

1 that are permanently fixed together on which lawful gambling
2 is authorized and licensed as provided in this Act.

3 (e) (Blank).

4 (f) "Dock" means the location where a riverboat moors
5 for the purpose of embarking passengers for and disembarking
6 passengers from the riverboat.

7 (g) "Gross receipts" means the total amount of money
8 exchanged for the purchase of chips, tokens or electronic
9 cards by riverboat patrons.

10 (h) "Adjusted gross receipts" means the gross receipts
11 less winnings paid to wagerers.

12 (i) "Cheat" means to alter the selection of criteria
13 which determine the result of a gambling game or the amount
14 or frequency of payment in a gambling game.

15 (j) "Department" means the Department of Revenue.

16 (k) "Gambling operation" means the conduct of authorized
17 gambling games upon a riverboat.

18 (Source: P.A. 91-40, eff. 6-25-99.)

19 (230 ILCS 10/5) (from Ch. 120, par. 2405)

20 Sec. 5. Gaming Board.

21 (a) (1) There is hereby established within the
22 Department of Revenue an Illinois Gaming Board which shall
23 have the powers and duties specified in this Act, and all
24 other powers necessary and proper to fully and effectively
25 execute this Act for the purpose of administering,
26 regulating, and enforcing the system of riverboat gambling
27 established by this Act. Its jurisdiction shall extend under
28 this Act to every person, association, corporation,
29 partnership and trust involved in riverboat gambling
30 operations in the State of Illinois.

31 (2) The Board shall consist of 5 members to be appointed
32 by the Governor with the advice and consent of the Senate,
33 one of whom shall be designated by the Governor to be

1 chairman. Each member shall have a reasonable knowledge of
2 the practice, procedure and principles of gambling
3 operations. Each member shall either be a resident of
4 Illinois or shall certify that he will become a resident of
5 Illinois before taking office. At least one member shall be
6 experienced in law enforcement and criminal investigation, at
7 least one member shall be a certified public accountant
8 experienced in accounting and auditing, and at least one
9 member shall be a lawyer licensed to practice law in
10 Illinois.

11 (3) The terms of office of the Board members shall be 3
12 years, except that the terms of office of the initial Board
13 members appointed pursuant to this Act will commence from the
14 effective date of this Act and run as follows: one for a
15 term ending July 1, 1991, 2 for a term ending July 1, 1992,
16 and 2 for a term ending July 1, 1993. Upon the expiration of
17 the foregoing terms, the successors of such members shall
18 serve a term for 3 years and until their successors are
19 appointed and qualified for like terms. Vacancies in the
20 Board shall be filled for the unexpired term in like manner
21 as original appointments. Each member of the Board shall be
22 eligible for reappointment at the discretion of the Governor
23 with the advice and consent of the Senate.

24 (4) Each member of the Board shall receive \$300 for each
25 day the Board meets and for each day the member conducts any
26 hearing pursuant to this Act. Each member of the Board shall
27 also be reimbursed for all actual and necessary expenses and
28 disbursements incurred in the execution of official duties.

29 (5) No person shall be appointed a member of the Board
30 or continue to be a member of the Board who is, or whose
31 spouse, child or parent is, a member of the board of
32 directors of, or a person financially interested in, any
33 gambling operation subject to the jurisdiction of this Board,
34 or any race track, race meeting, racing association or the

1 operations thereof subject to the jurisdiction of the
2 Illinois Racing Board. No Board member shall hold any other
3 public office for which he shall receive compensation other
4 than necessary travel or other incidental expenses. No
5 person shall be a member of the Board who is not of good
6 moral character or who has been convicted of, or is under
7 indictment for, a felony under the laws of Illinois or any
8 other state, or the United States.

9 (6) Any member of the Board may be removed by the
10 Governor for neglect of duty, misfeasance, malfeasance, or
11 nonfeasance in office.

12 (7) Before entering upon the discharge of the duties of
13 his office, each member of the Board shall take an oath that
14 he will faithfully execute the duties of his office according
15 to the laws of the State and the rules and regulations
16 adopted therewith and shall give bond to the State of
17 Illinois, approved by the Governor, in the sum of \$25,000.
18 Every such bond, when duly executed and approved, shall be
19 recorded in the office of the Secretary of State. Whenever
20 the Governor determines that the bond of any member of the
21 Board has become or is likely to become invalid or
22 insufficient, he shall require such member forthwith to renew
23 his bond, which is to be approved by the Governor. Any
24 member of the Board who fails to take oath and give bond
25 within 30 days from the date of his appointment, or who fails
26 to renew his bond within 30 days after it is demanded by the
27 Governor, shall be guilty of neglect of duty and may be
28 removed by the Governor. The cost of any bond given by any
29 member of the Board under this Section shall be taken to be a
30 part of the necessary expenses of the Board.

