



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

**HB4374**

by Rep. Rita Mayfield

#### SYNOPSIS AS INTRODUCED:

20 ILCS 605/605-530 new  
30 ILCS 105/5.875 new  
230 ILCS 10/13

from Ch. 120, par. 2413

Creates the Commission on the Future of Economic Development of the African American Community within the Department of Commerce and Economic Opportunity. Provides that the Commission's purpose is to maintain and develop the economy within the African American community and to provide opportunities for this community that will enhance and expand the quality of their lives. Requires that the Commission consult with appropriate legislative committees about the State's economic development needs and opportunities in the African American community. Requires that the Commission submit to the Governor and General Assembly a comprehensive statewide economic development strategy for the African American community with a report on progress from the previous comprehensive strategy by October 1 of each even-numbered year. Provides that the Commission shall consist of 12 voting members appointed by the Governor, with representatives from production agriculture; transportation, construction, and logistics; travel and tourism; financial services and insurance; information technology and communications; and biotechnology, as well as manufacturing and small business. Provides that the Commission meet at least 4 times a year. Provides that the Commission make recommendations to the Department of Commerce and Economic Opportunity concerning the award of grants from amounts appropriated to the Department from the African American Community Economic Development Fund. Creates the African American Community Economic Development Fund. Amends the Riverboat Gambling Act. Provides that \$20,000,000 be transferred annually from the State Gaming Fund into the African American Community Economic Development Fund.

LRB099 15586 MLM 39877 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

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

4 Section 5. The Department of Commerce and Economic  
5 Opportunity Law of the Civil Administrative Code of Illinois is  
6 amended by adding Section 605-530 as follows:

7 (20 ILCS 605/605-530 new)

8 Sec. 605-530. The Commission on the Future of Economic  
9 Development of the African American Community.

10 (a) There is hereby created the Commission on the Future of  
11 Economic Development of the African American Community within  
12 the Department. The purpose of the Commission shall be to  
13 maintain and develop the economy within the African American  
14 community and to provide opportunities for this community that  
15 will enhance and expand the quality of their lives.

16 The Commission must concentrate its major efforts on  
17 strategic planning, policy research and analysis, advocacy,  
18 evaluation, and promoting coordination and collaboration.

19 During each regular legislative session, the Commission  
20 must consult with appropriate legislative committees about the  
21 State's economic development needs and opportunities in the  
22 African American community.

23 By October 1st of each even-numbered year, the Commission

1 must submit to the Governor and General Assembly a biennial  
2 comprehensive statewide economic development strategy for the  
3 African American community with a report on progress from the  
4 previous comprehensive strategy.

5 The comprehensive statewide economic development strategy  
6 may include:

7 (1) an assessment of the community's economic  
8 vitality;

9 (2) recommended goals, objectives, and priorities for  
10 the next biennium and the future;

11 (3) a common set of outcomes and benchmarks for the  
12 economic development system as a whole for the African  
13 American community;

14 (4) recommendations for removing barriers for African  
15 Americans in employment;

16 (5) an inventory of existing relevant programs  
17 compiled by the Commission from materials submitted by  
18 agencies;

19 (6) recommendations for expanding, discontinuing, or  
20 redirecting existing programs or adding new programs to  
21 better serve the African American community; and

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

25 In developing the biennial statewide economic development  
26 strategy, plans, inventories, assessments, and policy

1 research, the Commission must consult, collaborate, and  
2 coordinate with relevant State agencies, private sector  
3 businesses, nonprofit organizations involved in economic  
4 development, trade associations, associate development  
5 organizations, and relevant local organizations in order to  
6 avoid duplication of effort.

7 State agencies must cooperate with the Commission and  
8 provide information as the Commission may reasonably request.

9 The Commission shall review and make budget  
10 recommendations to the Governor's Office of Management and  
11 Budget and the General Assembly in areas relating to the  
12 economic development in the State's African American  
13 community.

14 The Commission must evaluate its own performance on a  
15 regular basis.

16 The Commission may accept gifts, grants, donations,  
17 sponsorships, or contributions from any federal, State, or  
18 local governmental agency or program or any private source and  
19 expend the same for any purpose consistent with this Act.

20 (b) The Commission shall consist of 12 voting members  
21 appointed by the Governor. The chairperson of the Commission  
22 shall be one of the appointed members and shall be chosen by  
23 the Commission. The members of the Commission shall be  
24 representative, to the extent possible, of the various  
25 geographic areas of the State. The Director shall serve as an  
26 ad hoc nonvoting member of the Commission. In appointing the

1 members, the Governor shall appoint individuals representing  
2 the following private industry sectors:

3 (1) production agriculture;

4 (2) transportation, construction and logistics;

5 (3) travel and tourism;

6 (4) financial services and insurance;

7 (5) information technology and communications; and

8 (6) biotechnology.

9 In addition, the Governor shall appoint at least 2 individuals  
10 representing manufacturing, one such individual shall  
11 represent a company with no more than 75 employees.

12 Members appointed by the Governor serve for not more than 2  
13 consecutive 3-year terms, except that, as determined by the  
14 Governor, of the initial appointees of the Commission, the  
15 terms of 4 members shall expire on October 1, 2017, the terms  
16 of 4 shall expire on October 1, 2018, and the terms of 4  
17 members shall expire on October 1, 2019. Thereafter, all terms  
18 are for 3 years. Vacancies must be filled in the same manner as  
19 the original appointments. The members of the Commission shall  
20 serve without compensation.

21 (c) The Commission shall meet at least 4 times a year, with  
22 at least one meeting each calendar quarter, at the call of the  
23 Director or 4 voting members of the Commission. The staff and  
24 support for the Commission shall be provided by the Department.

