period of 2 years immediately after leaving such office,  
5 knowingly accept employment or receive compensation or fees for  
6 services from a person or entity, or its parent or affiliate,  
7 that has engaged in business with the riverboat or casino that  
8 is located in the host community that resulted in contracts  
9 with an aggregate value of at least \$25,000 or if that official  
10 or employee has made a decision that directly applied to the  
11 person or entity, or its parent or affiliate.

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

1 the potential for or the appearance of a conflict of interest.

2 (g) A spouse, child, or parent of an official or employee  
3 of the corporate authority of a host community may not accept  
4 any gift, gratuity, service, compensation, travel, lodging, or  
5 thing of value, with the exception of unsolicited items of an  
6 incidental nature, from any person, corporation, or entity  
7 doing business with the riverboat or casino that is located in  
8 the host community.

9 (h) A spouse, child, or parent of an official or employee  
10 of the corporate authority of a host community may not, during  
11 the period that the person is an official of the corporate  
12 authority or for a period of 2 years immediately after leaving  
13 such office or employment, knowingly accept employment or  
14 receive compensation or fees for services from a person or  
15 entity, or its parent or affiliate, that has engaged in  
16 business with the riverboat or casino that is located in the  
17 host community that resulted in contracts with an aggregate  
18 value of at least \$25,000 or if that official or employee has  
19 made a decision that directly applied to the person or entity,  
20 or its parent or affiliate.

21 (i) Officials and employees of the corporate authority of a  
22 host community shall not attempt, in any way, to influence any  
23 person or corporation doing business with the riverboat or  
24 casino that is located in the host community or any officer,  
25 agent, or employee thereof to hire or contract with any person  
26 or corporation for any compensated work.

1       (j) Any communication between an official of the corporate  
2 authority of a host community and any applicant for an owners  
3 license in the host community, or an officer, director, or  
4 employee of a riverboat or casino in the host community,  
5 concerning any matter relating in any way to gaming shall be  
6 disclosed to the Board. Such disclosure shall be in writing by  
7 the official within 30 days after the communication and shall  
8 be filed with the Board. Disclosure must consist of the date of  
9 the communication, the identity and job title of the person  
10 with whom the communication was made, a brief summary of the  
11 communication, the action requested or recommended, all  
12 responses made, the identity and job title of the person making  
13 the response, and any other pertinent information. Public  
14 disclosure of the written summary provided to the Board and the  
15 Gaming Board shall be subject to the exemptions provided under  
16 the Freedom of Information Act.

17       (k) Any official or employee who violates any provision of  
18 this Section is guilty of a Class 4 felony.

19       (l) For purposes of this Section, "host community" or "host  
20 municipality" means a unit of local government that contains a  
21 riverboat or casino within its borders, but does not include  
22 the City of Chicago or the Chicago Casino Development  
23 Authority.

24       (230 ILCS 10/6) (from Ch. 120, par. 2406)

25       Sec. 6. Application for Owners License.



1 (a) A qualified person may apply to the Board for an owners  
2 license to conduct a riverboat gambling operation as provided  
3 in this Act. The application shall be made on forms provided by  
4 the Board and shall contain such information as the Board  
5 prescribes, including but not limited to the identity of the  
6 riverboat on which such gambling operation is to be conducted,  
7 if applicable, and the exact location where such riverboat or  
8 casino will be located ~~docked~~, a certification that the  
9 riverboat will be registered under this Act at all times during  
10 which gambling operations are conducted on board, detailed  
11 information regarding the ownership and management of the  
12 applicant, and detailed personal information regarding the  
13 applicant. Any application for an owners license to be  
14 re-issued on or after June 1, 2003 shall also include the  
15 applicant's license bid in a form prescribed by the Board.  
16 Information provided on the application shall be used as a  
17 basis for a thorough background investigation which the Board  
18 shall conduct with respect to each applicant. An incomplete  
19 application shall be cause for denial of a license by the  
20 Board.

21 (a-5) In addition to any other information required under  
22 this Section, each application for an owners license must  
23 include the following information:

24 (1) The history and success of the applicant and each  
25 person and entity disclosed under subsection (c) of this  
26 Section in developing tourism facilities ancillary to

1       gaming, if applicable.

2       (2) The likelihood that granting a license to the  
3       applicant will lead to the creation of quality, living wage  
4       jobs and permanent, full-time jobs for residents of the  
5       State and residents of the unit of local government that is  
6       designated as the home dock of the proposed facility where  
7       gambling is to be conducted by the applicant.

8       (3) The projected number of jobs that would be created  
9       if the license is granted and the projected number of new  
10       employees at the proposed facility where gambling is to be  
11       conducted by the applicant.

12       (4) The record, if any, of the applicant and its  
13       developer in meeting commitments to local agencies,  
14       community-based organizations, and employees at other  
15       locations where the applicant or its developer has  
16       performed similar functions as they would perform if the  
17       applicant were granted a license.

18       (5) Identification of adverse effects that might be  
19       caused by the proposed facility where gambling is to be  
20       conducted by the applicant, including the costs of meeting  
21       increased demand for public health care, child care, public  
22       transportation, affordable housing, and social services,  
23       and a plan to mitigate those adverse effects.

24       (6) The record, if any, of the applicant and its  
25       developer regarding compliance with:

26               (A) federal, state, and local discrimination, wage

1           and hour, disability, and occupational and  
2           environmental health and safety laws; and

3           (B) state and local labor relations and employment  
4           laws.

5           (7) The applicant's record, if any, in dealing with its  
6           employees and their representatives at other locations.

7           (8) A plan concerning the utilization of  
8           minority-owned and female-owned businesses and concerning  
9           the hiring of minorities and females.

10          (9) Evidence the applicant used its best efforts to  
11          reach a goal of 25% ownership representation by minority  
12          persons and 5% ownership representation by females.

13          (b) Applicants shall submit with their application all  
14 documents, resolutions, and letters of support from the  
15 governing body that represents the municipality or county  
16 wherein the licensee will be located ~~dock~~.

17          (c) Each applicant shall disclose the identity of every  
18 person or entity ~~, association, trust or corporation~~ having a  
19 greater than 1% direct or indirect pecuniary interest in the  
20 ~~riverboat~~ gambling operation with respect to which the license  
21 is sought. If the disclosed entity is a trust, the application  
22 shall disclose the names and addresses of all ~~the~~  
23 beneficiaries; if a corporation, the names and addresses of all  
24 stockholders and directors; if a partnership, the names and  
25 addresses of all partners, both general and limited.

26          (d) An application shall be filed and considered in

1 accordance with the rules of the Board. Each application shall  
2 be accompanied by a non-refundable ~~An~~ application fee of  
3 \$100,000. In addition, a non-refundable fee of \$50,000 shall be  
4 paid at the time of filing to defray the costs associated with  
5 the background investigation conducted by the Board. If the  
6 costs of the investigation exceed \$50,000, the applicant shall  
7 pay the additional amount to the Board within 7 days after  
8 requested by the Board. If the costs of the investigation are  
9 less than \$50,000, the applicant shall receive a refund of the  
10 remaining amount. All information, records, interviews,  
11 reports, statements, memoranda or other data supplied to or  
12 used by the Board in the course of its review or investigation  
13 of an application for a license or a renewal under this Act  
14 shall be privileged, strictly confidential and shall be used  
15 only for the purpose of evaluating an applicant for a license  
16 or a renewal. Such information, records, interviews, reports,  
17 statements, memoranda or other data shall not be admissible as  
18 evidence, nor discoverable in any action of any kind in any  
19 court or before any tribunal, board, agency or person, except  
20 for any action deemed necessary by the Board. The application  
21 fee shall be deposited into the Gaming Facilities Fee Revenue  
22 Fund.

23 (e) The Board shall charge each applicant a fee set by the  
24 Department of State Police to defray the costs associated with  
25 the search and classification of fingerprints obtained by the  
26 Board with respect to the applicant's application. These fees

1 shall be paid into the State Police Services Fund.

2 (f) The licensed owner shall be the person primarily  
3 responsible for the boat or casino itself. Only one ~~riverboat~~  
4 gambling operation may be authorized by the Board on any  
5 riverboat or in any casino. The applicant must identify the  
6 ~~each~~ riverboat or premises it intends to use and certify that  
7 the riverboat or premises: (1) has the authorized capacity  
8 required in this Act; (2) is accessible to disabled persons;  
9 and (3) is fully registered and licensed in accordance with any  
10 applicable laws.

11 (g) A person who knowingly makes a false statement on an  
12 application is guilty of a Class A misdemeanor.

13 (Source: P.A. 96-1392, eff. 1-1-11.)

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

15 Sec. 7. Owners Licenses.

16 (a) The Board shall issue owners licenses to persons or  
17 entities ~~, firms or corporations~~ which apply for such licenses  
18 upon payment to the Board of the non-refundable license fee as  
19 provided in subsection (e) or (e-5) ~~set by the Board, upon~~  
20 ~~payment of a \$25,000 license fee for the first year of~~  
21 ~~operation and a \$5,000 license fee for each succeeding year~~ and  
22 upon a determination by the Board that the applicant is  
23 eligible for an owners license pursuant to this Act, the  
24 Chicago Casino Development Authority Act, and the rules of the  
25 Board. From the effective date of this amendatory Act of the

1 95th General Assembly until (i) 3 years after the effective  
2 date of this amendatory Act of the 95th General Assembly, (ii)  
3 the date any organization licensee begins to operate a slot  
4 machine or video game of chance under the Illinois Horse Racing  
5 Act of 1975 or this Act, (iii) the date that payments begin  
6 under subsection (c-5) of Section 13 of the Act, ~~or~~ (iv) the  
7 wagering tax imposed under Section 13 of this Act is increased  
8 by law to reflect a tax rate that is at least as stringent or  
9 more stringent than the tax rate contained in subsection (a-3)  
10 of Section 13, or (v) when an owners licensee holding a license  
11 issued pursuant to Section 7.1 of this Act begins conducting  
12 gaming, whichever occurs first, as a condition of licensure and  
13 as an alternative source of payment for those funds payable  
14 under subsection (c-5) of Section 13 of this ~~the Riverboat~~  
15 ~~Gambling~~ Act, any owners licensee that holds or receives its  
16 owners license on or after the effective date of this  
17 amendatory Act of the 94th General Assembly, other than an  
18 owners licensee operating a riverboat with adjusted gross  
19 receipts in calendar year 2004 of less than \$200,000,000, must  
20 pay into the Horse Racing Equity Trust Fund, in addition to any  
21 other payments required under this Act, an amount equal to 3%  
22 of the adjusted gross receipts received by the owners licensee.  
23 The payments required under this Section shall be made by the  
24 owners licensee to the State Treasurer no later than 3:00  
25 o'clock p.m. of the day after the day when the adjusted gross  
26 receipts were received by the owners licensee. A person, firm

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

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

4 (2) the person has been convicted of any violation of  
5 Article 28 of the Criminal Code of 1961 or the Criminal  
6 Code of 2012, or substantially similar laws of any other  
7 jurisdiction;

8 (3) the person has submitted an application for a  
9 license under this Act or the Chicago Casino Development  
10 Authority Act which contains false information;

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

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

15 (6) the firm or corporation employs a person defined in  
16 (1), (2), (3) or (4) who participates in the management or  
17 operation of gambling operations authorized under this Act  
18 or the Chicago Casino Development Authority Act;

19 (7) (blank); or

20 (8) a license of the person, firm or corporation issued  
21 under this Act or the Chicago Casino Development Authority  
22 Act, or a license to own or operate gambling facilities in  
23 any other jurisdiction, has been 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 (1) 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 and (2) on  
2 January 1, 2010, had a riverboat conducting riverboat gambling  
3 operations pursuant to a license issued under this Act ~~south of~~  
4 Marshall County. The Board shall issue one additional license  
5 to become effective not earlier than March 1, 1992, which shall  
6 authorize riverboat gambling on the Des Plaines River in Will  
7 County. The Board may issue 4 additional licenses to become  
8 effective not earlier than March 1, 1992. In determining the  
9 water upon which riverboats will operate, the Board shall  
10 consider the economic benefit which riverboat gambling confers  
11 on the State, and shall seek to assure that all regions of the  
12 State share in the economic benefits of riverboat gambling.

13 In granting all licenses, the Board may give favorable  
14 consideration to economically depressed areas of the State, to  
15 applicants presenting plans which provide for significant  
16 economic development over a large geographic area, and to  
17 applicants who currently operate non-gambling riverboats in  
18 Illinois. The Board shall review all applications for owners  
19 licenses, and shall inform each applicant of the Board's  
20 decision. The Board may grant an owners license to an applicant  
21 that has not submitted the highest license bid, but if it does  
22 not select the highest bidder, the Board shall issue a written  
23 decision explaining why another applicant was selected and  
24 identifying the factors set forth in this Section that favored  
25 the winning bidder. The fee for issuance or renewal of a  
26 license pursuant to this subsection (e) shall be \$100,000.

1       (e-5) In addition to licenses authorized under subsection  
2 (e) of this Section:

3           (1) the Board shall issue one owners license  
4 authorizing the conduct of casino gambling in the City of  
5 Chicago;

6           (2) the Board may issue one owners license authorizing  
7 the conduct of riverboat gambling in the City of Danville;

8           (3) the Board may issue one owners license authorizing  
9 the conduct of riverboat gambling located in one of the  
10 following municipalities in Lake County: Park City, North  
11 Chicago, or Waukegan;

12           (4) the Board may issue one owners license authorizing  
13 the conduct of riverboat gambling in the City of Rockford;  
14 and

15           (5) the Board may issue one owners license authorizing  
16 the conduct of riverboat gambling in a municipality that is  
17 located in one of the following townships of Cook County:  
18 Bloom, Bremen, Calumet, Rich, Thornton, or Worth Township.

19       Each application for a license pursuant to this subsection  
20 (e-5) shall be submitted to the Board no later than 6 months  
21 after the effective date of this amendatory Act of the 98th  
22 General Assembly and shall include the non-refundable  
23 application fee and the non-refundable background  
24 investigation fee as provided in subsection (d) of Section 6 of  
25 this Act. In the event that an applicant submits an application  
26 for a license pursuant to this subsection (e-5) prior to the

1 effective date of this amendatory Act of the 98th General  
2 Assembly, such applicant shall submit the non-refundable  
3 application fee and background investigation fee as provided in  
4 subsection (d) of Section 6 of this Act no later than 6 months  
5 after the effective date of this amendatory Act of the 98th  
6 General Assembly.

7 The Board shall consider issuing a license pursuant to  
8 paragraphs (2) through (5) of this subsection only after the  
9 corporate authority of the municipality in which the riverboat  
10 shall be located has certified to the Board the following:

11 (i) that the applicant has negotiated with the  
12 corporate authority in good faith;

13 (ii) that the applicant and the corporate authority  
14 have mutually agreed on the permanent location of the  
15 riverboat;

16 (iii) that the applicant and the corporate authority  
17 have mutually agreed on the temporary location of the  
18 riverboat;

19 (iv) that the applicant and the corporate authority  
20 have mutually agreed on the percentage of revenues that  
21 will be shared with the municipality, if any; and

22 (v) that the applicant and the corporate authority have  
23 mutually agreed on any zoning, licensing, public health, or  
24 other issues that are within the jurisdiction of the  
25 municipality.

26 At least 7 days before the corporate authority of a

1 municipality submits a certification to the Board concerning  
2 items (i) through (v) of this subsection, it shall hold a  
3 public hearing to discuss items (i) through (v), as well as any  
4 other details concerning the proposed riverboat in the  
5 municipality. The corporate authority must subsequently  
6 memorialize the details concerning the proposed riverboat or  
7 casino in a resolution that must be adopted by a majority of  
8 the corporate authority before any certification is sent to the  
9 Board. The Board shall not alter, amend, change, or otherwise  
10 interfere with any agreement between the applicant and the  
11 corporate authority of the municipality regarding the location  
12 of any temporary or permanent facility.

13 (e-10) The licenses authorized under subsection (e-5) of  
14 this Section shall be issued within 12 months after the date  
15 the license application is submitted. If the Board does not  
16 issue the licenses within that time period, then the Board  
17 shall give a written explanation to the applicant as to why it  
18 has not reached a determination. The Board shall issue the  
19 license within 6 months after giving the written explanation to  
20 the applicant. The fee for the issuance or renewal of a license  
21 issued pursuant to this subsection (e-10) shall be \$100,000.  
22 Additionally, a licensee located outside of Cook County shall  
23 pay a minimum initial fee of \$17,500 per gaming position, and a  
24 licensee located in Cook County shall pay a minimum initial fee  
25 of \$30,000 per gaming position. The initial fees payable under  
26 this subsection (e-10) shall be deposited into the Gaming

1 Facilities Fee Revenue Fund.

2 (e-15) Each licensee of a license authorized under  
3 subsection (e-5) of this Section shall make a reconciliation  
4 payment 3 years after the date the licensee begins operating in  
5 an amount equal to 75% of the adjusted gross receipts for the  
6 most lucrative 12-month period of operations, minus an amount  
7 equal to the initial payment per gaming position paid by the  
8 specific licensee. If this calculation results in a negative  
9 amount, then the licensee is not entitled to any reimbursement  
10 of fees previously paid. This reconciliation payment may be  
11 made in installments over a period of no more than 2 years,  
12 subject to Board approval. Any installment payments shall  
13 include an annual market interest rate as determined by the  
14 Board. All payments by licensees under this subsection (e-15)  
15 shall be deposited into the Gaming Facilities Fee Revenue Fund.

16 (e-20) In addition to any other revocation powers granted  
17 to the Board under this Act, the Board may revoke the owners  
18 license of a licensee, other than the Chicago Casino  
19 Development Authority, which fails to begin conducting  
20 gambling within 15 months of receipt of the Board's approval of  
21 the application if the Board determines that license revocation  
22 is in the best interests of the State.

23 (f) The first 10 owners licenses issued under this Act  
24 shall permit the holder to own up to 2 riverboats and equipment  
25 thereon for a period of 3 years after the effective date of the  
26 license. Holders of the first 10 owners licenses must pay the

1 annual license fee for each of the 3 years during which they  
2 are authorized to own riverboats.

3 (g) Upon the termination, expiration, or revocation of each  
4 of the first 10 licenses, which shall be issued for a 3 year  
5 period, all licenses are renewable annually upon payment of the  
6 fee and a determination by the Board that the licensee  
7 continues to meet all of the requirements of this Act and the  
8 Board's rules. However, for licenses renewed on or after May 1,  
9 1998, including casino operator licenses, renewal shall be for  
10 a period of 4 years, unless the Board sets a shorter period.  
11 Notwithstanding any provision in this subsection (g) to the  
12 contrary, any license that is awarded to the Chicago Casino  
13 Development Authority shall not expire, but it shall be subject  
14 to the provisions of this Act and the rules of the Board.

15 (h) An owners license, except for an owners license issued  
16 under subsection (e-5) of this Section, shall entitle the  
17 licensee to own up to 2 riverboats.

18 An owners licensee of a casino or riverboat that is located  
19 in the City of Chicago pursuant to paragraph (1) of subsection  
20 (e-5) of this Section shall limit the number of gaming  
21 positions to 4,000 for such owner. All other owners licensees A  
22 licensee shall limit the number of gaming positions ~~gambling~~  
23 ~~participants~~ to 1,200 for any such owners license, except as  
24 further provided in subsection (h-10) of this Section. The  
25 initial fee for each gaming position obtained on or after the  
26 effective date of this amendatory Act of the 98th General



1 Assembly shall be a minimum of \$17,500 for licensees not  
2 located in Cook County and a minimum of \$30,000 for licensees  
3 located in Cook County, in addition to the reconciliation  
4 payment, as set forth in subsections (e-15) or (h-5) of this  
5 Section.

6 Each owners licensee shall reserve its gaming positions  
7 within 90 days after issuance of its owners license. The Board  
8 may grant an extension to this 90-day period, provided that the  
9 owners licensee submits a written request and explanation as to  
10 why it is unable to reserve its positions within the 90-day  
11 period.

12 A licensee may operate both of its riverboats concurrently,  
13 provided that the total number of gaming positions ~~gambling~~  
14 ~~participants~~ on both riverboats does not exceed the limit  
15 established pursuant to this subsection and subsection (h-10)  
16 of this Section 1,200. Riverboats licensed to operate on the  
17 Mississippi River and the Illinois River south of Marshall  
18 County shall have an authorized capacity of at least 500  
19 persons. Any other riverboat licensed under this Act shall have  
20 an authorized capacity of at least 400 persons.

21 (h-5) An owners licensee who conducted gambling operations  
22 prior to January 1, 2012 and purchases positions pursuant to  
23 subsection (h-10) of this Section on or after the effective  
24 date of this amendatory Act of the 98th General Assembly must  
25 pay a minimum initial fee of \$17,500 per gaming position if the  
26 licensee is located outside Cook County and a minimum initial

1 fee of \$30,000 per gaming position if the licensee is located  
2 in Cook County, as stated in subsection (h) of this Section.  
3 These initial fees shall be deposited into the Gaming  
4 Facilities Fee Revenue Fund. Additionally, that owners  
5 licensee shall make a reconciliation payment 3 years after any  
6 additional gaming positions obtained pursuant to subsection  
7 (h-10) begin operating in an amount equal to 75% of the owners  
8 licensee's average gross receipts for the most lucrative  
9 12-month period of operations minus an amount equal to the  
10 initial fee that the owners licensee paid per additional gaming  
11 position. For purposes of this subsection (h-5), "average gross  
12 receipts" means (i) the increase in adjusted gross receipts for  
13 the most lucrative 12-month period of operations over the  
14 adjusted gross receipts for 2013, multiplied by (ii) the  
15 percentage derived by dividing the number of additional gaming  
16 positions that an owners licensee had obtained pursuant to  
17 subsection (h-10) by the total number of gaming positions  
18 operated by the owners licensee. If this calculation results in  
19 a negative amount, then the owners licensee is not entitled to  
20 any reimbursement of fees previously paid. This reconciliation  
21 payment may be made in installments over a period of no more  
22 than 2 years, subject to Board approval. Any installment  
23 payments shall include an annual market interest rate as  
24 determined by the Board. These reconciliation payments shall be  
25 deposited into the Gaming Facilities Fee Revenue Fund.