31 (8) Upon the request of the Board, the Department shall
32 employ such personnel as may be necessary to carry out the
33 functions of the Board. No person shall be employed to serve
34 the Board who is, or whose spouse, parent or child is, an

1 official of, or has a financial interest in or financial
2 relation with, any operator engaged in gambling operations
3 within this State or any organization engaged in conducting
4 horse racing within this State. Any employee violating these
5 prohibitions shall be subject to termination of employment.

6 (9) An Administrator shall perform any and all duties
7 that the Board shall assign him. The salary of the
8 Administrator shall be determined by the Board and approved
9 by the Director of the Department and, in addition, he shall
10 be reimbursed for all actual and necessary expenses incurred
11 by him in discharge of his official duties. The
12 Administrator shall keep records of all proceedings of the
13 Board and shall preserve all records, books, documents and
14 other papers belonging to the Board or entrusted to its care.
15 The Administrator shall devote his full time to the duties of
16 the office and shall not hold any other office or employment.

17 (b) The Board shall have general responsibility for the
18 implementation of this Act. Its duties include, without
19 limitation, the following:

20 (1) To decide promptly and in reasonable order all
21 license applications. Any party aggrieved by an action of
22 the Board denying, suspending, revoking, restricting or
23 refusing to renew a license may request a hearing before
24 the Board. A request for a hearing must be made to the
25 Board in writing within 5 days after service of notice of
26 the action of the Board. Notice of the action of the
27 Board shall be served either by personal delivery or by
28 certified mail, postage prepaid, to the aggrieved party.
29 Notice served by certified mail shall be deemed complete
30 on the business day following the date of such mailing.
31 The Board shall conduct all requested hearings promptly
32 and in reasonable order;

33 (2) To conduct all hearings pertaining to civil
34 violations of this Act or rules and regulations

1 promulgated hereunder;

2 (3) To promulgate such rules and regulations as in
3 its judgment may be necessary to protect or enhance the
4 credibility and integrity of gambling operations
5 authorized by this Act and the regulatory process
6 hereunder;

7 (4) To provide for the establishment and collection
8 of all license and registration fees and taxes imposed by
9 this Act and the rules and regulations issued pursuant
10 hereto. All such fees and taxes shall be deposited into
11 the State Gaming Fund;

12 (5) To provide for the levy and collection of
13 penalties and fines for the violation of provisions of
14 this Act and the rules and regulations promulgated
15 hereunder. All such fines and penalties shall be
16 deposited into the Education Assistance Fund, created by
17 Public Act 86-0018, of the State of Illinois;

18 (6) To be present through its inspectors and agents
19 any time gambling operations are conducted on any
20 riverboat for the purpose of certifying the revenue
21 thereof, receiving complaints from the public, and
22 conducting such other investigations into the conduct of
23 the gambling games and the maintenance of the equipment
24 as from time to time the Board may deem necessary and
25 proper;

26 (7) To review and rule upon any complaint by a
27 licensee regarding any investigative procedures of the
28 State which are unnecessarily disruptive of gambling
29 operations. The need to inspect and investigate shall be
30 presumed at all times. The disruption of a licensee's
31 operations shall be proved by clear and convincing
32 evidence, and establish that: (A) the procedures had no
33 reasonable law enforcement purposes, and (B) the
34 procedures were so disruptive as to unreasonably inhibit

1 gambling operations;

2 (8) To hold at least one meeting each quarter of
3 the fiscal year. In addition, special meetings may be
4 called by the Chairman or any 2 Board members upon 72
5 hours written notice to each member. All Board meetings
6 shall be subject to the Open Meetings Act. If there is no
7 vacancy on the Board, 4 Three members of the Board shall
8 constitute a quorum, and 3 votes shall be required for
9 any final determination by the Board. If there is a
10 vacancy on the Board, a majority of the Board members
11 shall constitute a quorum, and a majority vote of the
12 Board shall be required for any final determination by
13 the Board. The Board shall keep a complete and accurate
14 record of all its meetings. A majority of the members of
15 the Board shall constitute a quorum for the transaction
16 of any business, for the performance of any duty, or for
17 the exercise of any power which this Act requires the
18 Board members to transact, perform or exercise en banc,
19 except that, upon order of the Board, one of the Board
20 members or an administrative law judge designated by the
21 Board may conduct any hearing provided for under this Act
22 or by Board rule and may recommend findings and decisions
23 to the Board. The Board member or administrative law
24 judge conducting such hearing shall have all powers and
25 rights granted to the Board in this Act. The record made
26 at the time of the hearing shall be reviewed by the
27 Board, or a majority thereof, and the findings and
28 decision of the majority of the Board shall constitute
29 the order of the Board in such case;