25 (d) The Commission and Department are encouraged to involve  
26 other essential groups in the work of the Commission,

1 including, but not limited to, (1) public universities, (2)  
2 community colleges, (3) other educational institutions, and  
3 (4) the Illinois Department of Labor.

4 (e) The Commission shall make recommendations, which must  
5 be approved by a majority of the Commission, to the Department  
6 concerning the award of grants from amounts appropriated to the  
7 Department from the African American Community Economic  
8 Development Fund, a special fund created in the State treasury.  
9 The Department must make grants to public or private entities  
10 submitting proposals to the Commission to assist in the  
11 economic development of the African American community. Grants  
12 may be used by these entities only for those purposes specified  
13 in the grant. The Commission shall coordinate with the  
14 Department to develop grant criteria.

15 (f) For purposes of this Section, "educational  
16 institutions" means nonprofit public and private colleges,  
17 community colleges, State colleges, and universities in the  
18 State.

19 Section 10. The State Finance Act is amended by adding  
20 Section 5.875 as follows:

21 (30 ILCS 105/5.875 new)

22 Sec. 5.875. The African American Community Economic  
23 Development Fund.

1 Section 15. The Riverboat Gambling Act is amended by  
2 changing Section 13 as follows:

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

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

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

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

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

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

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

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

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

23 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax  
24 is imposed on persons engaged in the business of conducting  
25 riverboat gambling operations, other than licensed managers

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

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

7 22.5% of annual adjusted gross receipts in excess of  
8 \$25,000,000 but not exceeding \$50,000,000;

9 27.5% of annual adjusted gross receipts in excess of  
10 \$50,000,000 but not exceeding \$75,000,000;

11 32.5% of annual adjusted gross receipts in excess of  
12 \$75,000,000 but not exceeding \$100,000,000;

13 37.5% of annual adjusted gross receipts in excess of  
14 \$100,000,000 but not exceeding \$150,000,000;

15 45% of annual adjusted gross receipts in excess of  
16 \$150,000,000 but not exceeding \$200,000,000;

17 50% of annual adjusted gross receipts in excess of  
18 \$200,000,000.

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

26 15% of annual adjusted gross receipts up to and



1 including \$25,000,000;

2 27.5% of annual adjusted gross receipts in excess of  
3 \$25,000,000 but not exceeding \$37,500,000;

4 32.5% of annual adjusted gross receipts in excess of  
5 \$37,500,000 but not exceeding \$50,000,000;

6 37.5% of annual adjusted gross receipts in excess of  
7 \$50,000,000 but not exceeding \$75,000,000;

8 45% of annual adjusted gross receipts in excess of  
9 \$75,000,000 but not exceeding \$100,000,000;

10 50% of annual adjusted gross receipts in excess of  
11 \$100,000,000 but not exceeding \$250,000,000;

12 70% of annual adjusted gross receipts in excess of  
13 \$250,000,000.

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

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

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

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

12 15% of annual adjusted gross receipts up to and  
13 including \$25,000,000;

14 22.5% of annual adjusted gross receipts in excess of  
15 \$25,000,000 but not exceeding \$50,000,000;

16 27.5% of annual adjusted gross receipts in excess of  
17 \$50,000,000 but not exceeding \$75,000,000;

18 32.5% of annual adjusted gross receipts in excess of  
19 \$75,000,000 but not exceeding \$100,000,000;

20 37.5% of annual adjusted gross receipts in excess of  
21 \$100,000,000 but not exceeding \$150,000,000;

22 45% of annual adjusted gross receipts in excess of  
23 \$150,000,000 but not exceeding \$200,000,000;

24 50% of annual adjusted gross receipts in excess of  
25 \$200,000,000.

26 (a-8) Riverboat gambling operations conducted by a

1 licensed manager on behalf of the State are not subject to the  
2 tax imposed under this Section.

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

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

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

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

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

23 "Base amount" means the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 June 25, 1999, or (3) the first riverboat gambling operations  
2 conducted by a licensed manager on behalf of the State under  
3 Section 7.3, whichever comes first, shall be paid from the  
4 State Gaming Fund into the Horse Racing Equity Fund.

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

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

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

26 (c-25) On July 1, 2013 and each July 1 thereafter,

1 \$1,600,000 shall be transferred from the State Gaming Fund to  
2 the Chicago State University Education Improvement Fund.

3 (c-30) On July 1, 2013 or as soon as possible thereafter,  
4 \$92,000,000 shall be transferred from the State Gaming Fund to  
5 the School Infrastructure Fund and \$23,000,000 shall be  
6 transferred from the State Gaming Fund to the Horse Racing  
7 Equity Fund.

8 (c-35) Beginning on July 1, 2013, in addition to any amount  
9 transferred under subsection (c-30) of this Section,  
10 \$5,530,000 shall be transferred monthly from the State Gaming  
11 Fund to the School Infrastructure Fund.

12 (c-40) After the payments required under subsections (b),  
13 (c), (c-5), (c-15), and (c-25) have been made, \$20,000,000  
14 shall be transferred annually from the State Gaming Fund into  
15 the African American Community Economic Development Fund.

16 (d) From time to time, the Board shall transfer the  
17 remainder of the funds generated by this Act into the Education  
18 Assistance Fund, created by Public Act 86-0018, of the State of  
19 Illinois.

20 (e) Nothing in this Act shall prohibit the unit of local  
21 government designated as the home dock of the riverboat from  
22 entering into agreements with other units of local government  
23 in this State or in other states to share its portion of the  
24 tax revenue.

25 (f) To the extent practicable, the Board shall administer  
26 and collect the wagering taxes imposed by this Section in a



1 manner consistent with the provisions of Sections 4, 5, 5a, 5b,  
2 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the  
3 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
4 Penalty and Interest Act.

5 (Source: P.A. 98-18, eff. 6-7-13.)