26 (h-10) For owners licensees authorized under paragraphs

1 (2) through (5) of subsection (e-5) of this Section, the  
2 application for such new owners licenses shall ask the  
3 applicants to stipulate in their applications the number of  
4 gaming positions each applicant would like to reserve, up to  
5 1,200 gaming positions. Once the last winning applicant for  
6 each of these owners licenses has been selected by the Board,  
7 the Board shall publish the number of gaming positions reserved  
8 and unreserved by each winning applicant, shall accept requests  
9 for additional gaming positions from any winning applicants or  
10 owners licensee who initially reserved 1,200 gaming positions,  
11 and shall allocate expeditiously the unreserved gaming  
12 positions to such requesting winning applicants or owners  
13 licensees in a manner to maximize revenue to the State. The  
14 Board may allocate any such unused gaming positions through a  
15 competitive bidding process pursuant to Section 7.5 of this  
16 Act.

17 In the event that not all of the unreserved gaming  
18 positions described in the first and second paragraphs of this  
19 subsection (h-10) were requested by owners licensees and  
20 applicants, then until there are no longer unreserved gaming  
21 positions, the Board periodically shall govern a process to  
22 allocate the unreserved gaming positions in a manner to  
23 maximize revenue to the State.

24 Unreserved gaming positions retained from and allocated to  
25 owners licensees by the Board pursuant to this subsection  
26 (h-10) shall not be allocated to electronic gaming licensees

1 pursuant to subsection (e) of Section 7.6 of this Act.

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

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

23 (k) An owners licensee may conduct land-based gambling  
24 operations upon approval by the Board.

25 (l) An owners licensee may conduct gaming at a temporary  
26 facility pending the construction of a permanent facility or

1 the remodeling or relocation of an existing facility to  
2 accommodate gaming participants for up to 24 months after the  
3 temporary facility begins to conduct gaming. Upon request by an  
4 owners licensee and upon a showing of good cause by the owners  
5 licensee, the Board shall extend the period during which the  
6 licensee may conduct gaming at a temporary facility by up to 12  
7 months. The Board shall make rules concerning the conduct of  
8 gaming from temporary facilities.

9 (Source: P.A. 96-1392, eff. 1-1-11; 97-1150, eff. 1-25-13.)

10 (230 ILCS 10/7.3)

11 Sec. 7.3. State conduct of gambling operations.

12 (a) If, after reviewing each application for a re-issued  
13 license, the Board determines that the highest prospective  
14 total revenue to the State would be derived from State conduct  
15 of the gambling operation in lieu of re-issuing the license,  
16 the Board shall inform each applicant of its decision. The  
17 Board shall thereafter have the authority, without obtaining an  
18 owners license, to conduct casino or riverboat gambling  
19 operations as previously authorized by the terminated,  
20 expired, revoked, or nonrenewed license through a licensed  
21 manager selected pursuant to an open and competitive bidding  
22 process as set forth in Section 7.5 and as provided in Section  
23 7.4.

24 (b) The Board may locate any casino or riverboat on which a  
25 gambling operation is conducted by the State in any home dock

1 or other location authorized by Section 3(c) upon receipt of  
2 approval from a majority vote of the governing body of the  
3 municipality or county, as the case may be, in which the  
4 riverboat will dock.

5 (c) The Board shall have jurisdiction over and shall  
6 supervise all gambling operations conducted by the State  
7 provided for in this Act and the Chicago Casino Development  
8 Authority Act and shall have all powers necessary and proper to  
9 fully and effectively execute the provisions of this Act and  
10 the Chicago Casino Development Authority Act relating to  
11 gambling operations conducted by the State.

12 (d) The maximum number of owners licenses authorized under  
13 Section 7 ~~7(e)~~ shall be reduced by one for each instance in  
14 which the Board authorizes the State to conduct a casino or  
15 riverboat gambling operation under subsection (a) in lieu of  
16 re-issuing a license to an applicant under Section 7.1.

17 (Source: P.A. 93-28, eff. 6-20-03.)

18 (230 ILCS 10/7.5)

19 Sec. 7.5. Competitive Bidding. When the Board determines  
20 that (i) it will re-issue an owners license pursuant to an open  
21 and competitive bidding process, as set forth in Section 7.1,  
22 (ii) ~~or that~~ it will issue a managers license pursuant to an  
23 open and competitive bidding process, as set forth in Section  
24 7.4, (iii) it will issue an owners license pursuant to an open  
25 and competitive bidding process, as set forth in Section 7.11,

1 or (iv) it will allocate unused gaming positions pursuant to an  
2 open and competitive bidding process, as set forth in  
3 subsection (h-10) of Section 7, the open and competitive  
4 bidding process shall adhere to the following procedures:

5 (1) The Board shall make applications for owners and  
6 managers licenses available to the public and allow a  
7 reasonable time for applicants to submit applications to the  
8 Board.

9 (2) During the filing period for owners or managers license  
10 applications, the Board may retain the services of an  
11 investment banking firm to assist the Board in conducting the  
12 open and competitive bidding process.

13 (3) After receiving all of the bid proposals, the Board  
14 shall open all of the proposals in a public forum and disclose  
15 the prospective owners or managers names, venture partners, if  
16 any, and, in the case of applicants for owners licenses, the  
17 locations of the proposed development sites.

18 (4) The Board shall summarize the terms of the proposals  
19 and may make this summary available to the public.

20 (5) The Board shall evaluate the proposals within a  
21 reasonable time and select no more than 3 final applicants to  
22 make presentations of their proposals to the Board.

23 (6) The final applicants shall make their presentations to  
24 the Board on the same day during an open session of the Board.

25 (7) As soon as practicable after the public presentations  
26 by the final applicants, the Board, in its discretion, may

1 conduct further negotiations among the 3 final applicants.  
2 During such negotiations, each final applicant may increase its  
3 license bid or otherwise enhance its bid proposal. At the  
4 conclusion of such negotiations, the Board shall select the  
5 winning proposal. In the case of negotiations for an owners  
6 license, the Board may, at the conclusion of such negotiations,  
7 make the determination allowed under Section 7.3(a).

8 (8) Upon selection of a winning bid, the Board shall  
9 evaluate the winning bid within a reasonable period of time for  
10 licensee suitability in accordance with all applicable  
11 statutory and regulatory criteria.

12 (9) If the winning bidder is unable or otherwise fails to  
13 consummate the transaction, (including if the Board determines  
14 that the winning bidder does not satisfy the suitability  
15 requirements), the Board may, on the same criteria, select from  
16 the remaining bidders or make the determination allowed under  
17 Section 7.3(a).

18 (Source: P.A. 93-28, eff. 6-20-03.)

19 (230 ILCS 10/7.6 new)

20 Sec. 7.6. Electronic gaming.

21 (a) The General Assembly finds that the horse racing and  
22 riverboat gambling industries share many similarities and  
23 collectively comprise the bulk of the State's gaming industry.  
24 One feature common to both industries is that each is highly  
25 regulated by the State of Illinois. The General Assembly



1 further finds, however, that despite their shared features each  
2 industry is distinct from the other in that horse racing is and  
3 continues to be intimately tied to Illinois' agricultural  
4 economy and is, at its core, a spectator sport. This  
5 distinction requires the General Assembly to utilize different  
6 methods to regulate and promote the horse racing industry  
7 throughout the State. The General Assembly finds that in order  
8 to promote live horse racing as a spectator sport in Illinois  
9 and the agricultural economy of this State, it is necessary to  
10 allow electronic gaming at Illinois race tracks as an ancillary  
11 use given the success of other states in increasing live racing  
12 purse accounts and improving the quality of horses  
13 participating in horse race meetings.

14 (b) The Illinois Gaming Board shall award one electronic  
15 gaming license to each person or entity having operating  
16 control of a race track that applies under Section 56 of the  
17 Illinois Horse Racing Act of 1975, subject to the application  
18 and eligibility requirements of this Section. Within 60 days  
19 after the effective date of this amendatory Act of the 98th  
20 General Assembly, a person or entity having operating control  
21 of a race track may submit an application for an electronic  
22 gaming license. The application shall be made on such forms as  
23 provided by the Board and shall contain such information as the  
24 Board prescribes, including, but not limited to, the identity  
25 of any race track at which electronic gaming will be conducted,  
26 detailed information regarding the ownership and management of

1 the applicant, and detailed personal information regarding the  
2 applicant. The application shall specify the number of gaming  
3 positions the applicant intends to use and the place where the  
4 electronic gaming facility will operate. A person who knowingly  
5 makes a false statement on an application is guilty of a Class  
6 A misdemeanor.

7 Each applicant shall disclose the identity of every person  
8 or entity having a direct or indirect pecuniary interest  
9 greater than 1% in any race track with respect to which the  
10 license is sought. If the disclosed entity is a corporation,  
11 the applicant shall disclose the names and addresses of all  
12 stockholders and directors. If the disclosed entity is a  
13 limited liability company, the applicant shall disclose the  
14 names and addresses of all members and managers. If the  
15 disclosed entity is a partnership, the applicant shall disclose  
16 the names and addresses of all partners, both general and  
17 limited. If the disclosed entity is a trust, the applicant  
18 shall disclose the names and addresses of all beneficiaries.

19 An application shall be filed and considered in accordance  
20 with the rules of the Board. Each application for an electronic  
21 gaming license shall include a non-refundable application fee  
22 of \$100,000. In addition, a non-refundable fee of \$50,000 shall  
23 be paid at the time of filing to defray the costs associated  
24 with background investigations conducted by the Board. If the  
25 costs of the background investigation exceed \$50,000, the  
26 applicant shall pay the additional amount to the Board within 7

1 days after a request by the Board. If the costs of the  
2 investigation are less than \$50,000, the applicant shall  
3 receive a refund of the remaining amount. All information,  
4 records, interviews, reports, statements, memoranda, or other  
5 data supplied to or used by the Board in the course of this  
6 review or investigation of an applicant for an electronic  
7 gaming license under this Act shall be privileged and strictly  
8 confidential and shall be used only for the purpose of  
9 evaluating an applicant for an electronic gaming license or a  
10 renewal. Such information, records, interviews, reports,  
11 statements, memoranda, or other data shall not be admissible as  
12 evidence nor discoverable in any action of any kind in any  
13 court or before any tribunal, board, agency or person, except  
14 for any action deemed necessary by the Board. The application  
15 fee shall be deposited into the Gaming Facilities Fee Revenue  
16 Fund.

17 Each applicant shall submit with his or her application, on  
18 forms provided by the Board, 2 sets of his or her fingerprints.  
19 The Board shall charge each applicant a fee set by the  
20 Department of State Police to defray the costs associated with  
21 the search and classification of fingerprints obtained by the  
22 Board with respect to the applicant's application. This fee  
23 shall be paid into the State Police Services Fund.

24 (c) The Board shall determine within 120 days after  
25 receiving an application for an electronic gaming license,  
26 whether to grant an electronic gaming license to the applicant.

1 If the Board does not make a determination within that time  
2 period, then the Board shall give a written explanation to the  
3 applicant as to why it has not reached a determination and when  
4 it reasonably expects to make a determination.

5 The electronic gaming licensee shall purchase up to the  
6 amount of electronic gaming positions authorized under this Act  
7 within 120 days after receiving its electronic gaming license.  
8 If an electronic gaming licensee is prepared to purchase the  
9 electronic gaming positions, but is temporarily prohibited  
10 from doing so by order of a court of competent jurisdiction or  
11 the Board, then the 120-day period is tolled until a resolution  
12 is reached.

13 An electronic gaming license shall authorize its holder to  
14 conduct electronic gaming at its race track at the following  
15 times:

16 (1) On days when it conducts live racing at the track  
17 where its electronic gaming facility is located, from 8:00  
18 a.m. until 3:00 a.m. on the following day.

19 (2) On days when it is scheduled to conduct simulcast  
20 wagering on races run in the United States, from 8:00 a.m.  
21 until 3:00 a.m. on the following day.

22 Additionally, the Board may extend these days of operation  
23 and hours upon request by an organization licensee as the Board  
24 sees fit.

25 A license to conduct electronic gaming and any renewal of  
26 an electronic gaming license shall authorize electronic gaming

1 for a period of 4 years. The fee for the issuance or renewal of  
2 an electronic gaming license shall be \$100,000.

3 (d) To be eligible to conduct electronic gaming, a person,  
4 firm, or corporation having operating control of a race track  
5 must (i) obtain an electronic gaming license, (ii) hold an  
6 organization license under the Illinois Horse Racing Act of  
7 1975, (iii) hold an inter-track wagering license, (iv) pay an  
8 initial fee of \$30,000 per gaming position from electronic  
9 gaming licensees where electronic gaming is conducted in Cook  
10 County and \$17,500 for electronic gaming licensees where  
11 electronic gaming is located outside of Cook County before  
12 beginning to conduct electronic gaming plus make the  
13 reconciliation payment required under subsection (i), (v)  
14 conduct at least 240 live races at each track per year or for a  
15 licensee that is only authorized 350 gaming positions pursuant  
16 to subsection (d) of Section 7.6 of this Act, 96 live races per  
17 year until such time as the total number of gaming positions is  
18 increased to 900, (vi) meet the requirements of subsection (a)  
19 of Section 56 of the Illinois Horse Racing Act of 1975, (vii)  
20 for organization licensees conducting standardbred race  
21 meetings that had an open backstretch in 2009, keep backstretch  
22 barns and dormitories open and operational year-round unless a  
23 lesser schedule is mutually agreed to by the organization  
24 licensee and the horsemen's association racing at that  
25 organization licensee's race meeting, (viii) for organization  
26 licensees conducting thoroughbred race meetings, the

1 organization licensee must maintain accident medical expense  
2 liability insurance coverage of \$1,000,000 for jockeys, and  
3 (ix) meet all other requirements of this Act that apply to  
4 owners licensees. Only those persons, firms, or corporations  
5 (or its successors or assigns) that had operating control of a  
6 race track and held an inter-track wagering license authorized  
7 by the Illinois Racing Board in 2009 are eligible.

8 An electronic gaming licensee may enter into a joint  
9 venture with a licensed owner to own, manage, conduct, or  
10 otherwise operate the electronic gaming licensee's electronic  
11 gaming facilities, unless the electronic gaming licensee has a  
12 parent company or other affiliated company that is, directly or  
13 indirectly, wholly owned by a parent company that is also  
14 licensed to conduct electronic gaming, casino gaming, or their  
15 equivalent in another state.

16 All payments by licensees under this subsection (c) shall  
17 be deposited into the Gaming Facilities Fee Revenue Fund.

18 (e) A person or entity is ineligible to receive an owners  
19 license if:

20 (1) the person or entity has been convicted of a felony  
21 under the laws of this State, any other state, or the  
22 United States, including a conviction under the Racketeer  
23 Influenced and Corrupt Organizations Act;

24 (2) the person or entity has been convicted of any  
25 violation of Article 28 of the Criminal Code of 2012, or  
26 substantially similar laws of any other jurisdiction;

1           (3) the person or entity has submitted an application  
2           for a license under this Act that contains false  
3           information;

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

5           (5) a person defined in (1), (2), (3), or (4) of this  
6           subsection (e) is an officer, director, or managerial  
7           employee of the entity;

8           (6) the person or entity employs a person defined in  
9           (1), (2), (3), or (4) of this subsection (e) who  
10           participates in the management or operation of gambling  
11           operations authorized under this Act; or

12           (7) a license of the person or entity issued under this  
13           Act or a license to own or operate gambling facilities in  
14           any other jurisdiction has been revoked.

15           (f) The Board may approve electronic gaming positions  
16           statewide as provided in this Section. The authority to operate  
17           electronic gaming positions under this Section shall be  
18           allocated as follows: up to 1,200 gaming positions for any  
19           electronic gaming licensee in Cook County whose electronic  
20           gaming license originates with an organization licensee that  
21           conducted live racing in calendar year 2010; up to 900 gaming  
22           positions for any electronic gaming licensee outside of Cook  
23           County whose electronic gaming license originates with an  
24           organization licensee that conducted live racing in calendar  
25           year 2010; and up to 350 gaming positions for any electronic  
26           gaming licensee whose electronic gaming license originates

1 with an organization licensee that did not conduct live racing  
2 in calendar year 2010, which shall increase to 900 gaming  
3 positions in the calendar year following the year in which the  
4 electronic gaming licensee conducts 96 live races.

5 (g) Each applicant for an electronic gaming license shall  
6 specify in its application for licensure the number of gaming  
7 positions it will operate, up to the applicable limitation set  
8 forth in subsection (f) of this Section. Any unreserved gaming  
9 positions that are not specified shall be forfeited and  
10 retained by the Board. For the purposes of this subsection (g),  
11 an electronic gaming licensee that did not conduct live racing  
12 in 2010 may reserve up to 900 positions and shall not be  
13 penalized under this Section for not operating those positions  
14 until it meets the requirements of subsection (f) of this  
15 Section, but such licensee shall not request unreserved gaming  
16 positions under this subsection (g) until its 900 positions are  
17 all operational.

18 Thereafter, the Board shall publish the number of  
19 unreserved electronic gaming positions and shall accept  
20 requests for additional positions from any electronic gaming  
21 licensee that initially reserved all of the positions that were  
22 offered. The Board shall allocate expeditiously the unreserved  
23 electronic gaming positions to requesting electronic gaming  
24 licensees in a manner that maximizes revenue to the State. The  
25 Board may allocate any such unused electronic gaming positions  
26 pursuant to an open and competitive bidding process, as



1 provided under Section 7.5 of this Act. This process shall  
2 continue until all unreserved gaming positions have been  
3 purchased. All positions obtained pursuant to this process and  
4 all positions the electronic gaming licensee specified it would  
5 operate in its application must be in operation within 18  
6 months after they were obtained or the electronic gaming  
7 licensee forfeits the right to operate those positions, but is  
8 not entitled to a refund of any fees paid. The Board may, after  
9 holding a public hearing, grant extensions so long as the  
10 electronic gaming licensee is working in good faith to make the  
11 positions operational. The extension may be for a period of 6  
12 months. If, after the period of the extension, the electronic  
13 gaming licensee has not made the positions operational, then  
14 another public hearing must be held by the Board before it may  
15 grant another extension.

16 Unreserved gaming positions retained from and allocated to  
17 electronic gaming licensees by the Board pursuant to this  
18 subsection (g) shall not be allocated to owners licensees  
19 pursuant to subsection (h-10) of Section 7 of this Act.

20 For the purpose of this subsection (g), the unreserved  
21 gaming positions for each electronic gaming licensee shall be  
22 the applicable limitation set forth in subsection (f) of this  
23 Section, less the number of reserved gaming positions by such  
24 electronic gaming licensee, and the total unreserved gaming  
25 positions shall be the aggregate of the unreserved gaming  
26 positions for all electronic gaming licensees.

1       (h) Subject to the approval of the Illinois Gaming Board,  
2 an electronic gaming licensee may make modification or  
3 additions to any existing buildings and structures to comply  
4 with the requirements of this Act. The Illinois Gaming Board  
5 shall make its decision after consulting with the Illinois  
6 Racing Board. In no case, however, shall the Illinois Gaming  
7 Board approve any modification or addition that alters the  
8 grounds of the organizational licensee such that the act of  
9 live racing is an ancillary activity to electronic gaming.  
10 Electronic gaming may take place in existing structures where  
11 inter-track wagering is conducted at the race track or a  
12 facility within 300 yards of the race track in accordance with  
13 the provisions of this Act and the Illinois Horse Racing Act of  
14 1975.

15       (i) An electronic gaming licensee may conduct electronic  
16 gaming at a temporary facility pending the construction of a  
17 permanent facility or the remodeling or relocation of an  
18 existing facility to accommodate electronic gaming  
19 participants for up to 24 months after the temporary facility  
20 begins to conduct electronic gaming. Upon request by an  
21 electronic gaming licensee and upon a showing of good cause by  
22 the electronic gaming licensee, the Board shall extend the  
23 period during which the licensee may conduct electronic gaming  
24 at a temporary facility by up to 12 months. The Board shall  
25 make rules concerning the conduct of electronic gaming from  
26 temporary facilities.

1       Electronic gaming may take place in existing structures  
2 where inter-track wagering is conducted at the race track or a  
3 facility within 300 yards of the race track in accordance with  
4 the provisions of this Act and the Illinois Horse Racing Act of  
5 1975. Any electronic gaming conducted at a permanent facility  
6 within 300 yards of the race track in accordance with this Act  
7 and the Illinois Horse Racing Act of 1975 shall have an  
8 all-weather egress connecting the electronic gaming facility  
9 and the race track facility or, on days and hours of live  
10 racing, a complimentary shuttle service between the permanent  
11 electronic gaming facility and the race track facility and  
12 shall not charge electronic gaming participants an additional  
13 admission fee to the race track facility.