30 (9) To maintain records which are separate and
31 distinct from the records of any other State board or
32 commission. Such records shall be available for public
33 inspection and shall accurately reflect all Board
34 proceedings;

1 (10) To file a written annual report with the
2 Governor on or before March 1 each year and such
3 additional reports as the Governor may request. The
4 annual report shall include a statement of receipts and
5 disbursements by the Board, actions taken by the Board,
6 and any additional information and recommendations which
7 the Board may deem valuable or which the Governor may
8 request;

9 (11) (Blank); and

10 (12) To assume responsibility for the
11 administration and enforcement of the Bingo License and
12 Tax Act, the Charitable Games Act, and the Pull Tabs and
13 Jar Games Act if such responsibility is delegated to it
14 by the Director of Revenue.

15 (c) The Board shall have jurisdiction over and shall
16 supervise all gambling operations governed by this Act. The
17 Board shall have all powers necessary and proper to fully and
18 effectively execute the provisions of this Act, including,
19 but not limited to, the following:

20 (1) To investigate applicants and determine the
21 eligibility of applicants for licenses and to select
22 among competing applicants the applicants which best
23 serve the interests of the citizens of Illinois.

24 (2) To have jurisdiction and supervision over all
25 riverboat gambling operations in this State and all
26 persons on riverboats where gambling operations are
27 conducted.

28 (3) To promulgate rules and regulations for the
29 purpose of administering the provisions of this Act and
30 to prescribe rules, regulations and conditions under
31 which all riverboat gambling in the State shall be
32 conducted. Such rules and regulations are to provide for
33 the prevention of practices detrimental to the public
34 interest and for the best interests of riverboat

1 gambling, including rules and regulations regarding the
2 inspection of such riverboats and the review of any
3 permits or licenses necessary to operate a riverboat
4 under any laws or regulations applicable to riverboats,
5 and to impose penalties for violations thereof.

6 (4) To enter the office, riverboats, facilities, or
7 other places of business of a licensee, where evidence of
8 the compliance or noncompliance with the provisions of
9 this Act is likely to be found.

10 (5) To investigate alleged violations of this Act
11 or the rules of the Board and to take appropriate
12 disciplinary action against a licensee or a holder of an
13 occupational license for a violation, or institute
14 appropriate legal action for enforcement, or both.

15 (6) To adopt standards for the licensing of all
16 persons under this Act, as well as for electronic or
17 mechanical gambling games, and to establish fees for such
18 licenses.

19 (7) To adopt appropriate standards for all
20 riverboats and facilities.

21 (8) To require that the records, including
22 financial or other statements of any licensee under this
23 Act, shall be kept in such manner as prescribed by the
24 Board and that any such licensee involved in the
25 ownership or management of gambling operations submit to
26 the Board an annual balance sheet and profit and loss
27 statement, list of the stockholders or other persons
28 having a 1% or greater beneficial interest in the
29 gambling activities of each licensee, and any other
30 information the Board deems necessary in order to
31 effectively administer this Act and all rules,
32 regulations, orders and final decisions promulgated under
33 this Act.

34 (9) To conduct hearings, issue subpoenas for the

1 attendance of witnesses and subpoenas duces tecum for the
2 production of books, records and other pertinent
3 documents in accordance with the Illinois Administrative
4 Procedure Act, and to administer oaths and affirmations
5 to the witnesses, when, in the judgment of the Board, it
6 is necessary to administer or enforce this Act or the
7 Board rules.

8 (10) To prescribe a form to be used by any licensee
9 involved in the ownership or management of gambling
10 operations as an application for employment for their
11 employees.

12 (11) To revoke or suspend licenses, as the Board
13 may see fit and in compliance with applicable laws of the
14 State regarding administrative procedures, and to review
15 applications for the renewal of licenses. The Board may
16 suspend an owners license, without notice or hearing upon
17 a determination that the safety or health of patrons or
18 employees is jeopardized by continuing a riverboat's
19 operation. The suspension may remain in effect until the
20 Board determines that the cause for suspension has been
21 abated. The Board may revoke the owners license upon a
22 determination that the owner has not made satisfactory
23 progress toward abating the hazard.

24 (12) To eject or exclude or authorize the ejection
25 or exclusion of, any person from riverboat gambling
26 facilities where such person is in violation of this Act,
27 rules and regulations thereunder, or final orders of the
28 Board, or where such person's conduct or reputation is
29 such that his presence within the riverboat gambling
30 facilities may, in the opinion of the Board, call into
31 question the honesty and integrity of the gambling
32 operations or interfere with orderly conduct thereof;
33 provided that the propriety of such ejection or exclusion
34 is subject to subsequent hearing by the Board.

1 (13) To require all licensees of gambling
2 operations to utilize a cashless wagering system whereby
3 all players' money is converted to tokens, electronic
4 cards, or chips which shall be used only for wagering in
5 the gambling establishment.

6 (14) (Blank).

7 (15) To suspend, revoke or restrict licenses, to
8 require the removal of a licensee or an employee of a
9 licensee for a violation of this Act or a Board rule or
10 for engaging in a fraudulent practice, and to impose
11 civil penalties of up to \$5,000 against individuals and
12 up to \$10,000 or an amount equal to the daily gross
13 receipts, whichever is larger, against licensees for each
14 violation of any provision of the Act, any rules adopted
15 by the Board, any order of the Board or any other action
16 which, in the Board's discretion, is a detriment or
17 impediment to riverboat gambling operations.

18 (16) To hire employees to gather information,
19 conduct investigations and carry out any other tasks
20 contemplated under this Act.

21 (17) To establish minimum levels of insurance to be
22 maintained by licensees.

23 (18) To authorize a licensee to sell or serve
24 alcoholic liquors, wine or beer as defined in the Liquor
25 Control Act of 1934 on board a riverboat and to have
26 exclusive authority to establish the hours for sale and
27 consumption of alcoholic liquor on board a riverboat,
28 notwithstanding any provision of the Liquor Control Act
29 of 1934 or any local ordinance, and regardless of whether
30 the riverboat makes excursions. The establishment of the
31 hours for sale and consumption of alcoholic liquor on
32 board a riverboat is an exclusive power and function of
33 the State. A home rule unit may not establish the hours
34 for sale and consumption of alcoholic liquor on board a

1 riverboat. This amendatory Act of 1991 is a denial and
2 limitation of home rule powers and functions under
3 subsection (h) of Section 6 of Article VII of the
4 Illinois Constitution.

5 (19) After consultation with the U.S. Army Corps of
6 Engineers, to establish binding emergency orders upon the
7 concurrence of a majority of the members of the Board
8 regarding the navigability of water, relative to
9 excursions, in the event of extreme weather conditions,
10 acts of God or other extreme circumstances.

11 (20) To delegate the execution of any of its powers
12 under this Act for the purpose of administering and
13 enforcing this Act and its rules and regulations
14 hereunder.

15 (21) To take any other action as may be reasonable
16 or appropriate to enforce this Act and rules and
17 regulations hereunder.

18 (d) The Board may seek and shall receive the cooperation
19 of the Department of State Police in conducting background
20 investigations of applicants and in fulfilling its
21 responsibilities under this Section. Costs incurred by the
22 Department of State Police as a result of such cooperation
23 shall be paid by the Board in conformance with the
24 requirements of Section 2605-400 of the Department of State
25 Police Law (20 ILCS 2605/2605-400).

26 (e) The Board must authorize to each investigator and to
27 any other employee of the Board exercising the powers of a
28 peace officer a distinct badge that, on its face, (i) clearly
29 states that the badge is authorized by the Board and (ii)
30 contains a unique identifying number. No other badge shall
31 be authorized by the Board.

32 (Source: P.A. 91-40, eff. 1-1-00; 91-239, eff. 1-1-00;
33 91-883, eff. 1-1-01.)