14       (j) The Illinois Gaming Board must adopt emergency rules in  
15 accordance with Section 5-45 of the Illinois Administrative  
16 Procedure Act as necessary to ensure compliance with the  
17 provisions of this amendatory Act of the 98th General Assembly  
18 concerning electronic gaming. The adoption of emergency rules  
19 authorized by this subsection (j) shall be deemed to be  
20 necessary for the public interest, safety, and welfare.

21       (k) Each electronic gaming licensee who obtains electronic  
22 gaming positions must make a reconciliation payment 3 years  
23 after the date the electronic gaming licensee begins operating  
24 the positions in an amount equal to 75% of the difference  
25 between its adjusted gross receipts from electronic gaming and  
26 amounts paid to its purse accounts pursuant to item (1) of

1 subsection (b) of Section 56 of the Illinois Horse Racing Act  
2 of 1975 for the 12-month period for which such difference was  
3 the largest, minus an amount equal to the initial per position  
4 fee paid by the electronic gaming licensee. If this calculation  
5 results in a negative amount, then the electronic gaming  
6 licensee is not entitled to any reimbursement of fees  
7 previously paid. This reconciliation payment may be made in  
8 installments over a period of no more than 2 years, subject to  
9 Board approval. Any installment payments shall include an  
10 annual market interest rate as determined by the Board.

11 All payments by licensees under this subsection (i) shall  
12 be deposited into the Gaming Facilities Fee Revenue Fund.

13 (1) As soon as practical after a request is made by the  
14 Illinois Gaming Board, to minimize duplicate submissions by the  
15 applicant, the Illinois Racing Board must provide information  
16 on an applicant for an electronic gaming license to the  
17 Illinois Gaming Board.

18 (m) Subject to the approval of the Illinois Gaming Board,  
19 an organization licensee that has received an electronic gaming  
20 license under this Act and has operating control of a race  
21 track facility located in Cook County may relocate its race  
22 track facility as follows:

23 (1) the organization licensee may relocate within a  
24 3-mile radius of its existing race track facility so long  
25 as the organization licensee remains in Cook County and  
26 submits its plan to construct a new structure to conduct

1       electronic gaming operations; and

2           (2) the organization licensee may not relocate within a  
3       5-mile radius of a riverboat if the owners license was  
4       issued prior to December 31, 2011.

5       The relocation must include the race track facility, including  
6       the race track operations used to conduct live racing and the  
7       electronic gaming facility in its entirety. For the purposes of  
8       this subsection (m), "race track facility" means all operations  
9       conducted on the race track property for which it was awarded a  
10       license for pari-mutuel wagering and live racing in the year  
11       2010, except for the real estate itself. The Illinois Gaming  
12       Board shall make its decision after consulting with the  
13       Illinois Racing Board, and any relocation application shall be  
14       subject to all of the provisions of this Act and the Illinois  
15       Horse Racing Act of 1975.

16           (230 ILCS 10/7.7 new)

17       Sec. 7.7. Home rule. The regulation and licensing of  
18       electronic gaming and electronic gaming licensees are  
19       exclusive powers and functions of the State. A home rule unit  
20       may not regulate or license electronic gaming or electronic  
21       gaming licensees. This Section is a denial and limitation of  
22       home rule powers and functions under subsection (h) of Section  
23       6 of Article VII of the Illinois Constitution.

24           (230 ILCS 10/7.8 new)

1       Sec. 7.8. Casino operator license.

2       (a) A qualified person may apply to the Board for a casino  
3 operator license to operate and manage any gambling operation  
4 conducted by the Authority. The application shall be made on  
5 forms provided by the Board and shall contain such information  
6 as the Board prescribes, including but not limited to  
7 information required in Sections 6(a), (b), and (c) and  
8 information relating to the applicant's proposed price to  
9 manage the Authority's gambling operations and to provide the  
10 casino, gambling equipment, and supplies necessary to conduct  
11 Authority gambling operations. The application shall also  
12 include a non-refundable application fee of \$100,000. This  
13 application fee shall be deposited into the Gaming Facilities  
14 Fee Revenue Fund.

15       (b) A person, firm, or corporation is ineligible to receive  
16 a casino operator license if:

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

19           (2) the person has been convicted of any violation of  
20 Article 28 of the Criminal Code of 2012, or substantially  
21 similar laws of any other jurisdiction;

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

24           (4) the person is a member of the Board or the Chicago  
25 Casino Development Board or the person is an official or  
26 employee of the Chicago Casino Development Authority or the

1 City of Chicago;

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

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

9 (7) a license of the person, firm, or corporation  
10 issued under this Act, or a license to own or operate  
11 gambling facilities in any other jurisdiction, has been  
12 revoked.

13 (c) In determining whether to grant a casino operator  
14 license, the Board shall consider:

15 (1) the character, reputation, experience and  
16 financial integrity of the applicants and of any other or  
17 separate person that either:

18 (A) controls, directly or indirectly, such  
19 applicant, or

20 (B) is controlled, directly or indirectly, by such  
21 applicant or by a person which controls, directly or  
22 indirectly, such applicant;

23 (2) the facilities or proposed facilities for the  
24 conduct of gambling;

25 (3) the preference of the municipality in which the  
26 licensee will operate;

1           (4) the extent to which the ownership of the applicant  
2           reflects the diversity of the State by including minority  
3           persons and females and the good faith affirmative action  
4           plan of each applicant to recruit, train, and upgrade  
5           minority persons and females in all employment  
6           classifications;

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

9           (6) whether the applicant has adequate capitalization  
10           to provide and maintain, for the duration of a license, a  
11           casino; and

12           (7) the extent to which the applicant exceeds or meets  
13           other standards for the issuance of a managers license that  
14           the Board may adopt by rule.

15           (d) Each applicant shall submit with his or her  
16           application, on forms prescribed by the Board, 2 sets of his or  
17           her fingerprints. The Board shall charge each applicant a fee  
18           set by the Department of State Police to defray the costs  
19           associated with the search and classification of fingerprints  
20           obtained by the Board with respect to the applicant's  
21           application. This fee shall be paid into the State Police  
22           Services Fund.

23           (e) A person who knowingly makes a false statement on an  
24           application is guilty of a Class A misdemeanor.

25           (f) The Board shall charge each applicant a non-refundable  
26           fee of \$50,000 to defray the costs associated with the



1 background investigation conducted by the Board. This fee shall  
2 be exclusive of any other fee or fees charged in connection  
3 with an application for and, if applicable, the issuance of, a  
4 casino operator license. If the costs of the investigation  
5 exceed \$50,000, the Board shall immediately notify the  
6 applicant of the additional amount owed, payment of which must  
7 be submitted to the Board within 7 days after such  
8 notification. All information, records, interviews, reports,  
9 statements, memoranda, or other data supplied to or used by the  
10 Board in the course of its review or investigation of an  
11 application for a license or a renewal under this Act shall be  
12 privileged and strictly confidential, and shall be used only  
13 for the purpose of evaluating an applicant for a license or a  
14 renewal. Such information, records, interviews, reports,  
15 statements, memoranda, or other data shall not be admissible as  
16 evidence, nor discoverable in any action of any kind in any  
17 court or before any tribunal, board, agency, or person, except  
18 for any action deemed necessary by the Board.

19 (g) The casino operator license shall be issued only upon  
20 proof that the applicant has entered into a labor peace  
21 agreement with each labor organization that is actively engaged  
22 in representing and attempting to represent casino and  
23 hospitality industry workers in this State. The labor peace  
24 agreement must be a valid and enforceable agreement under 29  
25 U.S.C. 185 that protects the city's and State's revenues from  
26 the operation of the casino facility by prohibiting the labor

1 organization and its members from engaging in any picketing,  
2 work stoppages, boycotts, or any other economic interference  
3 with the casino facility for at least the first 5 years of the  
4 casino license and must cover all operations at the casino  
5 facility that are conducted by lessees or tenants or under  
6 management agreements.

7 (h) The casino operator license shall be for a term of 4  
8 years, shall be renewable by the Board, and shall contain such  
9 terms and provisions as the Board deems necessary to protect or  
10 enhance the credibility and integrity of State gambling  
11 operations, achieve the highest prospective total revenue to  
12 the State, and otherwise serve the interests of the citizens of  
13 Illinois. The Board may revoke the 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, firm, or  
5 corporation may not be ineligible to receive an owners license  
6 under subsection (a) of Section 7 of this Act and must submit  
7 an application for an owners license that complies with Section  
8 6 of this Act.

9 (c) In determining whether to grant an owners license to an  
10 applicant, the Board shall consider all of the factors set  
11 forth in subsections (b) and (e-10) of Section 7 of this Act,  
12 as well as the amount of the applicant's license bid. The Board  
13 may grant the owners license to an applicant that has not  
14 submitted the highest license bid, but if it does not select  
15 the highest bidder, the Board shall issue a written decision  
16 explaining why another applicant was selected and identifying  
17 the factors set forth in subsections (b) and (e-10) of Section  
18 7 of this Act that favored the winning bidder.

19 (230 ILCS 10/7.12 new)

20 Sec. 7.12. Environmental standards. All permanent  
21 casinos, riverboats, and electronic gaming facilities shall  
22 consist of buildings that are certified as meeting the U.S.  
23 Green Building Council's Leadership in Energy and  
24 Environmental Design standards. The provisions of this Section  
25 apply to a holder of an owners license, casino operator

1 license, or electronic gaming license that (i) begins  
2 operations on or after January 1, 2013 or (ii) relocates its  
3 facilities on or after the effective date of this amendatory  
4 Act of the 98th General Assembly.

5 (230 ILCS 10/8) (from Ch. 120, par. 2408)

6 Sec. 8. Suppliers licenses.

7 (a) The Board may issue a suppliers license to such  
8 persons, firms or corporations which apply therefor upon the  
9 payment of a non-refundable application fee set by the Board,  
10 upon a determination by the Board that the applicant is  
11 eligible for a suppliers license and upon payment of a \$5,000  
12 annual license fee.

13 (b) The holder of a suppliers license is authorized to sell  
14 or lease, and to contract to sell or lease, gambling equipment  
15 and supplies to any licensee involved in the ownership or  
16 management of gambling operations.

17 (c) Gambling supplies and equipment may not be distributed  
18 unless supplies and equipment conform to standards adopted by  
19 rules of the Board.

20 (d) A person, firm or corporation is ineligible to receive  
21 a suppliers license if:

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

24 (2) the person has been convicted of any violation of  
25 Article 28 of the Criminal Code of 1961 or the Criminal

1 Code of 2012, or substantially similar laws of any other  
2 jurisdiction;

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

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

6 (5) the firm or corporation is one in which a person  
7 defined in (1), (2), (3) or (4), is an officer, director or  
8 managerial employee;

9 (6) the firm or corporation employs a person who  
10 participates in the management or operation of riverboat  
11 gambling authorized under this Act or the Chicago Casino  
12 Development Authority Act;

13 (7) the license of the person, firm or corporation  
14 issued under this Act or the Chicago Casino Development  
15 Authority Act, or a license to own or operate gambling  
16 facilities in any other jurisdiction, has been revoked.

17 (e) Any person that supplies any equipment, devices, or  
18 supplies to a licensed riverboat gambling operation or casino  
19 or electronic gaming operation must first obtain a suppliers  
20 license. A supplier shall furnish to the Board a list of all  
21 equipment, devices and supplies offered for sale or lease in  
22 connection with gambling games authorized under this Act. A  
23 supplier shall keep books and records for the furnishing of  
24 equipment, devices and supplies to gambling operations  
25 separate and distinct from any other business that the supplier  
26 might operate. A supplier shall file a quarterly return with

1 the Board listing all sales and leases. A supplier shall  
2 permanently affix its name to all its equipment, devices, and  
3 supplies for gambling operations. Any supplier's equipment,  
4 devices or supplies which are used by any person in an  
5 unauthorized gambling operation shall be forfeited to the  
6 State. A holder of an owners license or an electronic gaming  
7 license ~~A licensed owner~~ may own its own equipment, devices and  
8 supplies. Each holder of an owners license or an electronic  
9 gaming license under the Act shall file an annual report  
10 listing its inventories of gambling equipment, devices and  
11 supplies.

12 (f) Any person who knowingly makes a false statement on an  
13 application is guilty of a Class A misdemeanor.

14 (g) Any gambling equipment, devices and supplies provided  
15 by any licensed supplier may either be repaired on the  
16 riverboat, in the casino, or at the electronic gaming facility  
17 or removed from the riverboat, casino, or electronic gaming  
18 facility to a ~~an on-shore~~ facility owned by the holder of an  
19 owners license or electronic gaming license for repair.

20 (Source: P.A. 97-1150, eff. 1-25-13.)

21 (230 ILCS 10/9) (from Ch. 120, par. 2409)

22 Sec. 9. Occupational licenses.

23 (a) The Board may issue an occupational license to an  
24 applicant upon the payment of a non-refundable fee set by the  
25 Board, upon a determination by the Board that the applicant is



1 eligible for an occupational license and upon payment of an  
2 annual license fee in an amount to be established. To be  
3 eligible for an occupational license, an applicant must:

4 (1) be at least 21 years of age if the applicant will  
5 perform any function involved in gaming by patrons. Any  
6 applicant seeking an occupational license for a non-gaming  
7 function shall be at least 18 years of age;

8 (2) not have been convicted of a felony offense, a  
9 violation of Article 28 of the Criminal Code of 1961 or the  
10 Criminal Code of 2012, or a similar statute of any other  
11 jurisdiction;

12 (2.5) not have been convicted of a crime, other than a  
13 crime described in item (2) of this subsection (a),  
14 involving dishonesty or moral turpitude, except that the  
15 Board may, in its discretion, issue an occupational license  
16 to a person who has been convicted of a crime described in  
17 this item (2.5) more than 10 years prior to his or her  
18 application and has not subsequently been convicted of any  
19 other crime;

20 (3) have demonstrated a level of skill or knowledge  
21 which the Board determines to be necessary in order to  
22 operate gambling aboard a riverboat, in a casino, or at an  
23 electronic gaming facility; and

24 (4) have met standards for the holding of an  
25 occupational license as adopted by rules of the Board. Such  
26 rules shall provide that any person or entity seeking an

1 occupational license to manage gambling operations under  
2 this Act or the Chicago Casino Development Authority Act  
3 ~~hereunder~~ shall be subject to background inquiries and  
4 further requirements similar to those required of  
5 applicants for an owners license. Furthermore, such rules  
6 shall provide that each such entity shall be permitted to  
7 manage gambling operations for only one licensed owner.

8 (b) Each application for an occupational license shall be  
9 on forms prescribed by the Board and shall contain all  
10 information required by the Board. The applicant shall set  
11 forth in the application: whether he has been issued prior  
12 gambling related licenses; whether he has been licensed in any  
13 other state under any other name, and, if so, such name and his  
14 age; and whether or not a permit or license issued to him in  
15 any other state has been suspended, restricted or revoked, and,  
16 if so, for what period of time.

17 (c) Each applicant shall submit with his application, on  
18 forms provided by the Board, 2 sets of his fingerprints. The  
19 Board shall charge each applicant a fee set by the Department  
20 of State Police to defray the costs associated with the search  
21 and classification of fingerprints obtained by the Board with  
22 respect to the applicant's application. These fees shall be  
23 paid into the State Police Services Fund.

24 (d) The Board may in its discretion refuse an occupational  
25 license to any person: (1) who is unqualified to perform the  
26 duties required of such applicant; (2) who fails to disclose or

1 states falsely any information called for in the application;  
2 (3) who has been found guilty of a violation of this Act or the  
3 Chicago Casino Development Authority Act or whose prior  
4 gambling related license or application therefor has been  
5 suspended, restricted, revoked or denied for just cause in any  
6 other state; or (4) for any other just cause.

7 (e) The Board may suspend, revoke or restrict any  
8 occupational licensee: (1) for violation of any provision of  
9 this Act; (2) for violation of any of the rules and regulations  
10 of the Board; (3) for any cause which, if known to the Board,  
11 would have disqualified the applicant from receiving such  
12 license; or (4) for default in the payment of any obligation or  
13 debt due to the State of Illinois; or (5) for any other just  
14 cause.

15 (f) A person who knowingly makes a false statement on an  
16 application is guilty of a Class A misdemeanor.

17 (g) Any license issued pursuant to this Section shall be  
18 valid for a period of one year from the date of issuance.

19 (h) Nothing in this Act shall be interpreted to prohibit a  
20 licensed owner or electronic gaming licensee from entering into  
21 an agreement with a public community college or a school  
22 approved under the Private Business and Vocational Schools Act  
23 of 2012 for the training of any occupational licensee. Any  
24 training offered by such a school shall be in accordance with a  
25 written agreement between the licensed owner or electronic  
26 gaming licensee and the school.

1 (i) Any training provided for occupational licensees may be  
2 conducted either at the site of the gambling facility ~~on the~~  
3 ~~riverboat~~ or at a school with which a licensed owner or  
4 electronic gaming licensee has entered into an agreement  
5 pursuant to subsection (h).

6 (Source: P.A. 96-1392, eff. 1-1-11; 97-650, eff. 2-1-12;  
7 97-1150, eff. 1-25-13.)

8 (230 ILCS 10/11) (from Ch. 120, par. 2411)

9 Sec. 11. Conduct of gambling. Gambling may be conducted by  
10 licensed owners or licensed managers on behalf of the State  
11 aboard riverboats. Gambling may be conducted by electronic  
12 gaming licensees at electronic gaming facilities. Gambling  
13 authorized under this Section is, subject to the following  
14 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 and remitted from the State  
26 according to a revenue-sharing agreement between the City of

1 Rockford and Winnebago County, the terms of which shall be  
2 determined by the City of Rockford and Winnebago County. The  
3 City of Rockford and Winnebago County shall transmit a copy of  
4 the executed revenue-sharing agreement to the Board no later  
5 than 90 days after the effective date of this amendatory Act of  
6 the 98th General Assembly.

7 The municipality's or county's share shall be collected by  
8 the Board on behalf of the State and remitted quarterly by the  
9 State, subject to appropriation, to the treasurer of the unit  
10 of local government for deposit in the general fund.

11 (c) The licensed owner shall pay the entire admission tax  
12 to the Board and the licensed manager or the casino operator  
13 licensee shall pay the entire admission fee to the Board. Such  
14 payments shall be made daily. Accompanying each payment shall  
15 be a return on forms provided by the Board which shall include  
16 other information regarding admissions as the Board may  
17 require. Failure to submit either the payment or the return  
18 within the specified time may result in suspension or  
19 revocation of the owners or managers license.

20 (c-5) A tax is imposed on admissions to electronic gaming  
21 facilities at the rate of \$3 per person admitted by an  
22 electronic gaming licensee. The tax is imposed upon the  
23 electronic gaming licensee.

24 (1) The admission tax shall be paid for each admission,  
25 except that a person who exits an electronic gaming  
26 facility and reenters that electronic gaming facility

1       within the same gaming day, as the term "gaming day" is  
2       defined by the Board by rule, shall be subject only to the  
3       initial admission tax. The Board shall establish, by rule,  
4       a procedure to determine whether a person admitted to an  
5       electronic gaming facility has paid the admission tax.

6           (2) An electronic gaming licensee may issue tax-free  
7       passes to actual and necessary officials and employees of  
8       the licensee and other persons associated with electronic  
9       gaming operations.

10          (3) The number and issuance of tax-free passes is  
11       subject to the rules of the Board, and a list of all  
12       persons to whom the tax-free passes are issued shall be  
13       filed with the Board.

14          (4) The electronic gaming licensee shall pay the entire  
15       admission tax to the Board.

16       Such payments shall be made daily. Accompanying each  
17       payment shall be a return on forms provided by the Board, which  
18       shall include other information regarding admission as the  
19       Board may require. Failure to submit either the payment or the  
20       return within the specified time may result in suspension or  
21       revocation of the electronic gaming license.

22       From the tax imposed under this subsection (c-5), a  
23       municipality other than the Village of Stickney or the City of  
24       Collinsville in which an electronic gaming facility is located,  
25       or if the electronic gaming facility is not located within a  
26       municipality, then the county in which the electronic gaming

1 facility is located, except as otherwise provided in this  
2 Section, shall receive, subject to appropriation, \$1 for each  
3 person who enters the electronic gaming facility. For each  
4 admission to the electronic gaming facility in excess of  
5 1,500,000 in a year, from the tax imposed under this subsection  
6 (c-5), the county in which the electronic gaming facility is  
7 located shall receive, subject to appropriation, \$0.30, which  
8 shall be in addition to any other moneys paid to the county  
9 under this Section.

10 From the tax imposed under this subsection (c-5) on an  
11 electronic gaming facility located in the Village of Stickney,  
12 \$1 for each person who enters the electronic gaming facility  
13 shall be distributed as follows, subject to appropriation:  
14 \$0.25 to the Village of Stickney, \$.50 to the Town of Cicero,  
15 \$0.05 to the City of Berwyn, and \$0.20 to the Stickney Public  
16 Health District.

17 From the tax imposed under this subsection (c-5) on an  
18 electronic gaming facility located in the City of Collinsville,  
19 \$1 for each person who enters the electronic gaming facility  
20 shall be distributed as follows, subject to appropriation:  
21 \$0.45 to the City of Alton, \$0.45 to the City of East St.  
22 Louis, and \$0.10 to the City of Collinsville.

23 From the tax imposed under this subsection (c-5) on an  
24 electronic gaming facility that is located in an unincorporated  
25 area of Cook County and has been awarded standardbred racing  
26 dates during 2011 by the Illinois Racing Board, \$1 for each

1 person who enters the electronic gaming facility shall be  
2 divided equally and distributed, subject to appropriation, to  
3 the Village of Melrose Park, the Village of Maywood, and Cook  
4 County.

5 After payments required under this subsection (c-5) have  
6 been made, all remaining amounts shall be deposited into the  
7 Education Assistance Fund.

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

14 (Source: P.A. 95-663, eff. 10-11-07; 96-1392, eff. 1-1-11.)

15 (230 ILCS 10/13) (from Ch. 120, par. 2413)

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

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

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

25 15% of annual adjusted gross receipts up to and

1 including \$25,000,000;

2 20% of annual adjusted gross receipts in excess of  
3 \$25,000,000 but not exceeding \$50,000,000;

4 25% of annual adjusted gross receipts in excess of  
5 \$50,000,000 but not exceeding \$75,000,000;

6 30% of annual adjusted gross receipts in excess of  
7 \$75,000,000 but not exceeding \$100,000,000;

8 35% of annual adjusted gross receipts in excess of  
9 \$100,000,000.

10 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax  
11 is imposed on persons engaged in the business of conducting  
12 riverboat gambling operations, other than licensed managers  
13 conducting riverboat gambling operations on behalf of the  
14 State, based on the adjusted gross receipts received by a  
15 licensed owner from gambling games authorized under this Act at  
16 the following rates:

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

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

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

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

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



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

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

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

12           15% of annual adjusted gross receipts up to and  
13           including \$25,000,000;

14           27.5% of annual adjusted gross receipts in excess of  
15           \$25,000,000 but not exceeding \$37,500,000;

16           32.5% of annual adjusted gross receipts in excess of  
17           \$37,500,000 but not exceeding \$50,000,000;

18           37.5% of annual adjusted gross receipts in excess of  
19           \$50,000,000 but not exceeding \$75,000,000;

20           45% of annual adjusted gross receipts in excess of  
21           \$75,000,000 but not exceeding \$100,000,000;

22           50% of annual adjusted gross receipts in excess of  
23           \$100,000,000 but not exceeding \$250,000,000;

24           70% of annual adjusted gross receipts in excess of  
25           \$250,000,000.

26           An amount equal to the amount of wagering taxes collected

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

5 The privilege tax imposed under this subsection (a-3) shall  
6 no longer be imposed beginning on the earlier of (i) July 1,  
7 2005; (ii) the first date after June 20, 2003 that riverboat  
8 gambling operations are conducted pursuant to a dormant  
9 license; or (iii) the first day that riverboat gambling  
10 operations are conducted under the authority of an owners  
11 license that is in addition to the 10 owners licenses initially  
12 authorized under this Act. For the purposes of this subsection  
13 (a-3), the term "dormant license" means an owners license that  
14 is authorized by this Act under which no riverboat gambling  
15 operations are being conducted on June 20, 2003.

16 (a-4) Beginning on the first day on which the tax imposed  
17 under subsection (a-3) is no longer imposed and ending upon the  
18 imposition of the privilege tax under subsection (a-5) of this  
19 Section, a privilege tax is imposed on persons engaged in the  
20 business of conducting riverboat or casino gambling or  
21 electronic gaming operations, other than licensed managers  
22 conducting riverboat gambling operations on behalf of the  
23 State, based on the adjusted gross receipts received by a  
24 licensed owner from gambling games authorized under this Act at  
25 the following rates:

26 15% of annual adjusted gross receipts up to and

1 including \$25,000,000;

2 22.5% of annual adjusted gross receipts in excess of  
3 \$25,000,000 but not exceeding \$50,000,000;

4 27.5% of annual adjusted gross receipts in excess of  
5 \$50,000,000 but not exceeding \$75,000,000;

6 32.5% of annual adjusted gross receipts in excess of  
7 \$75,000,000 but not exceeding \$100,000,000;

8 37.5% of annual adjusted gross receipts in excess of  
9 \$100,000,000 but not exceeding \$150,000,000;

10 45% of annual adjusted gross receipts in excess of  
11 \$150,000,000 but not exceeding \$200,000,000;

12 50% of annual adjusted gross receipts in excess of  
13 \$200,000,000.

14 For the imposition of the privilege tax in this subsection  
15 (a-4), amounts paid pursuant to item (1) of subsection (b) of  
16 Section 56 of the Illinois Horse Racing Act of 1975 shall not  
17 be included in the determination of adjusted gross receipts.

18 (a-5) Beginning in the fiscal year following the opening of  
19 the casino at which gambling operations are conducted pursuant  
20 to the Chicago Casino Development Authority Act, but not before  
21 July 1, 2015, a privilege tax is imposed on persons engaged in  
22 the business of conducting riverboat or casino gambling or  
23 electronic gaming operations, other than licensed managers  
24 conducting riverboat gambling operations on behalf of the  
25 State, based on the adjusted gross receipts received by such  
26 licensee from the gambling games authorized under this Act and

1 the Chicago Casino Development Authority Act. The privilege tax  
2 for all gambling games other than table games, including, but  
3 not limited to, slot machines, video game of chance gambling,  
4 and electronic gambling games shall be at the following rates:

5 10% of annual adjusted gross receipts up to and  
6 including \$25,000,000;

7 17.5% of annual adjusted gross receipts in excess of  
8 \$25,000,000 but not exceeding \$50,000,000;

9 22.5% of annual adjusted gross receipts in excess of  
10 \$50,000,000 but not exceeding \$75,000,000;

11 27.5% of annual adjusted gross receipts in excess of  
12 \$75,000,000 but not exceeding \$100,000,000;

13 32.5% of annual adjusted gross receipts in excess of  
14 \$100,000,000 but not exceeding \$150,000,000;

15 35% of annual adjusted gross receipts in excess of  
16 \$150,000,000 but not exceeding \$200,000,000;

17 40% of annual adjusted gross receipts in excess of  
18 \$200,000,000 but not exceeding \$300,000,000;

19 30% of annual adjusted gross receipts in excess of  
20 \$300,000,000 but not exceeding \$350,000,000;

21 20% of annual adjusted gross receipts in excess of  
22 \$350,000,000, but not exceeding \$800,000,000;

23 50% of annual adjusted gross receipts in excess of  
24 \$800,000,000.

25 The privilege tax for table games shall be at the following  
26 rates:

1           10% of annual adjusted gross receipts up to and  
2           including \$25,000,000;

3           17.5% of annual adjusted gross receipts in excess of  
4           \$25,000,000 but not exceeding \$50,000,000;

5           22.5% of annual adjusted gross receipts in excess of  
6           \$50,000,000 but not exceeding \$70,000,000;

7           16% of annual adjusted gross receipts in excess of  
8           \$70,000,000.

9           For the imposition of the privilege tax in this subsection  
10          (a-5), 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-6) From the effective date of this amendatory Act of the  
14          98th General Assembly until June 30, 2017, an owners licensee  
15          that conducted gambling operations prior to January 1, 2011  
16          shall receive a dollar-for-dollar credit against the tax  
17          imposed under this Section for any renovation or construction  
18          costs paid by the owners licensee, but in no event shall the  
19          credit exceed \$2,000,000.

20          Additionally, from the effective date of this amendatory  
21          Act of the 98th General Assembly until December 31, 2016, an  
22          owners licensee that (i) is located within 15 miles of the  
23          Missouri border, and (ii) has at least 3 riverboats, casinos,  
24          or their equivalent within a 45-mile radius, may be authorized  
25          to relocate to a new location with the approval of both the  
26          unit of local government designated as the home dock and the

1 Board, so long as the new location is within the same unit of  
2 local government and no more than 3 miles away from its  
3 original location. Such owners licensee shall receive a credit  
4 against the tax imposed under this Section equal to 8% of the  
5 total project costs, as approved by the Board, for any  
6 renovation or construction costs paid by the owners licensee  
7 for the construction of the new facility, provided that the new  
8 facility is operational by July 1, 2016. In determining whether  
9 or not to approve a relocation, the Board must consider the  
10 extent to which the relocation will diminish the gaming  
11 revenues received by other Illinois gaming facilities.

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

15 (a-9) Beginning on January 1, 2014, the calculation of  
16 gross receipts or adjusted gross receipts, for the purposes of  
17 this Section, for a riverboat, casino, or electronic gaming  
18 facility shall not include the dollar amount of non-cashable  
19 vouchers, coupons, and electronic promotions redeemed by  
20 wagerers upon the riverboat, in the casino, or in the  
21 electronic gaming facility up to and including an amount not to  
22 exceed 30% of a riverboat casino or electronic gaming  
23 facility's adjusted gross receipts.

24 The Illinois Gaming Board shall submit to the General  
25 Assembly a comprehensive report no later than March 31, 2017  
26 detailing, at a minimum, the effect of removing non-cashable

1 vouchers, coupons, and electronic promotions from this  
2 calculation on net gaming revenues to the State in calendar  
3 years 2014 through 2016, the increase or reduction in wagers  
4 as a result of removing non-cashable vouchers, coupons, and  
5 electronic promotions from this calculation, the effect of the  
6 tax rates in subsection (a-5) on net gaming revenues to the  
7 State, and proposed modifications to the calculation.

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

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

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

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

25 "Act of God" means an incident caused by the operation of  
26 an extraordinary force that cannot be foreseen, that cannot be



1 avoided by the exercise of due care, and for which no person  
2 can be held liable.

3 "Base amount" means the following:

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

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

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

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

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

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

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

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

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

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

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

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

1 riverboat. Beginning January 1, 1998, from the tax revenue from  
2 riverboat or casino gambling deposited in the State Gaming Fund  
3 under this Section, an amount equal to 5% of adjusted gross  
4 receipts generated by a riverboat or a casino other than a  
5 riverboat designated in paragraph (3) or (4) of subsection  
6 (e-5) of Section 7, shall be paid monthly, subject to  
7 appropriation by the General Assembly, to the unit of local  
8 government in which the casino is located or that is designated  
9 as the home dock of the riverboat. From the tax revenue  
10 deposited in the State Gaming Fund pursuant to riverboat or  
11 casino gambling operations conducted by a licensed manager on  
12 behalf of the State, an amount equal to 5% of adjusted gross  
13 receipts generated pursuant to those riverboat or casino  
14 gambling operations shall be paid monthly, subject to  
15 appropriation by the General Assembly, to the unit of local  
16 government that is designated as the home dock of the riverboat  
17 upon which those riverboat gambling operations are conducted or  
18 in which the casino is located. From the tax revenue from  
19 riverboat or casino gambling deposited in the State Gaming Fund  
20 under this Section, an amount equal to 5% of the adjusted gross  
21 receipts generated by a riverboat designated in paragraph (3)  
22 of subsection (e-5) of Section 7 shall be divided equally and  
23 remitted monthly, subject to appropriation, to Park City,  
24 Waukegan, and North Chicago. From the tax revenue from  
25 riverboat or casino gambling deposited in the State Gaming Fund  
26 under this Section, an amount equal to 5% of the adjusted gross

1 receipts generated by a riverboat designated in paragraph (4)  
2 of subsection (e-5) of Section 7 shall be divided and remitted  
3 monthly, subject to appropriation, according to a  
4 revenue-sharing agreement between the City of Rockford and  
5 Winnebago County, the terms of which shall be determined by the  
6 City of Rockford and Winnebago County. The City of Rockford and  
7 Winnebago County shall transmit a copy of the executed  
8 revenue-sharing agreement to the Board no later than 90 days  
9 after the effective date of this amendatory Act of the 98th  
10 General Assembly. Units of local government may refund any  
11 portion of the payment that they receive pursuant to this  
12 subsection (b) to the riverboat or casino.

13 (b-5) 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 3% of adjusted gross receipts generated by each  
17 electronic gaming facility located outside Madison County  
18 shall be paid monthly, subject to appropriation by the General  
19 Assembly, to a municipality other than the Village of Stickney  
20 in which each electronic gaming facility is located or, if the  
21 electronic gaming facility is not located within a  
22 municipality, to the county in which the electronic gaming  
23 facility is located, except as otherwise provided in this  
24 Section. From the tax revenue deposited in the State Gaming  
25 Fund under this Section, an amount equal to 3% of adjusted  
26 gross receipts generated by each electronic gaming facility

1 that is located in an unincorporated area of Cook County and  
2 has been awarded standardbred racing dates during 2011 by the  
3 Illinois Racing Board shall be divided equally and distributed,  
4 subject to appropriation, to the Village of Melrose Park, the  
5 Village of Maywood, and Cook County. From the tax revenue  
6 deposited in the State Gaming Fund under this Section, an  
7 amount equal to 3% of adjusted gross receipts generated by an  
8 electronic gaming facility located in the Village of Stickney  
9 shall be paid monthly, subject to appropriation by the General  
10 Assembly, as follows: 25% to the Village of Stickney, 5% to the  
11 City of Berwyn, 50% to the Town of Cicero, and 20% to the  
12 Stickney Public Health District.

13 From the tax revenue deposited in the State Gaming Fund  
14 under this Section, an amount equal to 3% of adjusted gross  
15 receipts generated by an electronic gaming facility located in  
16 the City of Collinsville shall be paid monthly, subject to  
17 appropriation by the General Assembly, as follows: 45% to the  
18 City of Alton, 45% to the City of East St. Louis, and 10% to the  
19 City of Collinsville.

20 Beginning on the effective date of this amendatory Act of  
21 the 98th General Assembly, from the tax revenue deposited in  
22 the State Gaming Fund under this Section, an amount equal to  
23 (i) 1% of adjusted gross receipts generated by an electronic  
24 gaming facility located in Madison County shall be paid  
25 monthly, subject to appropriation by the General Assembly, to  
26 Madison County for the purposes of infrastructure

1 improvements, and (ii) 1% of adjusted gross receipts generated  
2 by an electronic gaming facility located in Madison County  
3 shall be paid monthly, subject to appropriation by the General  
4 Assembly, to St. Clair County for the purposes of  
5 infrastructure improvements.

6 Municipalities and counties may refund any portion of the  
7 payment that they receive pursuant to this subsection (b-5) to  
8 the electronic gaming facility.

9 (b-6) Beginning on the effective date of this amendatory  
10 Act of the 98th General Assembly, from the tax revenue  
11 deposited in the State Gaming Fund under this Section, an  
12 amount equal to 2% of adjusted gross receipts generated by an  
13 electronic gaming facility located outside Madison County  
14 shall be paid monthly, subject to appropriation by the General  
15 Assembly, to the county in which the electronic gaming facility  
16 is located for the purposes of its criminal justice system or  
17 health care system.

18 Counties may refund any portion of the payment that they  
19 receive pursuant to this subsection (b-6) to the electronic  
20 gaming facility.

21 (b-7) From January 1, 2015 until December 31, 2017, if the  
22 total amount paid to the Education Assistance Fund annually  
23 pursuant to this Act will result in the Education Assistance  
24 Fund receiving less revenue from the State Gaming Fund than it  
25 received in calendar year 2011, an amount equal to that  
26 shortfall shall be transferred from the Capital Projects Fund

1 to the Education Assistance Fund, except that no such transfer  
2 shall exceed the amount deposited into the Capital Projects  
3 Fund pursuant to subsection (c-4) of this Section.

4 (c) Appropriations, as approved by the General Assembly,  
5 may be made from the State Gaming Fund to the Board (i) for the  
6 administration and enforcement of this Act, the Chicago Casino  
7 Development Authority Act, and the Video Gaming Act, (ii) for  
8 distribution to the Department of State Police and to the  
9 Department of Revenue for the enforcement of this Act, the  
10 Chicago Casino Development Authority Act, and the Video Gaming  
11 Act, and (iii) to the Department of Human Services for the  
12 administration of programs to treat problem gambling. The  
13 Board's annual appropriations request must separately state  
14 its funding needs for the regulation of electronic gaming,  
15 riverboat gaming, casino gaming within the City of Chicago, and  
16 video gaming. From the tax revenue deposited in the Gaming  
17 Facilities Fee Revenue Fund, the first \$50,000,000 shall be  
18 paid to the Board, subject to appropriation, for the  
19 administration and enforcement of the provisions of this  
20 amendatory Act of the 98th General Assembly.

21 (c-3) Appropriations, as approved by the General Assembly,  
22 may be made from the tax revenue deposited into the State  
23 Gaming Fund from electronic gaming pursuant to this Section for  
24 the administration and enforcement of this Act.

25 (c-4) After payments required under subsection (b-5), (c),  
26 and (c-3) have been made from the tax revenue from electronic

1 gaming deposited into the State Gaming Fund under this Section,  
2 all remaining amounts from electronic gaming shall be deposited  
3 into the Education Assistance Fund.

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

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

24 (c-15) (Blank). ~~After the payments required under~~  
25 ~~subsections (b), (c), and (c-5) have been made, an amount equal~~  
26 ~~to 2% of the adjusted gross receipts of (1) an owners licensee~~

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

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

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

25 (d) From time to time, the Board shall transfer the  
26 remainder of the funds generated by this Act into the Education



1 Assistance Fund, created by Public Act 86-0018, of the State of  
2 Illinois.

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

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

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

16 (230 ILCS 10/14) (from Ch. 120, par. 2414)

17 Sec. 14. Licensees - Records - Reports - Supervision.

18 (a) Licensed owners and electronic gaming licensees ~~A~~  
19 ~~licensed owner~~ shall keep ~~his~~ books and records so as to  
20 clearly show the following:

21 (1) The amount received daily from admission fees.

22 (2) The total amount of gross receipts.

23 (3) The total amount of the adjusted gross receipts.

24 (b) Licensed owners and electronic gaming licensees ~~The~~  
25 ~~licensed owner~~ shall furnish to the Board reports and

1 information as the Board may require with respect to its  
2 activities on forms designed and supplied for such purpose by  
3 the Board.

4 (c) The books and records kept by a licensed owner as  
5 provided by this Section are public records and the  
6 examination, publication, and dissemination of the books and  
7 records are governed by the provisions of The Freedom of  
8 Information Act.

9 (Source: P.A. 86-1029.)

10 (230 ILCS 10/15) (from Ch. 120, par. 2415)

11 Sec. 15. Audit of Licensee Operations. Annually, the  
12 licensed owner, ~~or~~ manager, or electronic gaming licensee shall  
13 transmit to the Board an audit of the financial transactions  
14 and condition of the licensee's or manager's total operations.  
15 Additionally, within 90 days after the end of each quarter of  
16 each fiscal year, the licensed owner, ~~or~~ manager, or electronic  
17 gaming licensee shall transmit to the Board a compliance report  
18 on engagement procedures determined by the Board. All audits  
19 and compliance engagements shall be conducted by certified  
20 public accountants selected by the Board. Each certified public  
21 accountant must be registered in the State of Illinois under  
22 the Illinois Public Accounting Act. The compensation for each  
23 certified public accountant shall be paid directly by the  
24 licensed owner, ~~or~~ manager, or electronic gaming licensee to  
25 the certified public accountant.

1 (Source: P.A. 96-1392, eff. 1-1-11.)

2 (230 ILCS 10/16) (from Ch. 120, par. 2416)

3 Sec. 16. Annual Report of Board. The Board shall make an  
4 annual report to the Governor, for the period ending December  
5 31 of each year. Included in the report shall be an account of  
6 the Board actions, its financial position and results of  
7 operation under this Act and the Chicago Casino Development  
8 Authority Act, the practical results attained under this Act  
9 and the Chicago Casino Development Authority Act and any  
10 recommendations for legislation which the Board deems  
11 advisable.

12 (Source: P.A. 86-1029.)

13 (230 ILCS 10/17) (from Ch. 120, par. 2417)

14 Sec. 17. Administrative Procedures. The Illinois  
15 Administrative Procedure Act shall apply to all administrative  
16 rules and procedures of the Board under this Act, the Chicago  
17 Casino Development Authority Act, and ~~or~~ the Video Gaming Act,  
18 except that: (1) subsection (b) of Section 5-10 of the Illinois  
19 Administrative Procedure Act does not apply to final orders,  
20 decisions and opinions of the Board; (2) subsection (a) of  
21 Section 5-10 of the Illinois Administrative Procedure Act does  
22 not apply to forms established by the Board for use under this  
23 Act, the Chicago Casino Development Authority Act, and or the  
24 Video Gaming Act; (3) the provisions of Section 10-45 of the

1 Illinois Administrative Procedure Act regarding proposals for  
2 decision are excluded under this Act, the Chicago Casino  
3 Development Authority Act, and ~~or~~ the Video Gaming Act; and (4)  
4 the provisions of subsection (d) of Section 10-65 of the  
5 Illinois Administrative Procedure Act do not apply so as to  
6 prevent summary suspension of any license pending revocation or  
7 other action, which suspension shall remain in effect unless  
8 modified by the Board or unless the Board's decision is  
9 reversed on the merits upon judicial review.

10 (Source: P.A. 96-34, eff. 7-13-09.)

11 (230 ILCS 10/17.1) (from Ch. 120, par. 2417.1)

12 Sec. 17.1. Judicial Review.

13 (a) Jurisdiction and venue for the judicial review of a  
14 final order of the Board relating to licensed owners,  
15 suppliers, electronic gaming licensees, and ~~or~~ special event  
16 licenses is vested in the Appellate Court of the judicial  
17 district in which Sangamon County is located. A petition for  
18 judicial review of a final order of the Board must be filed in  
19 the Appellate Court, within 35 days from the date that a copy  
20 of the decision sought to be reviewed was served upon the party  
21 affected by the decision.

22 (b) Judicial review of all other final orders of the Board  
23 shall be conducted in accordance with the Administrative Review  
24 Law.

25 (Source: P.A. 88-1.)