1 (230 ILCS 10/7) (from Ch. 120, par. 2407)

2 Sec. 7. Owners Licenses.

3 (a) The Board shall issue owners licenses to persons,
4 firms or corporations which apply for such licenses upon
5 payment to the Board of the non-refundable license fee set by
6 the Board, upon payment of a \$25,000 license fee for the
7 first year of operation and a \$50,000 ~~\$5,000~~ license fee for
8 each succeeding year and upon a determination by the Board
9 that the applicant is eligible for an owners license
10 pursuant to this Act and the rules of the Board. A person,
11 firm or corporation is ineligible to receive an owners
12 license if:

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

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

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

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

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

25 (6) the firm or corporation employs a person
26 defined in (1), (2), (3) or (4) who participates in the
27 management or operation of gambling operations authorized
28 under this Act;

29 (7) (blank); or

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

34 (b) In determining whether to grant an owners license to

1 an applicant, the Board shall consider:

2 (1) the character, reputation, experience and
3 financial integrity of the applicants and of any other or
4 separate person that either:

5 (A) controls, directly or indirectly, such
6 applicant, or

7 (B) is controlled, directly or indirectly, by
8 such applicant or by a person which controls,
9 directly or indirectly, such applicant;

10 (2) the facilities or proposed facilities for the
11 conduct of riverboat gambling;

12 (3) the highest prospective total revenue to be
13 derived by the State from the conduct of riverboat
14 gambling;

15 (4) the good faith affirmative action plan of each
16 applicant to recruit, train and upgrade minorities in all
17 employment classifications;

18 (5) the financial ability of the applicant to
19 purchase and maintain adequate liability and casualty
20 insurance;

21 (6) whether the applicant has adequate
22 capitalization to provide and maintain, for the duration
23 of a license, a riverboat; and

24 (7) the extent to which the applicant exceeds or
25 meets other standards for the issuance of an owners
26 license which the Board may adopt by rule.

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

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

31 (e) The Board shall may issue ~~up--to~~ 10 licenses
32 authorizing the holders of such licenses to own riverboats.
33 If an owners license is revoked or is not renewed or is
34 forfeited, notwithstanding any administrative or judicial

1 appeal thereof, the owners license shall be transferred to
2 the Board, which shall offer it for competitive bidding as
3 provided in subsection (e-5).

4 (e-5) If fewer than the authorized number of owners
5 licenses are issued, then upon receipt of one or more license
6 applications from suitable license applicants, the Board
7 shall make the unused licenses subject to competitive bidding
8 as provided in this subsection (e-5). A license issued
9 pursuant to this subsection (e-5) shall be subject to all
10 applicable conditions of this Act and the following
11 additional conditions:

12 (1) Applications for an owners license shall be
13 filed within 45 days of the effective date of this
14 amendatory Act or within 45 days after the license is
15 revoked or nonrenewed, whichever is later. The Board
16 shall make owners license applications available no later
17 than the effective date of this amendatory Act of the
18 92nd General Assembly.

19 (2) During the 45-day filing period for license
20 applications, the Board shall retain the services of an
21 investment banking firm for the purpose of conducting a
22 competitive bidding process pursuant to which the
23 applicants bid against each other on price and licensee
24 suitability.

25 (3) The Board-selected investment banking firm
26 shall conduct the competitive bidding process within 45
27 days of its retention and shall select a winning bid
28 within 45 days from the expiration of the 45-day bidding
29 period.

30 (4) Applications submitted to the Board-selected
31 investment banking firm from applicants submitting a
32 complete application shall contain:

33 (i) A minimum bid amount of \$500,000,000,
34 exclusive of applicable investment banking firm fees

1 as determined by the Board and the investment
2 banking firm, wholly payable to the State upon a
3 determination by the Board that the bid is the
4 winning bid. Ten percent of the winning bid shall be
5 paid, subject to appropriation, into the Owners
6 Licensee Compensation Fund and the remainder shall
7 be paid into the General Revenue Fund.

8 (ii) A plan to attain Board approved 20%
9 minority person and female qualified ownership, at
10 least 16% and 4% respectively, within the time
11 period specified by by the Board, but not to exceed
12 12 months from the date the licensee begins
13 conducting riverboat gambling operations. The
14 12-month period shall be extended by the amount of
15 time necessary to conduct a background investigation
16 pursuant to Section 6. For the purposes of this
17 Section, the terms "female" and "minority person"
18 have the meanings provided in Section 2 of the
19 Business Enterprise for Minorities, Females, and
20 Persons with Disabilities Act.

21 (iii) A specified location and a legally
22 executed development agreement with the appropriate
23 unit of local government for the riverboat gambling
24 operation upon which the bid is based.