1 (230 ILCS 10/18) (from Ch. 120, par. 2418)

2 Sec. 18. Prohibited Activities - Penalty.

3 (a) A person is guilty of a Class A misdemeanor for doing  
4 any of the following:

5 (1) Conducting gambling where wagering is used or to be  
6 used without a license issued by the Board.

7 (2) Conducting gambling where wagering is permitted  
8 other than in the manner specified by Section 11.

9 (b) A person is guilty of a Class B misdemeanor for doing  
10 any of the following:

11 (1) permitting a person under 21 years to make a wager;

12 or

13 (2) violating paragraph (12) of subsection (a) of  
14 Section 11 of this Act.

15 (c) A person wagering or accepting a wager at any location  
16 outside the riverboat, casino, or electronic gaming facility in  
17 violation of paragraph ~~is subject to the penalties in~~  
18 ~~paragraphs~~ (1) or (2) of subsection (a) of Section 28-1 of the  
19 Criminal Code of 2012 is subject to the penalties provided in  
20 that Section.

21 (d) A person commits a Class 4 felony and, in addition,  
22 shall be barred for life from gambling operations ~~riverboats~~  
23 under the jurisdiction of the Board, if the person does any of  
24 the following:

25 (1) Offers, promises, or gives anything of value or

1 benefit to a person who is connected with a riverboat or  
2 casino owner or electronic gaming licensee, including, but  
3 not limited to, an officer or employee of a licensed owner,  
4 electronic gaming licensee, or holder of an occupational  
5 license pursuant to an agreement or arrangement or with the  
6 intent that the promise or thing of value or benefit will  
7 influence the actions of the person to whom the offer,  
8 promise, or gift was made in order to affect or attempt to  
9 affect the outcome of a gambling game, or to influence  
10 official action of a member of the Board.

11 (2) Solicits or knowingly accepts or receives a promise  
12 of anything of value or benefit while the person is  
13 connected with a riverboat, casino, or electronic gaming  
14 facility, including, but not limited to, an officer or  
15 employee of a licensed owner or electronic gaming licensee,  
16 or the holder of an occupational license, pursuant to an  
17 understanding or arrangement or with the intent that the  
18 promise or thing of value or benefit will influence the  
19 actions of the person to affect or attempt to affect the  
20 outcome of a gambling game, or to influence official action  
21 of a member of the Board.

22 (3) Uses or possesses with the intent to use a device  
23 to assist:

24 (i) In projecting the outcome of the game.

25 (ii) In keeping track of the cards played.

26 (iii) In analyzing the probability of the

1 occurrence of an event relating to the gambling game.

2 (iv) In analyzing the strategy for playing or  
3 betting to be used in the game except as permitted by  
4 the Board.

5 (4) Cheats at a gambling game.

6 (5) Manufactures, sells, or distributes any cards,  
7 chips, dice, game or device which is intended to be used to  
8 violate any provision of this Act or the Chicago Casino  
9 Development Authority Act.

10 (6) Alters or misrepresents the outcome of a gambling  
11 game on which wagers have been made after the outcome is  
12 made sure but before it is revealed to the players.

13 (7) Places a bet after acquiring knowledge, not  
14 available to all players, of the outcome of the gambling  
15 game which is subject of the bet or to aid a person in  
16 acquiring the knowledge for the purpose of placing a bet  
17 contingent on that outcome.

18 (8) Claims, collects, or takes, or attempts to claim,  
19 collect, or take, money or anything of value in or from the  
20 gambling games, with intent to defraud, without having made  
21 a wager contingent on winning a gambling game, or claims,  
22 collects, or takes an amount of money or thing of value of  
23 greater value than the amount won.

24 (9) Uses counterfeit chips or tokens in a gambling  
25 game.

26 (10) Possesses any key or device designed for the

1 purpose of opening, entering, or affecting the operation of  
2 a gambling game, drop box, or an electronic or mechanical  
3 device connected with the gambling game or for removing  
4 coins, tokens, chips or other contents of a gambling game.

5 This paragraph (10) does not apply to a gambling licensee  
6 or employee of a gambling licensee acting in furtherance of  
7 the employee's employment.

8 (e) The possession of more than one of the devices  
9 described in subsection (d), paragraphs (3), (5), or (10)  
10 permits a rebuttable presumption that the possessor intended to  
11 use the devices for cheating.

12 (f) A person under the age of 21 who, except as authorized  
13 under paragraph (10) of Section 11, enters upon a riverboat or  
14 in a casino or electronic gaming facility commits a petty  
15 offense and is subject to a fine of not less than \$100 or more  
16 than \$250 for a first offense and of not less than \$200 or more  
17 than \$500 for a second or subsequent offense.

18 An action to prosecute any crime occurring on a riverboat  
19 shall be tried in the county of the dock at which the riverboat  
20 is based. An action to prosecute any crime occurring in a  
21 casino or electronic gaming facility shall be tried in the  
22 county of in which the casino or electronic gaming facility is  
23 located.

24 (Source: P.A. 96-1392, eff. 1-1-11; 97-1150, eff. 1-25-13.)



1           Sec. 18.1. Distribution of certain fines. If a fine is  
2 imposed on an owner licensee or an electronic gaming licensee  
3 for knowingly sending marketing or promotional materials to any  
4 person placed on the self-exclusion list, then the Board shall  
5 distribute an amount equal to 15% of the fine imposed to the  
6 unit of local government in which the casino, riverboat, or  
7 electronic gaming facility is located for the purpose of  
8 awarding grants to non-profit entities that assist gambling  
9 addicts.

10       (Source: P.A. 96-224, eff. 8-11-09.)

11           (230 ILCS 10/18.2 new)

12           Sec. 18.2. Prohibition on political contributions from  
13 certain licensees and applicants.

14           (a) The General Assembly has a compelling interest in  
15 protecting the integrity of both the electoral process and the  
16 legislative process by preventing corruption and the  
17 appearance of corruption which may arise through permitting  
18 certain political campaign contributions by certain persons  
19 involved in the gaming industry and regulated by the State.  
20 Unlike most other regulated industries, gaming is especially  
21 susceptible to corruption and potential criminal influence.

22           In Illinois, only licensed gaming activities are legal and  
23 all other gaming activities are strictly prohibited. Given  
24 these circumstances, it is imperative to eliminate any  
25 potential corrupt influence in the gaming industry and the

1 electoral process. Banning political campaign contributions by  
2 certain persons subject to this Section to State officeholders  
3 and candidates for such offices and to county and municipal  
4 officeholders and candidates for such offices in counties and  
5 municipalities that receive financial benefits from gaming  
6 activities is necessary to prevent corruption and the  
7 appearance of corruption that may arise when political campaign  
8 contributions and gaming that is regulated by the State and  
9 that confers benefits on counties and municipalities are  
10 intermingled.

11 The General Assembly has prohibited political campaign  
12 contributions to certain State and local officeholders and  
13 candidates for such offices by certain persons with State of  
14 Illinois and Metropolitan Pier and Exposition Authority  
15 contracts and pending bids or proposals for contracts of over  
16 \$50,000 and certain individuals and entities affiliated with  
17 such persons. Certain gaming licensees will receive receipts  
18 far in excess of the base level of contract amounts subject to  
19 such other campaign contribution prohibitions.

20 (b) As used in this Section:

21 "Affiliated entity" means (i) any corporate parent and each  
22 operating subsidiary of the business entity applying for or  
23 holding a license, (ii) each operating subsidiary of the  
24 corporate parent of the business entity applying for or holding  
25 a license, (iii) any organization recognized by the United  
26 States Internal Revenue Service as a tax-exempt organization

1 described in Section 501(c) of the Internal Revenue Code of  
2 1986 (or any successor provision of federal tax law)  
3 established by one or more business entities seeking or holding  
4 a license, any affiliated entity of such business entity, or  
5 any affiliated person of such business entity, and (iv) any  
6 political committee for which the business entity applying for  
7 or holding a license, or any 501(c) organization described in  
8 item (iii) related to that business entity, is the sponsoring  
9 entity, as defined in Section 9-3 of the Election Code. For  
10 purposes of item (iv), the funding of all business entities  
11 applying for or holding a license shall be aggregated in  
12 determining whether such political committee is an affiliated  
13 entity.

14 "Affiliated person" means (i) any person with any ownership  
15 interest or distributive share in excess of 7.5% of any  
16 business entity applying for or holding a license, (ii)  
17 executive employees of any such business entity, (iii) any  
18 person designated as a key person under this Act, and (iv) the  
19 spouse of such persons.

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 casino or electronic gaming device

1 is located or proposed or which receives any gaming revenue.

2 "Executive employee" means any person who is (i) an officer  
3 or director or who fulfills duties equivalent to those of an  
4 officer or director of a business entity applying for or  
5 holding a license and (ii) any employee of such business entity  
6 who is required to register under the Lobbyist Registration  
7 Act.

8 "License" means any owner, electronic gaming, or manager  
9 license issued pursuant to this Act.

10 "Officeholder" means the Governor, Lieutenant Governor,  
11 Attorney General, Secretary of State, Comptroller, Treasurer,  
12 member of the General Assembly, or any officeholder in any  
13 county or municipality in which a riverboat, casino, or  
14 electronic gaming device is located or proposed or which  
15 receives any gaming revenue.

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 (c) Any person or business entity applying for or holding a  
21 license, any affiliated entities or persons of such business  
22 entity, and any entities or persons soliciting a contribution  
23 or causing a contribution to be made on behalf of such person  
24 or business entity, are prohibited from making any contribution  
25 to any officeholder or declared candidate or any political  
26 committee affiliated with any officeholder or declared

1 candidate, as defined in Section 9-1.8 of the Election Code.  
2 This prohibition shall commence upon filing of an application  
3 for a license and shall continue for a period of 2 years after  
4 termination, suspension, or revocation of the license.

5 The Board shall have authority to suspend, revoke, or  
6 restrict the license and to impose civil penalties of up to  
7 \$100,000 for each violation of this subsection (c). A notice of  
8 each such violation and the penalty imposed shall be published  
9 on the Board's website and in the Illinois Register. Payments  
10 received by the State pursuant to this subsection (c) shall be  
11 deposited into the General Revenue Fund.

12 Any officeholder or declared candidate or any political  
13 committee affiliated with any officeholder or declared  
14 candidate that has received a contribution in violation of this  
15 subsection (c) shall pay an amount equal to the value of the  
16 contribution to the State no more than 30 days after notice of  
17 the violation concerning the contribution appears in the  
18 Illinois Register. Payments received by the State pursuant to  
19 this subsection (c) shall be deposited into the General Revenue  
20 Fund.

21 (d) The Board shall post on its website a list of all  
22 persons, business entities, and affiliated entities prohibited  
23 from making contributions to any officeholder or declared  
24 candidate political committee pursuant to subsection (c),  
25 which list shall be updated and published on, at a minimum, a  
26 semiannual basis.

1       Any person, business entity, or affiliated entity  
2 prohibited from making contributions to any officeholder or  
3 declared candidate political committee pursuant to subsection  
4 (c) shall notify the Board within 7 days after discovering any  
5 necessary change or addition to the information relating to  
6 that person, business entity, or affiliated entity contained in  
7 the list.

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

11       (e) If any provision of this Section is held invalid or its  
12 application to any person or circumstance is held invalid, the  
13 invalidity of that provision or application does not affect the  
14 other provisions or applications of this Section that can be  
15 given effect without the invalid application or provision.

16       (230 ILCS 10/19) (from Ch. 120, par. 2419)

17       Sec. 19. Forfeiture of property.

18       (a) Except as provided in subsection (b), any riverboat,  
19 casino, or electronic gaming facility used for the conduct of  
20 gambling games in violation of this Act shall be considered a  
21 gambling place in violation of Section 28-3 of the Criminal  
22 Code of 2012. Every gambling device found on a riverboat, in a  
23 casino, or at an electronic gaming facility operating gambling  
24 games in violation of this Act and every slot machine and video  
25 game of chance found at an electronic gaming facility operating

1 gambling games in violation of this Act or the Chicago Casino  
2 Development Authority Act shall be subject to seizure,  
3 confiscation and destruction as provided in Section 28-5 of the  
4 Criminal Code of 2012.

5 (b) It is not a violation of this Act for a riverboat or  
6 other watercraft which is licensed for gaming by a contiguous  
7 state to dock on the shores of this State if the municipality  
8 having jurisdiction of the shores, or the county in the case of  
9 unincorporated areas, has granted permission for docking and no  
10 gaming is conducted on the riverboat or other watercraft while  
11 it is docked on the shores of this State. No gambling device  
12 shall be subject to seizure, confiscation or destruction if the  
13 gambling device is located on a riverboat or other watercraft  
14 which is licensed for gaming by a contiguous state and which is  
15 docked on the shores of this State if the municipality having  
16 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.

20 (Source: P.A. 97-1150, eff. 1-25-13.)

21 (230 ILCS 10/20) (from Ch. 120, par. 2420)

22 Sec. 20. Prohibited activities - civil penalties. Any  
23 person who conducts a gambling operation without first  
24 obtaining a license to do so, or who continues to conduct such  
25 games after revocation of his license, or any licensee who

1 conducts or allows to be conducted any unauthorized gambling  
2 games on a riverboat, in a casino, or at an electronic gaming  
3 facility where it is authorized to conduct its ~~riverboat~~  
4 gambling operation, in addition to other penalties provided,  
5 shall be subject to a civil penalty equal to the amount of  
6 gross receipts derived from wagering on the gambling games,  
7 whether unauthorized or authorized, conducted on that day as  
8 well as confiscation and forfeiture of all gambling game  
9 equipment used in the conduct of unauthorized gambling games.

10 (Source: P.A. 86-1029.)

11 (230 ILCS 10/21) (from Ch. 120, par. 2421)

12 Sec. 21. Limitation on taxation of licensees. Licensees  
13 shall not be subjected to any excise tax, license tax, permit  
14 tax, privilege tax, occupation tax or excursion tax which is  
15 imposed exclusively upon the licensee by the State or any  
16 political subdivision thereof, except as provided in this Act  
17 or the Chicago Casino Development Authority Act.

18 (Source: P.A. 86-1029.)

19 (230 ILCS 10/23) (from Ch. 120, par. 2423)

20 Sec. 23. The State Gaming Fund. On or after the effective  
21 date of this Act, except as provided for payments into the  
22 Horse Racing Equity Trust Fund under subsection (a) of Section  
23 7, all of the fees and taxes collected pursuant to this Act or  
24 the Chicago Casino Development Authority Act shall be deposited



1 into the State Gaming Fund, a special fund in the State  
2 Treasury, which is hereby created. The adjusted gross receipts  
3 of any riverboat gambling operations conducted by a licensed  
4 manager on behalf of the State remaining after the payment of  
5 the fees and expenses of the licensed manager shall be  
6 deposited into the State Gaming Fund. Fines and penalties  
7 collected pursuant to this Act or the Chicago Casino  
8 Development Authority Act shall be deposited into the Education  
9 Assistance Fund, created by Public Act 86-0018, of the State of  
10 Illinois.

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

12 (230 ILCS 10/24)

13 Sec. 24. Applicability of this ~~Illinois Riverboat Gambling~~  
14 Act. The provisions of the this ~~Illinois Riverboat Gambling~~  
15 Act, and all rules promulgated thereunder, shall apply to the  
16 the Chicago Casino Development Authority Act and the Video  
17 Gaming Act, except where there is a conflict between the ~~2~~  
18 Acts. In the event of a conflict between this Act and the  
19 Chicago Casino Development Authority Act, the terms of the  
20 Chicago Casino Development Authority Act shall prevail. In the  
21 event of a conflict between this Act and the Video Gaming Act,  
22 the terms of this Act shall prevail.

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

24 Section 90-42. The Video Gaming Act is amended by changing

1 Sections 5, 25, 45, 79, and 80 and by adding Section 81 as  
2 follows:

3 (230 ILCS 40/5)

4 Sec. 5. Definitions. As used in this Act:

5 "Board" means the Illinois Gaming Board.

6 "Credit" means one, 5, 10, or 25 cents either won or  
7 purchased by a player.

8 "Distributor" means an individual, partnership,  
9 corporation, or limited liability company licensed under this  
10 Act to buy, sell, lease, or distribute video gaming terminals  
11 or major components or parts of video gaming terminals to or  
12 from terminal operators.

13 "Terminal operator" means an individual, partnership,  
14 corporation, or limited liability company that is licensed  
15 under this Act and that owns, services, and maintains video  
16 gaming terminals for placement in licensed establishments,  
17 licensed truck stop establishments, licensed fraternal  
18 establishments, or licensed veterans establishments.

19 "Licensed technician" means an individual who is licensed  
20 under this Act to repair, service, and maintain video gaming  
21 terminals.

22 "Licensed terminal handler" means a person, including but  
23 not limited to an employee or independent contractor working  
24 for a manufacturer, distributor, supplier, technician, or  
25 terminal operator, who is licensed under this Act to possess or

1 control a video gaming terminal or to have access to the inner  
2 workings of a video gaming terminal. A licensed terminal  
3 handler does not include an individual, partnership,  
4 corporation, or limited liability company defined as a  
5 manufacturer, distributor, supplier, technician, or terminal  
6 operator under this Act.

7 "Manufacturer" means an individual, partnership,  
8 corporation, or limited liability company that is licensed  
9 under this Act and that manufactures or assembles video gaming  
10 terminals.

11 "Supplier" means an individual, partnership, corporation,  
12 or limited liability company that is licensed under this Act to  
13 supply major components or parts to video gaming terminals to  
14 licensed terminal operators.

15 "Net terminal income" means money put into a video gaming  
16 terminal minus credits paid out to players.

17 "Video gaming terminal" means any electronic video game  
18 machine that, upon insertion of cash, is available to play or  
19 simulate the play of a video game, including but not limited to  
20 video poker, line up, and blackjack, as authorized by the Board  
21 utilizing a video display and microprocessors in which the  
22 player may receive free games or credits that can be redeemed  
23 for cash. The term does not include a machine that directly  
24 dispenses coins, cash, or tokens or is for amusement purposes  
25 only.

26 "Licensed establishment" means any licensed retail

1 establishment where alcoholic liquor is drawn, poured, mixed,  
2 or otherwise served for consumption on the premises and  
3 includes any such establishment that has a contractual  
4 relationship with an inter-track wagering location licensee  
5 licensed under the Illinois Horse Racing Act of 1975, provided  
6 any contractual relationship shall not include any transfer or  
7 offer of revenue from the operation of video gaming under this  
8 Act to any licensee licensed under the Illinois Horse Racing  
9 Act of 1975. Provided, however, that the licensed establishment  
10 that has such a contractual relationship with an inter-track  
11 wagering location licensee may not, itself, be (i) an  
12 inter-track wagering location licensee, (ii) the corporate  
13 parent or subsidiary of any licensee licensed under the  
14 Illinois Horse Racing Act of 1975, or (iii) the corporate  
15 subsidiary of a corporation that is also the corporate parent  
16 or subsidiary of any licensee licensed under the Illinois Horse  
17 Racing Act of 1975. "Licensed establishment" does not include a  
18 facility operated by an organization licensee, an inter-track  
19 wagering licensee, or an inter-track wagering location  
20 licensee licensed under the Illinois Horse Racing Act of 1975  
21 or a riverboat licensed under the Illinois Riverboat ~~Riverboat~~ Gambling  
22 Act, except as provided in this paragraph.

23 "Licensed fraternal establishment" means the location  
24 where a qualified fraternal organization that derives its  
25 charter from a national fraternal organization regularly  
26 meets.

1 "Licensed veterans establishment" means the location where  
2 a qualified veterans organization that derives its charter from  
3 a national veterans organization regularly meets.

4 "Licensed truck stop establishment" means a facility (i)  
5 that is at least a 3-acre facility with a convenience store,  
6 (ii) with separate diesel islands for fueling commercial motor  
7 vehicles, (iii) that sells at retail more than 10,000 gallons  
8 of diesel or biodiesel fuel per month, and (iv) with parking  
9 spaces for commercial motor vehicles. "Commercial motor  
10 vehicles" has the same meaning as defined in Section 18b-101 of  
11 the Illinois Vehicle Code. The requirement of item (iii) of  
12 this paragraph may be met by showing that estimated future  
13 sales or past sales average at least 10,000 gallons per month.

14 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09;  
15 96-1410, eff. 7-30-10; 96-1479, eff. 8-23-10; 97-333, eff.  
16 8-12-11.)

17 (230 ILCS 40/25)

18 Sec. 25. Restriction of licensees.

19 (a) Manufacturer. A person may not be licensed as a  
20 manufacturer of a video gaming terminal in Illinois unless the  
21 person has a valid manufacturer's license issued under this  
22 Act. A manufacturer may only sell video gaming terminals for  
23 use in Illinois to persons having a valid distributor's  
24 license.

25 (b) Distributor. A person may not sell, distribute, or

1 lease or market a video gaming terminal in Illinois unless the  
2 person has a valid distributor's license issued under this Act.  
3 A distributor may only sell video gaming terminals for use in  
4 Illinois to persons having a valid distributor's or terminal  
5 operator's license.

6 (c) Terminal operator. A person may not own, maintain, or  
7 place a video gaming terminal unless he has a valid terminal  
8 operator's license issued under this Act. A terminal operator  
9 may only place video gaming terminals for use in Illinois in  
10 licensed establishments, licensed truck stop establishments,  
11 licensed fraternal establishments, and licensed veterans  
12 establishments. No terminal operator may give anything of  
13 value, including but not limited to a loan or financing  
14 arrangement, to a licensed establishment, licensed truck stop  
15 establishment, licensed fraternal establishment, or licensed  
16 veterans establishment as any incentive or inducement to locate  
17 video terminals in that establishment. Of the after-tax profits  
18 from a video gaming terminal, 50% shall be paid to the terminal  
19 operator and 50% shall be paid to the licensed establishment,  
20 licensed truck stop establishment, licensed fraternal  
21 establishment, or licensed veterans establishment,  
22 notwithstanding any agreement to the contrary. A video terminal  
23 operator that violates one or more requirements of this  
24 subsection is guilty of a Class 4 felony and is subject to  
25 termination of his or her license by the Board.