25 Bids submitted to the Board-selected investment banking
26 firm shall be evaluated by the investment banking firm, which
27 shall consider the following criteria:

28 (i) The beneficial economic impact on the
29 surrounding areas and communities, including but not
30 limited to, the number of jobs that would be created
31 by the riverboat gambling operation at the specific
32 location and the number of out-of-state patrons and
33 revenues the riverboat gambling operation at the
34 specified location would generate.

1 (ii) The amount of future taxes the riverboat
2 gambling operation at the specified location would
3 generate and the existence of any agreement allowing
4 the sharing of tax revenue between the selected
5 location for the riverboat gambling operation and
6 other communities.

7 (iii) The availability of existing hotel and
8 restaurant facilities at the specified location to
9 maximize the beneficial economic impact of the
10 riverboat gambling operation.

11 (iv) The earliest date that the riverboat
12 gambling operation would be operational so as to
13 maximize the beneficial economic impact of the
14 riverboat gambling operation to the surrounding
15 areas and the State.

16 Upon selection of a winning bid by the Board-selected
17 investment banking firm, the Board shall evaluate the winning
18 bid within 45 days for licensee suitability in accordance
19 with existing statutory criteria and the criteria delineated
20 in this subsection (e-5). The Board shall conduct a public
21 hearing and state its specific basis for licensee suitability
22 and that the licensee meets the criteria under subsection
23 (e-5).

24 (e-10) In the application for an owners license, the
25 applicant shall state the dock at which the riverboat is
26 based and the water on which the riverboat will be located.
27 The Board shall issue 5 licenses to become effective not
28 earlier than January 1, 1991. Three of such licenses shall
29 authorize riverboat gambling on the Mississippi River, or in
30 a municipality that (1) borders on the Mississippi River or
31 is within 5 miles of the city limits of a municipality that
32 borders on the Mississippi River and (2), on the effective
33 date of this amendatory Act of the 92nd General Assembly, has
34 a riverboat conducting riverboat gambling operations pursuant

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

14 In granting all licenses, the Board may give favorable
15 consideration to economically depressed areas of the State,
16 to applicants presenting plans which provide for significant
17 economic development over a large geographic area, and to
18 applicants who currently operate non-gambling riverboats in
19 Illinois. The Board shall review all applications for owners
20 licenses, and shall inform each applicant of the Board's
21 decision.

22 (e-15) The Board may revoke the owners license of a
23 licensee which fails to begin conducting gambling within 15
24 months of receipt of the Board's approval of the application
25 if the Board determines that license revocation is in the
26 best interests of the State.

27 ~~The--first--10~~ Owners licenses issued under this Act
28 shall permit the holder to own up to 2 riverboats and
29 equipment thereon for a period of 3 years after the effective
30 date of the license. Holders of ~~the-first-10~~ owners licenses
31 must pay the annual license fee for each of the 3 years
32 during which they are authorized to own riverboats.

33 (g) Upon the ~~termination, expiration, or revocation~~ of a
34 license, it is ~~each-of-the-first-10-licenses, which shall be~~

1 ~~issued for a 3 year period, all licenses are~~ renewable
2 annually upon payment of the fee and a determination by the
3 Board that the licensee continues to meet all of the
4 requirements of this Act and the Board's rules. However, For
5 licenses renewed on or after May 1, 1998, renewal shall be
6 for a period of 4 years, unless the Board sets a shorter
7 period.

8 (h) An owners license shall entitle the licensee to own
9 up to 2 riverboats. A licensee shall limit the number of
10 gambling participants to 1,200 for any such owners license. A
11 licensee may operate both of its riverboats concurrently,
12 provided that the total number of gambling participants on
13 both riverboats does not exceed 1,200. Riverboats licensed to
14 operate on the Mississippi River and the Illinois River south
15 of Marshall County shall have an authorized capacity of at
16 least 500 persons. Any other riverboat licensed under this
17 Act shall have an authorized capacity of at least 400
18 persons.

19 (i) A licensed owner is authorized to apply to the Board
20 for and, if approved therefor, to receive all licenses from
21 the Board necessary for the operation of a riverboat,
22 including a liquor license, a license to prepare and serve
23 food for human consumption, and other necessary licenses.
24 All use, occupation and excise taxes which apply to the sale
25 of food and beverages in this State and all taxes imposed on
26 the sale or use of tangible personal property apply to such
27 sales aboard the riverboat.