26 (d) Licensed technician. A person may not service,

1 maintain, or repair a video gaming terminal in this State  
2 unless he or she (1) has a valid technician's license issued  
3 under this Act, (2) is a terminal operator, or (3) is employed  
4 by a terminal operator, distributor, or manufacturer.

5 (d-5) Licensed terminal handler. No person, including, but  
6 not limited to, an employee or independent contractor working  
7 for a manufacturer, distributor, supplier, technician, or  
8 terminal operator licensed pursuant to this Act, shall have  
9 possession or control of a video gaming terminal, or access to  
10 the inner workings of a video gaming terminal, unless that  
11 person possesses a valid terminal handler's license issued  
12 under this Act.

13 (e) Licensed establishment. No video gaming terminal may be  
14 placed in any licensed establishment, licensed veterans  
15 establishment, licensed truck stop establishment, or licensed  
16 fraternal establishment unless the owner or agent of the owner  
17 of the licensed establishment, licensed veterans  
18 establishment, licensed truck stop establishment, or licensed  
19 fraternal establishment has entered into a written use  
20 agreement with the terminal operator for placement of the  
21 terminals. A copy of the use agreement shall be on file in the  
22 terminal operator's place of business and available for  
23 inspection by individuals authorized by the Board. A licensed  
24 establishment, licensed truck stop establishment, licensed  
25 veterans establishment, or licensed fraternal establishment  
26 may operate up to 5 video gaming terminals on its premises at

1 any time.

2 (f) (Blank).

3 (g) Financial interest restrictions. As used in this Act,  
4 "substantial interest" in a partnership, a corporation, an  
5 organization, an association, a business, or a limited  
6 liability company means:

7 (A) When, with respect to a sole proprietorship, an  
8 individual or his or her spouse owns, operates, manages, or  
9 conducts, directly or indirectly, the organization,  
10 association, or business, or any part thereof; or

11 (B) When, with respect to a partnership, the individual  
12 or his or her spouse shares in any of the profits, or  
13 potential profits, of the partnership activities; or

14 (C) When, with respect to a corporation, an individual  
15 or his or her spouse is an officer or director, or the  
16 individual or his or her spouse is a holder, directly or  
17 beneficially, of 5% or more of any class of stock of the  
18 corporation; or

19 (D) When, with respect to an organization not covered  
20 in (A), (B) or (C) above, an individual or his or her  
21 spouse is an officer or manages the business affairs, or  
22 the individual or his or her spouse is the owner of or  
23 otherwise controls 10% or more of the assets of the  
24 organization; or

25 (E) When an individual or his or her spouse furnishes  
26 5% or more of the capital, whether in cash, goods, or



1 services, for the operation of any business, association,  
2 or organization during any calendar year; or

3 (F) When, with respect to a limited liability company,  
4 an individual or his or her spouse is a member, or the  
5 individual or his or her spouse is a holder, directly or  
6 beneficially, of 5% or more of the membership interest of  
7 the limited liability company.

8 For purposes of this subsection (g), "individual" includes  
9 all individuals or their spouses whose combined interest would  
10 qualify as a substantial interest under this subsection (g) and  
11 whose activities with respect to an organization, association,  
12 or business are so closely aligned or coordinated as to  
13 constitute the activities of a single entity.

14 (h) Location restriction. A licensed establishment,  
15 licensed truck stop establishment, licensed fraternal  
16 establishment, or licensed veterans establishment that is (i)  
17 located within 1,000 feet of a facility operated by an  
18 organization licensee or an inter-track wagering licensee  
19 licensed under the Illinois Horse Racing Act of 1975 or the  
20 home dock of a riverboat licensed under the Illinois Riverboat  
21 Gambling Act or (ii) located within 100 feet of a school or a  
22 place of worship under the Religious Corporation Act, is  
23 ineligible to operate a video gaming terminal. The location  
24 restrictions in this subsection (h) do not apply if a facility  
25 operated by an organization licensee, an inter-track wagering  
26 licensee, or an inter-track wagering location licensee, a

1 school, or a place of worship moves to or is established within  
2 the restricted area after a licensed establishment, licensed  
3 truck stop establishment, licensed fraternal establishment, or  
4 licensed veterans establishment becomes licensed under this  
5 Act. For the purpose of this subsection, "school" means an  
6 elementary or secondary public school, or an elementary or  
7 secondary private school registered with or recognized by the  
8 State Board of Education.

9 Notwithstanding the provisions of this subsection (h), the  
10 Board may waive the requirement that a licensed establishment,  
11 licensed truck stop establishment, licensed fraternal  
12 establishment, or licensed veterans establishment not be  
13 located within 1,000 feet from a facility operated by an  
14 organization licensee, an inter-track wagering licensee, or an  
15 inter-track wagering location licensee licensed under the  
16 Illinois Horse Racing Act of 1975 or the home dock of a  
17 riverboat licensed under the Illinois ~~Riverboat~~ Gambling Act.  
18 The Board shall not grant such waiver if there is any common  
19 ownership or control, shared business activity, or contractual  
20 arrangement of any type between the establishment and the  
21 organization licensee, inter-track wagering licensee,  
22 inter-track wagering location licensee, or owners licensee of a  
23 riverboat. The Board shall adopt rules to implement the  
24 provisions of this paragraph.

25 (i) Undue economic concentration. In addition to  
26 considering all other requirements under this Act, in deciding

1 whether to approve the operation of video gaming terminals by a  
2 terminal operator in a location, the Board shall consider the  
3 impact of any economic concentration of such operation of video  
4 gaming terminals. The Board shall not allow a terminal operator  
5 to operate video gaming terminals if the Board determines such  
6 operation will result in undue economic concentration. For  
7 purposes of this Section, "undue economic concentration" means  
8 that a terminal operator would have such actual or potential  
9 influence over video gaming terminals in Illinois as to:

10 (1) substantially impede or suppress competition among  
11 terminal operators;

12 (2) adversely impact the economic stability of the  
13 video gaming industry in Illinois; or

14 (3) negatively impact the purposes of the Video Gaming  
15 Act.

16 The Board shall adopt rules concerning undue economic  
17 concentration with respect to the operation of video gaming  
18 terminals in Illinois. The rules shall include, but not be  
19 limited to, (i) limitations on the number of video gaming  
20 terminals operated by any terminal operator within a defined  
21 geographic radius and (ii) guidelines on the discontinuation of  
22 operation of any such video gaming terminals the Board  
23 determines will cause undue economic concentration.

24 (j) The provisions of the Illinois Antitrust Act are fully  
25 and equally applicable to the activities of any licensee under  
26 this Act.

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 96-1479, eff. 8-23-10; 97-333, eff. 8-12-11.)

4 (230 ILCS 40/45)

5 Sec. 45. Issuance of license.

6 (a) The burden is upon each applicant to demonstrate his  
7 suitability for licensure. Each video gaming terminal  
8 manufacturer, distributor, supplier, operator, handler,  
9 licensed establishment, licensed truck stop establishment,  
10 licensed fraternal establishment, and licensed veterans  
11 establishment shall be licensed by the Board. The Board may  
12 issue or deny a license under this Act to any person pursuant  
13 to the same criteria set forth in Section 9 of the Illinois  
14 ~~Riverboat~~ Gambling Act.

15 (a-5) The Board shall not grant a license to a person who  
16 has facilitated, enabled, or participated in the use of  
17 coin-operated devices for gambling purposes or who is under the  
18 significant influence or control of such a person. For the  
19 purposes of this Act, "facilitated, enabled, or participated in  
20 the use of coin-operated amusement devices for gambling  
21 purposes" means that the person has been convicted of any  
22 violation of Article 28 of the Criminal Code of 1961 or the  
23 Criminal Code of 2012. If there is pending legal action against  
24 a person for any such violation, then the Board shall delay the  
25 licensure of that person until the legal action is resolved.

1           (b) Each person seeking and possessing a license as a video  
2 gaming terminal manufacturer, distributor, supplier, operator,  
3 handler, licensed establishment, licensed truck stop  
4 establishment, licensed fraternal establishment, or licensed  
5 veterans establishment shall submit to a background  
6 investigation conducted by the Board with the assistance of the  
7 State Police or other law enforcement. The background  
8 investigation shall include each beneficiary of a trust, each  
9 partner of a partnership, and each director and officer and all  
10 stockholders of 5% or more in a parent or subsidiary  
11 corporation of a video gaming terminal manufacturer,  
12 distributor, supplier, operator, or licensed establishment,  
13 licensed truck stop establishment, licensed fraternal  
14 establishment, or licensed veterans establishment.

15           (c) Each person seeking and possessing a license as a video  
16 gaming terminal manufacturer, distributor, supplier, operator,  
17 handler, licensed establishment, licensed truck stop  
18 establishment, licensed fraternal establishment, or licensed  
19 veterans establishment shall disclose the identity of every  
20 person, association, trust, corporation, or limited liability  
21 company having a greater than 1% direct or indirect pecuniary  
22 interest in the video gaming terminal operation for which the  
23 license is sought. If the disclosed entity is a trust, the  
24 application shall disclose the names and addresses of the  
25 beneficiaries; if a corporation, the names and addresses of all  
26 stockholders and directors; if a limited liability company, the

1 names and addresses of all members; or if a partnership, the  
2 names and addresses of all partners, both general and limited.

3 (d) No person may be licensed as a video gaming terminal  
4 manufacturer, distributor, supplier, operator, handler,  
5 licensed establishment, licensed truck stop establishment,  
6 licensed fraternal establishment, or licensed veterans  
7 establishment if that person has been found by the Board to:

8 (1) have a background, including a criminal record,  
9 reputation, habits, social or business associations, or  
10 prior activities that pose a threat to the public interests  
11 of the State or to the security and integrity of video  
12 gaming;

13 (2) create or enhance the dangers of unsuitable,  
14 unfair, or illegal practices, methods, and activities in  
15 the conduct of video gaming; or

16 (3) present questionable business practices and  
17 financial arrangements incidental to the conduct of video  
18 gaming activities.

19 (e) Any applicant for any license under this Act has the  
20 burden of proving his or her qualifications to the satisfaction  
21 of the Board. The Board may adopt rules to establish additional  
22 qualifications and requirements to preserve the integrity and  
23 security of video gaming in this State.

24 (f) A non-refundable application fee shall be paid at the  
25 time an application for a license is filed with the Board in  
26 the following amounts:

- 1 (1) Manufacturer ..... \$5,000
- 2 (2) Distributor..... \$5,000
- 3 (3) Terminal operator..... \$5,000
- 4 (4) Supplier ..... \$2,500
- 5 (5) Technician ..... \$100
- 6 (6) Terminal Handler ..... \$50

7 (g) The Board shall establish an annual fee for each  
 8 license not to exceed the following:

- 9 (1) Manufacturer ..... \$10,000
- 10 (2) Distributor..... \$10,000
- 11 (3) Terminal operator..... \$5,000
- 12 (4) Supplier ..... \$2,000
- 13 (5) Technician ..... \$100
- 14 (6) Licensed establishment, licensed truck stop  
 15 establishment, licensed fraternal establishment,  
 16 or licensed veterans establishment ..... \$100
- 17 (7) Video gaming terminal..... \$100
- 18 (8) Terminal Handler ..... \$50

19 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09; 96-38,  
 20 eff. 7-13-09; 96-1000, eff. 7-2-10; 96-1410, eff. 7-30-10;  
 21 97-1150, eff. 1-25-13.)

22 (230 ILCS 40/79)

23 Sec. 79. Investigators. Investigators appointed by the  
 24 Board pursuant to the powers conferred upon the Board by  
 25 paragraph (20.6) of subsection (c) of Section 5 of the Illinois

1 ~~Riverboat~~ Gambling Act and Section 80 of this Act shall have  
2 authority to conduct investigations, searches, seizures,  
3 arrests, and other duties imposed under this Act and the  
4 Illinois ~~Riverboat~~ Gambling Act, as deemed necessary by the  
5 Board. These investigators have and may exercise all of the  
6 rights and powers of peace officers, provided that these powers  
7 shall be (1) limited to offenses or violations occurring or  
8 committed in connection with conduct subject to this Act,  
9 including, but not limited to, the manufacture, distribution,  
10 supply, operation, placement, service, maintenance, or play of  
11 video gaming terminals and the distribution of profits and  
12 collection of revenues resulting from such play, and (2)  
13 exercised, to the fullest extent practicable, in cooperation  
14 with the local police department of the applicable municipality  
15 or, if these powers are exercised outside the boundaries of an  
16 incorporated municipality or within a municipality that does  
17 not have its own police department, in cooperation with the  
18 police department whose jurisdiction encompasses the  
19 applicable locality.

20 (Source: P.A. 97-809, eff. 7-13-12.)

21 (230 ILCS 40/80)

22 Sec. 80. Applicability of Illinois ~~Riverboat~~ Gambling Act.  
23 The provisions of the Illinois ~~Riverboat~~ Gambling Act, and all  
24 rules promulgated thereunder, shall apply to the Video Gaming  
25 Act, except where there is a conflict between the 2 Acts. In



1 the event of a conflict between the 2 Acts, the provisions of  
2 the Illinois Gambling Act shall prevail. All provisions of the  
3 Uniform Penalty and Interest Act shall apply, as far as  
4 practicable, to the subject matter of this Act to the same  
5 extent as if such provisions were included herein.

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

7 (230 ILCS 40/81 new)

8 Sec. 81. Prohibition of political contributions from  
9 certain licensees and applicants.

10 (a) The General Assembly has a compelling interest in  
11 protecting the integrity of both the electoral process and the  
12 legislative process by preventing corruption and the  
13 appearance of corruption which may arise through permitting  
14 certain political campaign contributions by certain persons  
15 involved in the gaming industry and regulated by the State.  
16 Unlike most other regulated industries, gaming is especially  
17 susceptible to corruption and potential criminal influence.

18 In Illinois, only licensed gaming activities are legal and  
19 all other gaming activities are strictly prohibited. Given  
20 these circumstances, it is imperative to eliminate any  
21 potential corrupt influence in the gaming industry and the  
22 electoral process. Banning political campaign contributions by  
23 certain persons subject to this Section to State officeholders  
24 and candidates for such offices and to county and municipal  
25 officeholders and candidates for such offices in counties and

1 municipalities that receive financial benefits from gaming  
2 activities is necessary to prevent corruption and the  
3 appearance of corruption that may arise when political campaign  
4 contributions and gaming that is regulated by the State and  
5 that confers benefits on counties and municipalities are  
6 intermingled.

7 (b) As used in this Section:

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

1       "Affiliated person" means (i) any person with any ownership  
2 interest or distributive share in excess of 7.5% of any  
3 business entity applying for or holding a license, (ii)  
4 executive employees of any such business entity, (iii) any  
5 person designated as a person of significant influence and  
6 control under the Video Gaming Act, and (iv) the spouse of such  
7 persons.

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

12       "Contribution" means a contribution as defined in Section  
13 9-1.4 of the Election Code.

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

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

26       "License" means any terminal operator license issued

1 pursuant to this Act.

2 "Officeholder" means the Governor, Lieutenant Governor,  
3 Attorney General, Secretary of State, Comptroller, Treasurer,  
4 member of the General Assembly, or any officeholder in any  
5 county or municipality in which a video gaming terminal is  
6 located or proposed or which receives any video 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 Board shall have authority to suspend, revoke, or  
19 restrict the license and to impose civil penalties of up to  
20 \$100,000, for each violation of this subsection (c). A notice  
21 of each such violation and the penalty imposed shall be  
22 published on the Board's website and in the Illinois Register.  
23 Payments received by the State pursuant to this subsection  
24 shall be deposited into the General Revenue Fund.

25 Any officeholder or declared candidate or any political  
26 committee affiliated with any officeholder or declared

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

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

14 Any person, business entity, or affiliated entity  
15 prohibited from making contributions to any officeholder or  
16 declared candidate political committee pursuant to subsection  
17 (c) of this Section shall notify the Board within 7 days after  
18 discovering any necessary change or addition to the information  
19 relating to that person, business entity, or affiliated entity  
20 contained in the 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 Section 90-45. The Liquor Control Act of 1934 is amended by  
4 changing Sections 5-1 and 6-30 as follows:

5 (235 ILCS 5/5-1) (from Ch. 43, par. 115)

6 Sec. 5-1. Licenses issued by the Illinois Liquor Control  
7 Commission shall be of the following classes:

8 (a) Manufacturer's license - Class 1. Distiller, Class 2.  
9 Rectifier, Class 3. Brewer, Class 4. First Class Wine  
10 Manufacturer, Class 5. Second Class Wine Manufacturer, Class 6.  
11 First Class Winemaker, Class 7. Second Class Winemaker, Class  
12 8. Limited Wine Manufacturer, Class 9. Craft Distiller, Class  
13 10. Craft Brewer,

14 (b) Distributor's license,

15 (c) Importing Distributor's license,

16 (d) Retailer's license,

17 (e) Special Event Retailer's license (not-for-profit),

18 (f) Railroad license,

19 (g) Boat license,

20 (h) Non-Beverage User's license,

21 (i) Wine-maker's premises license,

22 (j) Airplane license,

23 (k) Foreign importer's license,

24 (l) Broker's license,

1 (m) Non-resident dealer's license,

2 (n) Brew Pub license,

3 (o) Auction liquor license,

4 (p) Caterer retailer license,

5 (q) Special use permit license,

6 (r) Winery shipper's license.

7 No person, firm, partnership, corporation, or other legal  
8 business entity that is engaged in the manufacturing of wine  
9 may concurrently obtain and hold a wine-maker's license and a  
10 wine manufacturer's license.

11 (a) A manufacturer's license shall allow the manufacture,  
12 importation in bulk, storage, distribution and sale of  
13 alcoholic liquor to persons without the State, as may be  
14 permitted by law and to licensees in this State as follows:

15 Class 1. A Distiller may make sales and deliveries of  
16 alcoholic liquor to distillers, rectifiers, importing  
17 distributors, distributors and non-beverage users and to no  
18 other licensees.

19 Class 2. A Rectifier, who is not a distiller, as defined  
20 herein, may make sales and deliveries of alcoholic liquor to  
21 rectifiers, importing distributors, distributors, retailers  
22 and non-beverage users and to no other licensees.

23 Class 3. A Brewer may make sales and deliveries of beer to  
24 importing distributors and distributors and may make sales as  
25 authorized under subsection (e) of Section 6-4 of this Act.

26 Class 4. A first class wine-manufacturer may make sales and

1 deliveries of up to 50,000 gallons of wine to manufacturers,  
2 importing distributors and distributors, and to no other  
3 licensees.

4 Class 5. A second class Wine manufacturer may make sales  
5 and deliveries of more than 50,000 gallons of wine to  
6 manufacturers, importing distributors and distributors and to  
7 no other licensees.

8 Class 6. A first-class wine-maker's license shall allow the  
9 manufacture of up to 50,000 gallons of wine per year, and the  
10 storage and sale of such wine to distributors in the State and  
11 to persons without the State, as may be permitted by law. A  
12 person who, prior to the effective date of this amendatory Act  
13 of the 95th General Assembly, is a holder of a first-class  
14 wine-maker's license and annually produces more than 25,000  
15 gallons of its own wine and who distributes its wine to  
16 licensed retailers shall cease this practice on or before July  
17 1, 2008 in compliance with this amendatory Act of the 95th  
18 General Assembly.

19 Class 7. A second-class wine-maker's license shall allow  
20 the manufacture of between 50,000 and 150,000 gallons of wine  
21 per year, and the storage and sale of such wine to distributors  
22 in this State and to persons without the State, as may be  
23 permitted by law. A person who, prior to the effective date of  
24 this amendatory Act of the 95th General Assembly, is a holder  
25 of a second-class wine-maker's license and annually produces  
26 more than 25,000 gallons of its own wine and who distributes



1 its wine to licensed retailers shall cease this practice on or  
2 before July 1, 2008 in compliance with this amendatory Act of  
3 the 95th General Assembly.

4 Class 8. A limited wine-manufacturer may make sales and  
5 deliveries not to exceed 40,000 gallons of wine per year to  
6 distributors, and to non-licensees in accordance with the  
7 provisions of this Act.

8 Class 9. A craft distiller license shall allow the  
9 manufacture of up to 15,000 gallons of spirits by distillation  
10 per year and the storage of such spirits. If a craft distiller  
11 licensee is not affiliated with any other manufacturer, then  
12 the craft distiller licensee may sell such spirits to  
13 distributors in this State and non-licensees to the extent  
14 permitted by any exemption approved by the Commission pursuant  
15 to Section 6-4 of this Act.

16 Any craft distiller licensed under this Act who on the  
17 effective date of this amendatory Act of the 96th General  
18 Assembly was licensed as a distiller and manufactured no more  
19 spirits than permitted by this Section shall not be required to  
20 pay the initial licensing fee.

21 Class 10. A craft brewer's license, which may only be  
22 issued to a licensed brewer or licensed non-resident dealer,  
23 shall allow the manufacture of up to 465,000 gallons of beer  
24 per year. A craft brewer licensee may make sales and deliveries  
25 to importing distributors and distributors and to retail  
26 licensees in accordance with the conditions set forth in

1 paragraph (18) of subsection (a) of Section 3-12 of this Act.