28 (j) The Board may issue a license authorizing a
29 riverboat to dock in a municipality or approve a relocation
30 under Section 11.2 only if, prior to the issuance of the
31 license or approval, the governing body of the municipality
32 in which the riverboat will dock has by a majority vote
33 approved the docking of riverboats in the municipality. The
34 Board may issue a license authorizing a riverboat to dock in

1 areas of a county outside any municipality or approve a
2 relocation under Section 11.2 only if, prior to the issuance
3 of the license or approval, the governing body of the county
4 has by a majority vote approved of the docking of riverboats
5 within such areas.

6 (Source: P.A. 91-40, eff. 6-25-99.)

7 (230 ILCS 10/11.3 new)

8 Sec 11.3. Revoked or nonrenewed license; compensation.

9 (a) If, after a person to whom an owners license was
10 issued and whose license was revoked or nonrenewed has
11 exhausted all of his or her appeals concerning the revocation
12 or nonrenewal, the revocation or nonrenewal is reversed, the
13 Board shall award the person monetary compensation for any
14 damages sustained as a result of the revocation or
15 nonrenewal. The damages shall be equal to the amount of the
16 fair market value of the person's investments made in
17 expectation of receiving and using an owners license at the
18 time of the revocation or nonrenewal as determined by a
19 Board-selected independent appraiser, plus interest at a rate
20 equal to the prime lending rate on the date of the revocation
21 or nonrenewal plus 1%. After a reversal of a person's
22 revocation or nonrenewal, the Board shall not reissue the
23 license to the person.

24 (b) If, after a person to whom an owners license was
25 issued and whose license was revoked or nonrenewed has
26 exhausted all of his or her appeals concerning the revocation
27 or nonrenewal, the revocation or nonrenewal is upheld, the
28 Board shall award monetary compensation for damages sustained
29 as a result of the revocation or nonrenewal only to persons
30 who invested in the owners license and have not been found by
31 the Board to have violated this Act. The damages paid to an
32 investor under this subsection (b) shall be equal to the fair
33 market value of the person's investments made in expectation

1 of receiving and using an owners license at the time of
2 revocation or nonrenewal as determined by a Board-selected
3 independent appraiser, plus interest at a rate equal to the
4 prime lending rate on the date of the revocation or
5 nonrenewal plus 1%.

6 (c) Any damages paid under this Section shall be paid
7 from the Owners Licensee Compensation Fund, which is hereby
8 created as a special fund in the State treasury. The fund
9 shall consist of 10% of the moneys paid to the State by a
10 successful bidder under subsection (e-5) of Section 7 and 5%
11 of the wagering tax imposed under Section 13 that is paid by
12 an owners licensee that obtains an owners license by means of
13 competitive bidding under subsection (e-5) of Section 7.
14 Moneys shall be paid into the Fund under this Section until
15 the Board determines that all claims under this Section have
16 been paid in full. Any moneys remaining in the Fund after the
17 Board makes that determination shall be paid as follows:

18 (1) If the moneys are a portion of the moneys paid
19 by a successful bidder under subsection (e-5) of
20 Section 7, they shall be paid into the General Revenue
21 Fund.

22 (2) If the moneys are a portion of the wagering tax
23 imposed under Section 13, they shall be paid as otherwise
24 provided in Section 13.

25 (d) For the purposes of this Section, the term "person"
26 includes a firm or corporation, unless the context requires
27 otherwise.

28 (230 ILCS 10/13) (from Ch. 120, par. 2413)

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

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

33 Beginning January 1, 1998, a privilege tax is imposed on

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

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

7 20% of annual adjusted gross receipts in excess of
8 \$25,000,000 but not exceeding \$50,000,000;

9 25% of annual adjusted gross receipts in excess of
10 \$50,000,000 but not exceeding \$75,000,000;

11 30% of annual adjusted gross receipts in excess of
12 \$75,000,000 but not exceeding \$100,000,000;

13 35% of annual adjusted gross receipts in excess of
14 \$100,000,000.

15 Beginning on the date that riverboat gambling operations
16 are being conducted under all of the owners licenses
17 authorized under this Act or July 1, 2003, whichever is
18 sooner, a privilege tax is imposed on persons engaged in the
19 business of conducting riverboat gambling operations, based
20 on the adjusted gross receipts received by a licensed owner
21 from gambling games authorized under this Act at the
22 following rates:

23 15% of annual adjusted gross receipts up to and
24 including \$25,000,000;

25 20% of annual adjusted gross receipts in excess of
26 \$25,000,000 but not exceeding \$50,000,000;

27 25% of annual adjusted gross receipts in excess of
28 \$50,000,000 but not exceeding \$75,000,000;

29 30% of annual adjusted gross receipts in excess of
30 \$75,000,000 but not exceeding \$100,000,000;

31 35% of annual adjusted gross receipts in excess of
32 \$100,000,000 but not exceeding \$200,000,000;

33 40% of annual adjusted gross receipts in excess of
34 \$200,000,000 but not exceeding \$400,000,000;

1 45% of annual adjusted gross receipts in excess of
2 \$400,000,000.

3 Beginning on the date that the wagering tax and rate
4 schedule added by this amendatory Act of the 92nd General
5 Assembly is first imposed, it supersedes and replaces any
6 wagering tax and rate schedule imposed before that date under
7 this subsection (a).

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

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

22 (c) Appropriations, as approved by the General Assembly,
23 may be made from the State Gaming Fund to the Department of
24 Revenue and the Department of State Police for the
25 administration and enforcement of this Act.

26 (c-3) An amount equal to 5% of the taxes collected from
27 a licensee that obtains its license by means of competitive
28 bidding under subsection (e-5) of Section 7 shall be paid
29 from the State Gaming Fund into the Owners Licensee
30 Compensation Fund until the Board determines that all claims
31 for compensation under Section 11.3 have been paid in full.

32 (c-5) After the payments required under subsections (b),
33 and (c), and (c-3) have been made, an amount equal to 15% of
34 the adjusted gross receipts of a riverboat (1) that relocates

1 pursuant to Section 11.2, or (2) for which an owners license
2 is initially issued after the effective date of this
3 amendatory Act of 1999, whichever comes first, shall be paid
4 from the State Gaming Fund into the Horse Racing Equity Fund;
5 however, the amount paid per year shall not exceed
6 \$30,000,000.

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

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

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

27 (c-25) After the payments required under subsections
28 (b), (c), (c-3), (c-5) and (c-15) have been made, an amount
29 equal to 2% of the adjusted gross receipts of a riverboat (1)
30 that relocates pursuant to Section 11.2, or (2) for which an
31 owners license is initially issued after the effective date
32 of this amendatory Act of 1999, whichever comes first, shall
33 be paid from the State Gaming Fund into the State
34 Universities Athletic Capital Improvement Fund.

1 (d) From time to time, the Board shall transfer the
 2 remainder of the funds generated by this Act into the
 3 Education Assistance Fund, created by Public Act 86-0018, of
 4 the State of Illinois.

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

10 (f) To the extent practicable, the Board shall
 11 administer and collect the wagering taxes imposed by this
 12 Section in a manner consistent with the provisions of
 13 Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b,
 14 6c, 8, 9, and 10 of the Retailers' Occupation Tax Act and
 15 Section 3-7 of the Uniform Penalty and Interest Act.

16 (Source: P.A. 90-548, eff. 12-4-97; 91-40, eff. 6-25-99.)

17 Section 95. The State Finance Act is amended by adding
 18 Section 5.570 as follows:

19 (30 ILCS 105/5.570 new)

20 Sec. 5.570. The Owners Licensee Compensation Fund.

21 Section 96. "An Act in relation to gambling, amending
 22 named Acts", approved June 25, 1999, Public Act 91-40, is
 23 amended by changing Section 30 as follows:

24 (P.A. 91-40, Sec. 30)

25 Sec. 30. Severability. If any provision of this Act
 26 (Public Act 91-40) or the application thereof to any person
 27 or circumstance is held invalid, that invalidity does not
 28 affect the other provisions or applications of the Act which
 29 can be given effect without the invalid application or
 30 provision, and to this end the provisions of this Act are

1 severable. This severability applies without regard to
2 whether the action challenging the validity was brought
3 before the effective date of this amendatory Act of the 92nd
4 General Assembly.

5 ~~Inseverability.---The-provisions-of-this-Act-are-mutually~~
6 ~~dependent-and-inseverable.---If-any-provision-is-held--invalid~~
7 ~~ether-than-as-applied-to-a-particular-person-or-circumstance,~~
8 ~~then-this-entire-Act-is-invalid.~~

9 (Source: P.A. 91-40, eff. 6-25-99.)

10 Section 97. Severability. The provisions of this Act
11 are severable under Section 1.31 of the Statute on Statutes.

12 Section 99. Effective date. This Act takes effect July
13 1, 2002."