2 (a-1) A manufacturer which is licensed in this State to  
3 make sales or deliveries of alcoholic liquor and which enlists  
4 agents, representatives, or individuals acting on its behalf  
5 who contact licensed retailers on a regular and continual basis  
6 in this State must register those agents, representatives, or  
7 persons acting on its behalf with the State Commission.

8 Registration of agents, representatives, or persons acting  
9 on behalf of a manufacturer is fulfilled by submitting a form  
10 to the Commission. The form shall be developed by the  
11 Commission and shall include the name and address of the  
12 applicant, the name and address of the manufacturer he or she  
13 represents, the territory or areas assigned to sell to or  
14 discuss pricing terms of alcoholic liquor, and any other  
15 questions deemed appropriate and necessary. All statements in  
16 the forms required to be made by law or by rule shall be deemed  
17 material, and any person who knowingly misstates any material  
18 fact under oath in an application is guilty of a Class B  
19 misdemeanor. Fraud, misrepresentation, false statements,  
20 misleading statements, evasions, or suppression of material  
21 facts in the securing of a registration are grounds for  
22 suspension or revocation of the registration.

23 (b) A distributor's license shall allow the wholesale  
24 purchase and storage of alcoholic liquors and sale of alcoholic  
25 liquors to licensees in this State and to persons without the  
26 State, as may be permitted by law.

1           (c) An importing distributor's license may be issued to and  
2 held by those only who are duly licensed distributors, upon the  
3 filing of an application by a duly licensed distributor, with  
4 the Commission and the Commission shall, without the payment of  
5 any fee, immediately issue such importing distributor's  
6 license to the applicant, which shall allow the importation of  
7 alcoholic liquor by the licensee into this State from any point  
8 in the United States outside this State, and the purchase of  
9 alcoholic liquor in barrels, casks or other bulk containers and  
10 the bottling of such alcoholic liquors before resale thereof,  
11 but all bottles or containers so filled shall be sealed,  
12 labeled, stamped and otherwise made to comply with all  
13 provisions, rules and regulations governing manufacturers in  
14 the preparation and bottling of alcoholic liquors. The  
15 importing distributor's license shall permit such licensee to  
16 purchase alcoholic liquor from Illinois licensed non-resident  
17 dealers and foreign importers only.

18           (d) A retailer's license shall allow the licensee to sell  
19 and offer for sale at retail, only in the premises specified in  
20 the license, alcoholic liquor for use or consumption, but not  
21 for resale in any form. Nothing in this amendatory Act of the  
22 95th General Assembly shall deny, limit, remove, or restrict  
23 the ability of a holder of a retailer's license to transfer,  
24 deliver, or ship alcoholic liquor to the purchaser for use or  
25 consumption subject to any applicable local law or ordinance.  
26 Any retail license issued to a manufacturer shall only permit

1 the manufacturer to sell beer at retail on the premises  
2 actually occupied by the manufacturer. For the purpose of  
3 further describing the type of business conducted at a retail  
4 licensed premises, a retailer's licensee may be designated by  
5 the State Commission as (i) an on premise consumption retailer,  
6 (ii) an off premise sale retailer, or (iii) a combined on  
7 premise consumption and off premise sale retailer.

8 Notwithstanding any other provision of this subsection  
9 (d), a retail licensee may sell alcoholic liquors to a special  
10 event retailer licensee for resale to the extent permitted  
11 under subsection (e).

12 (e) A special event retailer's license (not-for-profit)  
13 shall permit the licensee to purchase alcoholic liquors from an  
14 Illinois licensed distributor (unless the licensee purchases  
15 less than \$500 of alcoholic liquors for the special event, in  
16 which case the licensee may purchase the alcoholic liquors from  
17 a licensed retailer) and shall allow the licensee to sell and  
18 offer for sale, at retail, alcoholic liquors for use or  
19 consumption, but not for resale in any form and only at the  
20 location and on the specific dates designated for the special  
21 event in the license. An applicant for a special event retailer  
22 license must (i) furnish with the application: (A) a resale  
23 number issued under Section 2c of the Retailers' Occupation Tax  
24 Act or evidence that the applicant is registered under Section  
25 2a of the Retailers' Occupation Tax Act, (B) a current, valid  
26 exemption identification number issued under Section 1g of the

1 Retailers' Occupation Tax Act, and a certification to the  
2 Commission that the purchase of alcoholic liquors will be a  
3 tax-exempt purchase, or (C) a statement that the applicant is  
4 not registered under Section 2a of the Retailers' Occupation  
5 Tax Act, does not hold a resale number under Section 2c of the  
6 Retailers' Occupation Tax Act, and does not hold an exemption  
7 number under Section 1g of the Retailers' Occupation Tax Act,  
8 in which event the Commission shall set forth on the special  
9 event retailer's license a statement to that effect; (ii)  
10 submit with the application proof satisfactory to the State  
11 Commission that the applicant will provide dram shop liability  
12 insurance in the maximum limits; and (iii) show proof  
13 satisfactory to the State Commission that the applicant has  
14 obtained local authority approval.

15 (f) A railroad license shall permit the licensee to import  
16 alcoholic liquors into this State from any point in the United  
17 States outside this State and to store such alcoholic liquors  
18 in this State; to make wholesale purchases of alcoholic liquors  
19 directly from manufacturers, foreign importers, distributors  
20 and importing distributors from within or outside this State;  
21 and to store such alcoholic liquors in this State; provided  
22 that the above powers may be exercised only in connection with  
23 the importation, purchase or storage of alcoholic liquors to be  
24 sold or dispensed on a club, buffet, lounge or dining car  
25 operated on an electric, gas or steam railway in this State;  
26 and provided further, that railroad licensees exercising the

1 above powers shall be subject to all provisions of Article VIII  
 2 of this Act as applied to importing distributors. A railroad  
 3 license shall also permit the licensee to sell or dispense  
 4 alcoholic liquors on any club, buffet, lounge or dining car  
 5 operated on an electric, gas or steam railway regularly  
 6 operated by a common carrier in this State, but shall not  
 7 permit the sale for resale of any alcoholic liquors to any  
 8 licensee within this State. A license shall be obtained for  
 9 each car in which such sales are made.

10 (g) A boat license shall allow the sale of alcoholic liquor  
 11 in individual drinks, on any passenger boat regularly operated  
 12 as a common carrier on navigable waters in this State or on any  
 13 riverboat operated under the Illinois ~~Riverboat~~ Gambling Act,  
 14 which boat or riverboat maintains a public dining room or  
 15 restaurant thereon.

16 (h) A non-beverage user's license shall allow the licensee  
 17 to purchase alcoholic liquor from a licensed manufacturer or  
 18 importing distributor, without the imposition of any tax upon  
 19 the business of such licensed manufacturer or importing  
 20 distributor as to such alcoholic liquor to be used by such  
 21 licensee solely for the non-beverage purposes set forth in  
 22 subsection (a) of Section 8-1 of this Act, and such licenses  
 23 shall be divided and classified and shall permit the purchase,  
 24 possession and use of limited and stated quantities of  
 25 alcoholic liquor as follows:

26 Class 1, not to exceed ..... 500 gallons

1 Class 2, not to exceed ..... 1,000 gallons  
2 Class 3, not to exceed ..... 5,000 gallons  
3 Class 4, not to exceed ..... 10,000 gallons  
4 Class 5, not to exceed ..... 50,000 gallons

5 (i) A wine-maker's premises license shall allow a licensee  
6 that concurrently holds a first-class wine-maker's license to  
7 sell and offer for sale at retail in the premises specified in  
8 such license not more than 50,000 gallons of the first-class  
9 wine-maker's wine that is made at the first-class wine-maker's  
10 licensed premises per year for use or consumption, but not for  
11 resale in any form. A wine-maker's premises license shall allow  
12 a licensee who concurrently holds a second-class wine-maker's  
13 license to sell and offer for sale at retail in the premises  
14 specified in such license up to 100,000 gallons of the  
15 second-class wine-maker's wine that is made at the second-class  
16 wine-maker's licensed premises per year for use or consumption  
17 but not for resale in any form. A wine-maker's premises license  
18 shall allow a licensee that concurrently holds a first-class  
19 wine-maker's license or a second-class wine-maker's license to  
20 sell and offer for sale at retail at the premises specified in  
21 the wine-maker's premises license, for use or consumption but  
22 not for resale in any form, any beer, wine, and spirits  
23 purchased from a licensed distributor. Upon approval from the  
24 State Commission, a wine-maker's premises license shall allow  
25 the licensee to sell and offer for sale at (i) the wine-maker's  
26 licensed premises and (ii) at up to 2 additional locations for

1 use and consumption and not for resale. Each location shall  
2 require additional licensing per location as specified in  
3 Section 5-3 of this Act. A wine-maker's premises licensee shall  
4 secure liquor liability insurance coverage in an amount at  
5 least equal to the maximum liability amounts set forth in  
6 subsection (a) of Section 6-21 of this Act.

7 (j) An airplane license shall permit the licensee to import  
8 alcoholic liquors into this State from any point in the United  
9 States outside this State and to store such alcoholic liquors  
10 in this State; to make wholesale purchases of alcoholic liquors  
11 directly from manufacturers, foreign importers, distributors  
12 and importing distributors from within or outside this State;  
13 and to store such alcoholic liquors in this State; provided  
14 that the above powers may be exercised only in connection with  
15 the importation, purchase or storage of alcoholic liquors to be  
16 sold or dispensed on an airplane; and provided further, that  
17 airplane licensees exercising the above powers shall be subject  
18 to all provisions of Article VIII of this Act as applied to  
19 importing distributors. An airplane licensee shall also permit  
20 the sale or dispensing of alcoholic liquors on any passenger  
21 airplane regularly operated by a common carrier in this State,  
22 but shall not permit the sale for resale of any alcoholic  
23 liquors to any licensee within this State. A single airplane  
24 license shall be required of an airline company if liquor  
25 service is provided on board aircraft in this State. The annual  
26 fee for such license shall be as determined in Section 5-3.



1           (k) A foreign importer's license shall permit such licensee  
2 to purchase alcoholic liquor from Illinois licensed  
3 non-resident dealers only, and to import alcoholic liquor other  
4 than in bulk from any point outside the United States and to  
5 sell such alcoholic liquor to Illinois licensed importing  
6 distributors and to no one else in Illinois; provided that (i)  
7 the foreign importer registers with the State Commission every  
8 brand of alcoholic liquor that it proposes to sell to Illinois  
9 licensees during the license period, (ii) the foreign importer  
10 complies with all of the provisions of Section 6-9 of this Act  
11 with respect to registration of such Illinois licensees as may  
12 be granted the right to sell such brands at wholesale, and  
13 (iii) the foreign importer complies with the provisions of  
14 Sections 6-5 and 6-6 of this Act to the same extent that these  
15 provisions apply to manufacturers.

16           (l) (i) A broker's license shall be required of all persons  
17 who solicit orders for, offer to sell or offer to supply  
18 alcoholic liquor to retailers in the State of Illinois, or who  
19 offer to retailers to ship or cause to be shipped or to make  
20 contact with distillers, rectifiers, brewers or manufacturers  
21 or any other party within or without the State of Illinois in  
22 order that alcoholic liquors be shipped to a distributor,  
23 importing distributor or foreign importer, whether such  
24 solicitation or offer is consummated within or without the  
25 State of Illinois.

26           No holder of a retailer's license issued by the Illinois

1 Liquor Control Commission shall purchase or receive any  
2 alcoholic liquor, the order for which was solicited or offered  
3 for sale to such retailer by a broker unless the broker is the  
4 holder of a valid broker's license.

5 The broker shall, upon the acceptance by a retailer of the  
6 broker's solicitation of an order or offer to sell or supply or  
7 deliver or have delivered alcoholic liquors, promptly forward  
8 to the Illinois Liquor Control Commission a notification of  
9 said transaction in such form as the Commission may by  
10 regulations prescribe.

11 (ii) A broker's license shall be required of a person  
12 within this State, other than a retail licensee, who, for a fee  
13 or commission, promotes, solicits, or accepts orders for  
14 alcoholic liquor, for use or consumption and not for resale, to  
15 be shipped from this State and delivered to residents outside  
16 of this State by an express company, common carrier, or  
17 contract carrier. This Section does not apply to any person who  
18 promotes, solicits, or accepts orders for wine as specifically  
19 authorized in Section 6-29 of this Act.

20 A broker's license under this subsection (1) shall not  
21 entitle the holder to buy or sell any alcoholic liquors for his  
22 own account or to take or deliver title to such alcoholic  
23 liquors.

24 This subsection (1) shall not apply to distributors,  
25 employees of distributors, or employees of a manufacturer who  
26 has registered the trademark, brand or name of the alcoholic

1 liquor pursuant to Section 6-9 of this Act, and who regularly  
2 sells such alcoholic liquor in the State of Illinois only to  
3 its registrants thereunder.

4 Any agent, representative, or person subject to  
5 registration pursuant to subsection (a-1) of this Section shall  
6 not be eligible to receive a broker's license.

7 (m) A non-resident dealer's license shall permit such  
8 licensee to ship into and warehouse alcoholic liquor into this  
9 State from any point outside of this State, and to sell such  
10 alcoholic liquor to Illinois licensed foreign importers and  
11 importing distributors and to no one else in this State;  
12 provided that (i) said non-resident dealer shall register with  
13 the Illinois Liquor Control Commission each and every brand of  
14 alcoholic liquor which it proposes to sell to Illinois  
15 licensees during the license period, (ii) it shall comply with  
16 all of the provisions of Section 6-9 hereof with respect to  
17 registration of such Illinois licensees as may be granted the  
18 right to sell such brands at wholesale, and (iii) the  
19 non-resident dealer shall comply with the provisions of  
20 Sections 6-5 and 6-6 of this Act to the same extent that these  
21 provisions apply to manufacturers.

22 (n) A brew pub license shall allow the licensee (i) to  
23 manufacture beer only on the premises specified in the license,  
24 (ii) to make sales of the beer manufactured on the premises or,  
25 with the approval of the Commission, beer manufactured on  
26 another brew pub licensed premises that is substantially owned

1 and operated by the same licensee to importing distributors,  
2 distributors, and to non-licensees for use and consumption,  
3 (iii) to store the beer upon the premises, and (iv) to sell and  
4 offer for sale at retail from the licensed premises, provided  
5 that a brew pub licensee shall not sell for off-premises  
6 consumption more than 50,000 gallons per year. A person who  
7 holds a brew pub license may simultaneously hold a craft brewer  
8 license if he or she otherwise qualifies for the craft brewer  
9 license and the craft brewer license is for a location separate  
10 from the brew pub's licensed premises. A brew pub license shall  
11 permit a person who has received prior approval from the  
12 Commission to annually transfer no more than a total of 50,000  
13 gallons of beer manufactured on premises to all other licensed  
14 brew pubs that are substantially owned and operated by the same  
15 person.

16 (o) A caterer retailer license shall allow the holder to  
17 serve alcoholic liquors as an incidental part of a food service  
18 that serves prepared meals which excludes the serving of snacks  
19 as the primary meal, either on or off-site whether licensed or  
20 unlicensed.

21 (p) An auction liquor license shall allow the licensee to  
22 sell and offer for sale at auction wine and spirits for use or  
23 consumption, or for resale by an Illinois liquor licensee in  
24 accordance with provisions of this Act. An auction liquor  
25 license will be issued to a person and it will permit the  
26 auction liquor licensee to hold the auction anywhere in the

1 State. An auction liquor license must be obtained for each  
2 auction at least 14 days in advance of the auction date.

3 (q) A special use permit license shall allow an Illinois  
4 licensed retailer to transfer a portion of its alcoholic liquor  
5 inventory from its retail licensed premises to the premises  
6 specified in the license hereby created, and to sell or offer  
7 for sale at retail, only in the premises specified in the  
8 license hereby created, the transferred alcoholic liquor for  
9 use or consumption, but not for resale in any form. A special  
10 use permit license may be granted for the following time  
11 periods: one day or less; 2 or more days to a maximum of 15 days  
12 per location in any 12 month period. An applicant for the  
13 special use permit license must also submit with the  
14 application proof satisfactory to the State Commission that the  
15 applicant will provide dram shop liability insurance to the  
16 maximum limits and have local authority approval.

17 (r) A winery shipper's license shall allow a person with a  
18 first-class or second-class wine manufacturer's license, a  
19 first-class or second-class wine-maker's license, or a limited  
20 wine manufacturer's license or who is licensed to make wine  
21 under the laws of another state to ship wine made by that  
22 licensee directly to a resident of this State who is 21 years  
23 of age or older for that resident's personal use and not for  
24 resale. Prior to receiving a winery shipper's license, an  
25 applicant for the license must provide the Commission with a  
26 true copy of its current license in any state in which it is

1 licensed as a manufacturer of wine. An applicant for a winery  
2 shipper's license must also complete an application form that  
3 provides any other information the Commission deems necessary.  
4 The application form shall include an acknowledgement  
5 consenting to the jurisdiction of the Commission, the Illinois  
6 Department of Revenue, and the courts of this State concerning  
7 the enforcement of this Act and any related laws, rules, and  
8 regulations, including authorizing the Department of Revenue  
9 and the Commission to conduct audits for the purpose of  
10 ensuring compliance with this amendatory Act.

11 A winery shipper licensee must pay to the Department of  
12 Revenue the State liquor gallonage tax under Section 8-1 for  
13 all wine that is sold by the licensee and shipped to a person  
14 in this State. For the purposes of Section 8-1, a winery  
15 shipper licensee shall be taxed in the same manner as a  
16 manufacturer of wine. A licensee who is not otherwise required  
17 to register under the Retailers' Occupation Tax Act must  
18 register under the Use Tax Act to collect and remit use tax to  
19 the Department of Revenue for all gallons of wine that are sold  
20 by the licensee and shipped to persons in this State. If a  
21 licensee fails to remit the tax imposed under this Act in  
22 accordance with the provisions of Article VIII of this Act, the  
23 winery shipper's license shall be revoked in accordance with  
24 the provisions of Article VII of this Act. If a licensee fails  
25 to properly register and remit tax under the Use Tax Act or the  
26 Retailers' Occupation Tax Act for all wine that is sold by the

1 winery shipper and shipped to persons in this State, the winery  
2 shipper's license shall be revoked in accordance with the  
3 provisions of Article VII of this Act.

4 A winery shipper licensee must collect, maintain, and  
5 submit to the Commission on a semi-annual basis the total  
6 number of cases per resident of wine shipped to residents of  
7 this State. A winery shipper licensed under this subsection (r)  
8 must comply with the requirements of Section 6-29 of this  
9 amendatory Act.

10 (Source: P.A. 96-1367, eff. 7-28-10; 97-5, eff. 6-1-11; 97-455,  
11 eff. 8-19-11; 97-813, eff. 7-13-12.)

12 (235 ILCS 5/6-30) (from Ch. 43, par. 144f)

13 Sec. 6-30. Notwithstanding any other provision of this Act,  
14 the Illinois Gaming Board shall have exclusive authority to  
15 establish the hours for sale and consumption of alcoholic  
16 liquor on board a riverboat during riverboat gambling  
17 excursions and in a casino conducted in accordance with the  
18 Illinois Riverboat Gambling Act.

19 (Source: P.A. 87-826.)

20 Section 90-50. The Criminal Code of 2012 is amended by  
21 changing Sections 28-1, 28-1.1, 28-3, 28-5, and 28-7 as  
22 follows:

23 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

1           Sec. 28-1. Gambling.

2           (a) A person commits gambling when he or she:

3                 (1) knowingly plays a game of chance or skill for money  
4                 or other thing of value, unless excepted in subsection (b)  
5                 of this Section;

6                 (2) knowingly makes a wager upon the result of any  
7                 game, contest, or any political nomination, appointment or  
8                 election;

9                 (3) knowingly operates, keeps, owns, uses, purchases,  
10                 exhibits, rents, sells, bargains for the sale or lease of,  
11                 manufactures or distributes any gambling device;

12                 (4) contracts to have or give himself or herself or  
13                 another the option to buy or sell, or contracts to buy or  
14                 sell, at a future time, any grain or other commodity  
15                 whatsoever, or any stock or security of any company, where  
16                 it is at the time of making such contract intended by both  
17                 parties thereto that the contract to buy or sell, or the  
18                 option, whenever exercised, or the contract resulting  
19                 therefrom, shall be settled, not by the receipt or delivery  
20                 of such property, but by the payment only of differences in  
21                 prices thereof; however, the issuance, purchase, sale,  
22                 exercise, endorsement or guarantee, by or through a person  
23                 registered with the Secretary of State pursuant to Section  
24                 8 of the Illinois Securities Law of 1953, or by or through  
25                 a person exempt from such registration under said Section  
26                 8, of a put, call, or other option to buy or sell



1 securities which have been registered with the Secretary of  
2 State or which are exempt from such registration under  
3 Section 3 of the Illinois Securities Law of 1953 is not  
4 gambling within the meaning of this paragraph (4);

5 (5) knowingly owns or possesses any book, instrument or  
6 apparatus by means of which bets or wagers have been, or  
7 are, recorded or registered, or knowingly possesses any  
8 money which he has received in the course of a bet or  
9 wager;

10 (6) knowingly sells pools upon the result of any game  
11 or contest of skill or chance, political nomination,  
12 appointment or election;

13 (7) knowingly sets up or promotes any lottery or sells,  
14 offers to sell or transfers any ticket or share for any  
15 lottery;

16 (8) knowingly sets up or promotes any policy game or  
17 sells, offers to sell or knowingly possesses or transfers  
18 any policy ticket, slip, record, document or other similar  
19 device;

20 (9) knowingly drafts, prints or publishes any lottery  
21 ticket or share, or any policy ticket, slip, record,  
22 document or similar device, except for such activity  
23 related to lotteries, bingo games and raffles authorized by  
24 and conducted in accordance with the laws of Illinois or  
25 any other state or foreign government;

26 (10) knowingly advertises any lottery or policy game,

1           except for such activity related to lotteries, bingo games  
2           and raffles authorized by and conducted in accordance with  
3           the laws of Illinois or any other state;

4           (11) knowingly transmits information as to wagers,  
5           betting odds, or changes in betting odds by telephone,  
6           telegraph, radio, semaphore or similar means; or knowingly  
7           installs or maintains equipment for the transmission or  
8           receipt of such information; except that nothing in this  
9           subdivision (11) prohibits transmission or receipt of such  
10          information for use in news reporting of sporting events or  
11          contests; or

12          (12) knowingly establishes, maintains, or operates an  
13          Internet site that permits a person to play a game of  
14          chance or skill for money or other thing of value by means  
15          of the Internet or to make a wager upon the result of any  
16          game, contest, political nomination, appointment, or  
17          election by means of the Internet. This item (12) does not  
18          apply to activities referenced in items (6) and (6.1) of  
19          subsection (b) of this Section.

20          (b) Participants in any of the following activities shall  
21          not be convicted of gambling:

22               (1) Agreements to compensate for loss caused by the  
23               happening of chance including without limitation contracts  
24               of indemnity or guaranty and life or health or accident  
25               insurance.

26               (2) Offers of prizes, award or compensation to the

1 actual contestants in any bona fide contest for the  
2 determination of skill, speed, strength or endurance or to  
3 the owners of animals or vehicles entered in such contest.

4 (3) Pari-mutuel betting as authorized by the law of  
5 this State.

6 (4) Manufacture of gambling devices, including the  
7 acquisition of essential parts therefor and the assembly  
8 thereof, for transportation in interstate or foreign  
9 commerce to any place outside this State when such  
10 transportation is not prohibited by any applicable Federal  
11 law; or the manufacture, distribution, or possession of  
12 video gaming terminals, as defined in the Video Gaming Act,  
13 by manufacturers, distributors, and terminal operators  
14 licensed to do so under the Video Gaming Act.

15 (5) The game commonly known as "bingo", when conducted  
16 in accordance with the Bingo License and Tax Act.

17 (6) Lotteries when conducted by the State of Illinois  
18 in accordance with the Illinois Lottery Law. This exemption  
19 includes any activity conducted by the Department of  
20 Revenue to sell lottery tickets pursuant to the provisions  
21 of the Illinois Lottery Law and its rules.

22 (6.1) The purchase of lottery tickets through the  
23 Internet for a lottery conducted by the State of Illinois  
24 under the program established in Section 7.12 of the  
25 Illinois Lottery Law.

26 (7) Possession of an antique slot machine that is

1           neither used nor intended to be used in the operation or  
2           promotion of any unlawful gambling activity or enterprise.  
3           For the purpose of this subparagraph (b)(7), an antique  
4           slot machine is one manufactured 25 years ago or earlier.

5           (8) Raffles when conducted in accordance with the  
6           Raffles Act.

7           (9) Charitable games when conducted in accordance with  
8           the Charitable Games Act.

9           (10) Pull tabs and jar games when conducted under the  
10           Illinois Pull Tabs and Jar Games Act.

11           (11) Gambling games ~~conducted on riverboats~~ when  
12           authorized by the Illinois Riverboat Gambling Act.

13           (12) Video gaming terminal games at a licensed  
14           establishment, licensed truck stop establishment, licensed  
15           fraternal establishment, or licensed veterans  
16           establishment when conducted in accordance with the Video  
17           Gaming Act.

18           (13) Games of skill or chance where money or other  
19           things of value can be won but no payment or purchase is  
20           required to participate.

21           (c) Sentence.

22           Gambling is a Class A misdemeanor. A second or subsequent  
23           conviction under subsections (a)(3) through (a)(12), is a Class  
24           4 felony.

25           (d) Circumstantial evidence.

26           In prosecutions under this Section circumstantial evidence

1 shall have the same validity and weight as in any criminal  
2 prosecution.

3 (Source: P.A. 96-34, eff. 7-13-09; 96-37, eff. 7-13-09;  
4 96-1203, eff. 7-22-10; 97-1108, eff. 1-1-13.)

5 (720 ILCS 5/28-1.1) (from Ch. 38, par. 28-1.1)

6 Sec. 28-1.1. Syndicated gambling.

7 (a) Declaration of Purpose. Recognizing the close  
8 relationship between professional gambling and other organized  
9 crime, it is declared to be the policy of the legislature to  
10 restrain persons from engaging in the business of gambling for  
11 profit in this State. This Section shall be liberally construed  
12 and administered with a view to carrying out this policy.

13 (b) A person commits syndicated gambling when he or she  
14 operates a "policy game" or engages in the business of  
15 bookmaking.

16 (c) A person "operates a policy game" when he or she  
17 knowingly uses any premises or property for the purpose of  
18 receiving or knowingly does receive from what is commonly  
19 called "policy":

20 (1) money from a person other than the bettor or player  
21 whose bets or plays are represented by the money; or

22 (2) written "policy game" records, made or used over  
23 any period of time, from a person other than the bettor or  
24 player whose bets or plays are represented by the written  
25 record.

1           (d) A person engages in bookmaking when he or she knowingly  
2 receives or accepts more than five bets or wagers upon the  
3 result of any trials or contests of skill, speed or power of  
4 endurance or upon any lot, chance, casualty, unknown or  
5 contingent event whatsoever, which bets or wagers shall be of  
6 such size that the total of the amounts of money paid or  
7 promised to be paid to the bookmaker on account thereof shall  
8 exceed \$2,000. Bookmaking is the receiving or accepting of bets  
9 or wagers regardless of the form or manner in which the  
10 bookmaker records them.

11           (e) Participants in any of the following activities shall  
12 not be convicted of syndicated 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 the contest;

21           (3) Pari-mutuel betting as authorized by law of this  
22 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 the

1 transportation is not prohibited by any applicable Federal  
2 law;

3 (5) Raffles when conducted in accordance with the  
4 Raffles Act;

5 (6) Gambling games conducted on riverboats, in  
6 casinos, or at electronic gaming facilities when  
7 authorized by the Illinois Riverboat Gambling Act; and

8 (7) Video gaming terminal games at a licensed  
9 establishment, licensed truck stop establishment, licensed  
10 fraternal establishment, or licensed veterans  
11 establishment when conducted in accordance with the Video  
12 Gaming Act.

13 (f) Sentence. Syndicated gambling is a Class 3 felony.

14 (Source: P.A. 96-34, eff. 7-13-09; 97-1108, eff. 1-1-13.)

15 (720 ILCS 5/28-3) (from Ch. 38, par. 28-3)

16 Sec. 28-3. Keeping a Gambling Place. A "gambling place" is  
17 any real estate, vehicle, boat or any other property whatsoever  
18 used for the purposes of gambling other than gambling conducted  
19 in the manner authorized by the Illinois Riverboat Gambling Act  
20 or the Video Gaming Act. Any person who knowingly permits any  
21 premises or property owned or occupied by him or under his  
22 control to be used as a gambling place commits a Class A  
23 misdemeanor. Each subsequent offense is a Class 4 felony. When  
24 any premises is determined by the circuit court to be a  
25 gambling place:

1 (a) Such premises is a public nuisance and may be proceeded  
2 against as such, and

3 (b) All licenses, permits or certificates issued by the  
4 State of Illinois or any subdivision or public agency thereof  
5 authorizing the serving of food or liquor on such premises  
6 shall be void; and no license, permit or certificate so  
7 cancelled shall be reissued for such premises for a period of  
8 60 days thereafter; nor shall any person convicted of keeping a  
9 gambling place be reissued such license for one year from his  
10 conviction and, after a second conviction of keeping a gambling  
11 place, any such person shall not be reissued such license, and

12 (c) Such premises of any person who knowingly permits  
13 thereon a violation of any Section of this Article shall be  
14 held liable for, and may be sold to pay any unsatisfied  
15 judgment that may be recovered and any unsatisfied fine that  
16 may be levied under any Section of this Article.

17 (Source: P.A. 96-34, eff. 7-13-09.)

18 (720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

19 Sec. 28-5. Seizure of gambling devices and gambling funds.

20 (a) Every device designed for gambling which is incapable  
21 of lawful use or every device used unlawfully for gambling  
22 shall be considered a "gambling device", and shall be subject  
23 to seizure, confiscation and destruction by the Department of  
24 State Police or by any municipal, or other local authority,  
25 within whose jurisdiction the same may be found. As used in



1 this Section, a "gambling device" includes any slot machine,  
2 and includes any machine or device constructed for the  
3 reception of money or other thing of value and so constructed  
4 as to return, or to cause someone to return, on chance to the  
5 player thereof money, property or a right to receive money or  
6 property. With the exception of any device designed for  
7 gambling which is incapable of lawful use, no gambling device  
8 shall be forfeited or destroyed unless an individual with a  
9 property interest in said device knows of the unlawful use of  
10 the device.

11 (b) Every gambling device shall be seized and forfeited to  
12 the county wherein such seizure occurs. Any money or other  
13 thing of value integrally related to acts of gambling shall be  
14 seized and forfeited to the county wherein such seizure occurs.

15 (c) If, within 60 days after any seizure pursuant to  
16 subparagraph (b) of this Section, a person having any property  
17 interest in the seized property is charged with an offense, the  
18 court which renders judgment upon such charge shall, within 30  
19 days after such judgment, conduct a forfeiture hearing to  
20 determine whether such property was a gambling device at the  
21 time of seizure. Such hearing shall be commenced by a written  
22 petition by the State, including material allegations of fact,  
23 the name and address of every person determined by the State to  
24 have any property interest in the seized property, a  
25 representation that written notice of the date, time and place  
26 of such hearing has been mailed to every such person by

1 certified mail at least 10 days before such date, and a request  
2 for forfeiture. Every such person may appear as a party and  
3 present evidence at such hearing. The quantum of proof required  
4 shall be a preponderance of the evidence, and the burden of  
5 proof shall be on the State. If the court determines that the  
6 seized property was a gambling device at the time of seizure,  
7 an order of forfeiture and disposition of the seized property  
8 shall be entered: a gambling device shall be received by the  
9 State's Attorney, who shall effect its destruction, except that  
10 valuable parts thereof may be liquidated and the resultant  
11 money shall be deposited in the general fund of the county  
12 wherein such seizure occurred; money and other things of value  
13 shall be received by the State's Attorney and, upon  
14 liquidation, shall be deposited in the general fund of the  
15 county wherein such seizure occurred. However, in the event  
16 that a defendant raises the defense that the seized slot  
17 machine is an antique slot machine described in subparagraph  
18 (b) (7) of Section 28-1 of this Code and therefore he is exempt  
19 from the charge of a gambling activity participant, the seized  
20 antique slot machine shall not be destroyed or otherwise  
21 altered until a final determination is made by the Court as to  
22 whether it is such an antique slot machine. Upon a final  
23 determination by the Court of this question in favor of the  
24 defendant, such slot machine shall be immediately returned to  
25 the defendant. Such order of forfeiture and disposition shall,  
26 for the purposes of appeal, be a final order and judgment in a

1 civil proceeding.

2 (d) If a seizure pursuant to subparagraph (b) of this  
3 Section is not followed by a charge pursuant to subparagraph  
4 (c) of this Section, or if the prosecution of such charge is  
5 permanently terminated or indefinitely discontinued without  
6 any judgment of conviction or acquittal (1) the State's  
7 Attorney shall commence an in rem proceeding for the forfeiture  
8 and destruction of a gambling device, or for the forfeiture and  
9 deposit in the general fund of the county of any seized money  
10 or other things of value, or both, in the circuit court and (2)  
11 any person having any property interest in such seized gambling  
12 device, money or other thing of value may commence separate  
13 civil proceedings in the manner provided by law.

14 (e) Any gambling device displayed for sale to a riverboat  
15 gambling operation, casino gambling operation, or electronic  
16 gaming facility or used to train occupational licensees of a  
17 riverboat gambling operation, casino gambling operation, or  
18 electronic gaming facility as authorized under the Illinois  
19 ~~Riverboat~~ Gambling Act is exempt from seizure under this  
20 Section.

21 (f) Any gambling equipment, devices and supplies provided  
22 by a licensed supplier in accordance with the Illinois  
23 ~~Riverboat~~ Gambling Act which are removed from a the riverboat,  
24 casino, or electronic gaming facility for repair are exempt  
25 from seizure under this Section.

26 (Source: P.A. 87-826.)

1 (720 ILCS 5/28-7) (from Ch. 38, par. 28-7)

2 Sec. 28-7. Gambling contracts void.

3 (a) All promises, notes, bills, bonds, covenants,  
4 contracts, agreements, judgments, mortgages, or other  
5 securities or conveyances made, given, granted, drawn, or  
6 entered into, or executed by any person whatsoever, where the  
7 whole or any part of the consideration thereof is for any money  
8 or thing of value, won or obtained in violation of any Section  
9 of this Article are null and void.

10 (b) Any obligation void under this Section may be set aside  
11 and vacated by any court of competent jurisdiction, upon a  
12 complaint filed for that purpose, by the person so granting,  
13 giving, entering into, or executing the same, or by his  
14 executors or administrators, or by any creditor, heir, legatee,  
15 purchaser or other person interested therein; or if a judgment,  
16 the same may be set aside on motion of any person stated above,  
17 on due notice thereof given.

18 (c) No assignment of any obligation void under this Section  
19 may in any manner affect the defense of the person giving,  
20 granting, drawing, entering into or executing such obligation,  
21 or the remedies of any person interested therein.

22 (d) This Section shall not prevent a licensed owner of a  
23 riverboat gambling operation, casino gambling operation, or an  
24 electronic gaming licensee under the Illinois Gambling Act and  
25 the Illinois Horse Racing Act of 1975 from instituting a cause

1 of action to collect any amount due and owing under an  
2 extension of credit to a ~~riverboat~~ gambling patron as  
3 authorized under Section 11.1 of the Illinois Riverboat  
4 Gambling Act.

5 (Source: P.A. 87-826.)

6 Section 90-55. The Eminent Domain Act is amended by adding  
7 Section 15-5-47 as follows:

8 (735 ILCS 30/15-5-47 new)

9 Sec. 15-5-47. Eminent domain powers in new Acts. The  
10 following provisions of law may include express grants of the  
11 power to acquire property by condemnation or eminent domain:

12 Chicago Casino Development Authority Act; City of Chicago; for  
13 the purposes of the Act.

14 Section 90-60. The Payday Loan Reform Act is amended by  
15 changing Section 3-5 as follows:

16 (815 ILCS 122/3-5)

17 Sec. 3-5. Licensure.

18 (a) A license to make a payday loan shall state the  
19 address, including city and state, at which the business is to  
20 be conducted and shall state fully the name of the licensee.  
21 The license shall be conspicuously posted in the place of

1 business of the licensee and shall not be transferable or  
2 assignable.

3 (b) An application for a license shall be in writing and in  
4 a form prescribed by the Secretary. The Secretary may not issue  
5 a payday loan license unless and until the following findings  
6 are made:

7 (1) that the financial responsibility, experience,  
8 character, and general fitness of the applicant are such as  
9 to command the confidence of the public and to warrant the  
10 belief that the business will be operated lawfully and  
11 fairly and within the provisions and purposes of this Act;  
12 and

13 (2) that the applicant has submitted such other  
14 information as the Secretary may deem necessary.

15 (c) A license shall be issued for no longer than one year,  
16 and no renewal of a license may be provided if a licensee has  
17 substantially violated this Act and has not cured the violation  
18 to the satisfaction of the Department.

19 (d) A licensee shall appoint, in writing, the Secretary as  
20 attorney-in-fact upon whom all lawful process against the  
21 licensee may be served with the same legal force and validity  
22 as if served on the licensee. A copy of the written  
23 appointment, duly certified, shall be filed in the office of  
24 the Secretary, and a copy thereof certified by the Secretary  
25 shall be sufficient evidence to subject a licensee to  
26 jurisdiction in a court of law. This appointment shall remain

1 in effect while any liability remains outstanding in this State  
2 against the licensee. When summons is served upon the Secretary  
3 as attorney-in-fact for a licensee, the Secretary shall  
4 immediately notify the licensee by registered mail, enclosing  
5 the summons and specifying the hour and day of service.

6 (e) A licensee must pay an annual fee of \$1,000. In  
7 addition to the license fee, the reasonable expense of any  
8 examination or hearing by the Secretary under any provisions of  
9 this Act shall be borne by the licensee. If a licensee fails to  
10 renew its license by December 31, its license shall  
11 automatically expire; however, the Secretary, in his or her  
12 discretion, may reinstate an expired license upon:

13 (1) payment of the annual fee within 30 days of the  
14 date of expiration; and

15 (2) proof of good cause for failure to renew.

16 (f) Not more than one place of business shall be maintained  
17 under the same license, but the Secretary may issue more than  
18 one license to the same licensee upon compliance with all the  
19 provisions of this Act governing issuance of a single license.  
20 The location, except those locations already in existence as of  
21 June 1, 2005, may not be within one mile of a horse race track  
22 subject to the Illinois Horse Racing Act of 1975, within one  
23 mile of a facility at which gambling is conducted under the  
24 Illinois Riverboat ~~Riverboat~~ Gambling Act, within one mile of the  
25 location at which a riverboat subject to the Illinois Riverboat  
26 Gambling Act docks, or within one mile of any State of Illinois

1 or United States military base or naval installation.

2 (g) No licensee shall conduct the business of making loans  
3 under this Act within any office, suite, room, or place of  
4 business in which (1) any loans are offered or made under the  
5 Consumer Installment Loan Act other than title secured loans as  
6 defined in subsection (a) of Section 15 of the Consumer  
7 Installment Loan Act and governed by Title 38, Section 110.330  
8 of the Illinois Administrative Code or (2) any other business  
9 is solicited or engaged in unless the other business is  
10 licensed by the Department or, in the opinion of the Secretary,  
11 the other business would not be contrary to the best interests  
12 of consumers and is authorized by the Secretary in writing.

13 (g-5) Notwithstanding subsection (g) of this Section, a  
14 licensee may obtain a license under the Consumer Installment  
15 Loan Act (CILA) for the exclusive purpose and use of making  
16 title secured loans, as defined in subsection (a) of Section 15  
17 of CILA and governed by Title 38, Section 110.300 of the  
18 Illinois Administrative Code. A licensee may continue to  
19 service Consumer Installment Loan Act loans that were  
20 outstanding as of the effective date of this amendatory Act of  
21 the 96th General Assembly.

22 (h) The Secretary shall maintain a list of licensees that  
23 shall be available to interested consumers and lenders and the  
24 public. The Secretary shall maintain a toll-free number whereby  
25 consumers may obtain information about licensees. The  
26 Secretary shall also establish a complaint process under which



1 an aggrieved consumer may file a complaint against a licensee  
2 or non-licensee who violates any provision of this Act.

3 (Source: P.A. 96-936, eff. 3-21-11.)

4 Section 90-65. The Travel Promotion Consumer Protection  
5 Act is amended by changing Section 2 as follows:

6 (815 ILCS 420/2) (from Ch. 121 1/2, par. 1852)

7 Sec. 2. Definitions.

8 (a) "Travel promoter" means a person, including a tour  
9 operator, who sells, provides, furnishes, contracts for,  
10 arranges or advertises that he or she will arrange wholesale or  
11 retail transportation by air, land, sea or navigable stream,  
12 either separately or in conjunction with other services.  
13 "Travel promoter" does not include (1) an air carrier; (2) a  
14 sea carrier; (3) an officially appointed agent of an air  
15 carrier who is a member in good standing of the Airline  
16 Reporting Corporation; (4) a travel promoter who has in force  
17 \$1,000,000 or more of liability insurance coverage for  
18 professional errors and omissions and a surety bond or  
19 equivalent surety in the amount of \$100,000 or more for the  
20 benefit of consumers in the event of a bankruptcy on the part  
21 of the travel promoter; or (5) a riverboat subject to  
22 regulation under the Illinois Riverboat ~~Riverboat~~ Gambling Act.

23 (b) "Advertise" means to make any representation in the  
24 solicitation of passengers and includes communication with

1 other members of the same partnership, corporation, joint  
2 venture, association, organization, group or other entity.

3 (c) "Passenger" means a person on whose behalf money or  
4 other consideration has been given or is to be given to  
5 another, including another member of the same partnership,  
6 corporation, joint venture, association, organization, group  
7 or other entity, for travel.

8 (d) "Ticket or voucher" means a writing or combination of  
9 writings which is itself good and sufficient to obtain  
10 transportation and other services for which the passenger has  
11 contracted.

12 (Source: P.A. 91-357, eff. 7-29-99.)

13 (30 ILCS 105/5.490 rep.)

14 Section 90-70. The State Finance Act is amended by  
15 repealing Section 5.490.

16 (230 ILCS 5/54 rep.)

17 Section 90-75. The Illinois Horse Racing Act of 1975 is  
18 amended by repealing Section 54.

19 ARTICLE 99.

20 Section 99-97. Severability. The provisions of this Act are  
21 severable under Section 1.31 of the Statute on Statutes.

1           Section 99-99. Effective date. This Act takes effect upon  
2    becoming law.".