

**SB3686**



**101ST GENERAL ASSEMBLY**

**State of Illinois**

**2019 and 2020**

**SB3686**

Introduced 2/14/2020, by Sen. Scott M. Bennett

**SYNOPSIS AS INTRODUCED:**

230 ILCS 10/7

from Ch. 120, par. 2407

Amends the Illinois Gambling Act. Provides that if the Gaming Board does not issue all licenses within the time period specified under current law, then the Gaming Board shall reopen the license application process for those authorized licenses that have not been issued. Extends the relevant time frames for reopened license applications. Effective immediately.

LRB101 20639 SMS 70289 b

**A BILL FOR**

1 AN ACT concerning gaming.

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

4 Section 5. The Illinois Gambling Act is amended by changing  
5 Section 7 as follows:

6 (230 ILCS 10/7) (from Ch. 120, par. 2407)

7 Sec. 7. Owners licenses.

8 (a) The Board shall issue owners licenses to persons or  
9 entities that apply for such licenses upon payment to the Board  
10 of the non-refundable license fee as provided in subsection (e)  
11 or (e-5) and upon a determination by the Board that the  
12 applicant is eligible for an owners license pursuant to this  
13 Act and the rules of the Board. From the effective date of this  
14 amendatory Act of the 95th General Assembly until (i) 3 years  
15 after the effective date of this amendatory Act of the 95th  
16 General Assembly, (ii) the date any organization licensee  
17 begins to operate a slot machine or video game of chance under  
18 the Illinois Horse Racing Act of 1975 or this Act, (iii) the  
19 date that payments begin under subsection (c-5) of Section 13  
20 of this ~~the~~ Act, (iv) the wagering tax imposed under Section 13  
21 of this Act is increased by law to reflect a tax rate that is at  
22 least as stringent or more stringent than the tax rate  
23 contained in subsection (a-3) of Section 13, or (v) when an

1 owners licensee holding a license issued pursuant to Section  
2 7.1 of this Act begins conducting gaming, whichever occurs  
3 first, as a condition of licensure and as an alternative source  
4 of payment for those funds payable under subsection (c-5) of  
5 Section 13 of this Act, any owners licensee that holds or  
6 receives its owners license on or after the effective date of  
7 this amendatory Act of the 94th General Assembly, other than an  
8 owners licensee operating a riverboat with adjusted gross  
9 receipts in calendar year 2004 of less than \$200,000,000, must  
10 pay into the Horse Racing Equity Trust Fund, in addition to any  
11 other payments required under this Act, an amount equal to 3%  
12 of the adjusted gross receipts received by the owners licensee.  
13 The payments required under this Section shall be made by the  
14 owners licensee to the State Treasurer no later than 3:00  
15 o'clock p.m. of the day after the day when the adjusted gross  
16 receipts were received by the owners licensee. A person or  
17 entity is ineligible to receive an owners license if:

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

20 (2) the person has been convicted of any violation of  
21 Article 28 of the Criminal Code of 1961 or the Criminal  
22 Code of 2012, or substantially similar laws of any other  
23 jurisdiction;

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

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

1 (5) a person defined in (1), (2), (3)  or (4) is an  
2 officer, director  or managerial employee of the entity;

3 (6) the entity employs a person defined in (1), (2),  
4 (3)  or (4) who participates in the management or operation  
5 of gambling operations authorized under this Act;

6 (7) (blank); or

7 (8) a license of the person or entity issued under this  
8 Act, or a license to own or operate gambling facilities in  
9 any other jurisdiction, has been revoked.

10 The Board is expressly prohibited from making changes to  
11 the requirement that licensees make payment into the Horse  
12 Racing Equity Trust Fund without the express authority of the  
13 Illinois General Assembly and making any other rule to  
14 implement or interpret this amendatory Act of the 95th General  
15 Assembly. For the purposes of this paragraph, "rules" is given  
16 the meaning given to that term in Section 1-70 of the Illinois  
17 Administrative Procedure Act.

18 (b) In determining whether to grant an owners license to an  
19 applicant, the Board shall consider:

20 (1) the character, reputation, experience  and  
21 financial integrity of the applicants and of any other or  
22 separate person that either:

23 (A) controls, directly or indirectly, such  
24 applicant, or

25 (B) is controlled, directly or indirectly, by such  
26 applicant or by a person which controls, directly or

1 indirectly, such applicant;

2 (2) the facilities or proposed facilities for the  
3 conduct of gambling;

4 (3) the highest prospective total revenue to be derived  
5 by the State from the conduct of gambling;

6 (4) the extent to which the ownership of the applicant  
7 reflects the diversity of the State by including minority  
8 persons, women, and persons with a disability and the good  
9 faith affirmative action plan of each applicant to recruit,  
10 train and upgrade minority persons, women, and persons with  
11 a disability in all employment classifications; the Board  
12 shall further consider granting an owners license and  
13 giving preference to an applicant under this Section to  
14 applicants in which minority persons and women hold  
15 ownership interest of at least 16% and 4%, respectively.

16 (4.5) the extent to which the ownership of the  
17 applicant includes veterans of service in the armed forces  
18 of the United States, and the good faith affirmative action  
19 plan of each applicant to recruit, train, and upgrade  
20 veterans of service in the armed forces of the United  
21 States in all employment classifications;

22 (5) the financial ability of the applicant to purchase  
23 and maintain adequate liability and casualty insurance;

24 (6) whether the applicant has adequate capitalization  
25 to provide and maintain, for the duration of a license, a  
26 riverboat or casino;

1           (7) the extent to which the applicant exceeds or meets  
2 other standards for the issuance of an owners license which  
3 the Board may adopt by rule;

4           (8) the amount of the applicant's license bid;

5           (9) the extent to which the applicant or the proposed  
6 host municipality plans to enter into revenue sharing  
7 agreements with communities other than the host  
8 municipality; and

9           (10) the extent to which the ownership of an applicant  
10 includes the most qualified number of minority persons,  
11 women, and persons with a disability.

12           (c) Each owners license shall specify the place where the  
13 casino shall operate or the riverboat shall operate and dock.

14           (d) Each applicant shall submit with his or her  
15 application, on forms provided by the Board, 2 sets of his or  
16 her fingerprints.

17           (e) In addition to any licenses authorized under subsection  
18 (e-5) of this Section, the Board may issue up to 10 licenses  
19 authorizing the holders of such licenses to own riverboats. In  
20 the application for an owners license, the applicant shall  
21 state the dock at which the riverboat is based and the water on  
22 which the riverboat will be located. The Board shall issue 5  
23 licenses to become effective not earlier than January 1, 1991.  
24 Three of such licenses shall authorize riverboat gambling on  
25 the Mississippi River, or, with approval by the municipality in  
26 which the riverboat was docked on August 7, 2003 and with Board

1 approval, be authorized to relocate to a new location, in a  
2 municipality that (1) borders on the Mississippi River or is  
3 within 5 miles of the city limits of a municipality that  
4 borders on the Mississippi River and (2) ~~7~~ on August 7, 2003,  
5 had a riverboat conducting riverboat gambling operations  
6 pursuant to a license issued under this Act; one of which shall  
7 authorize riverboat gambling from a home dock in the city of  
8 East St. Louis; and one of which shall authorize riverboat  
9 gambling from a home dock in the City of Alton. One other  
10 license shall authorize riverboat gambling on the Illinois  
11 River in the City of East Peoria or, with Board approval, shall  
12 authorize land-based gambling operations anywhere within the  
13 corporate limits of the City of Peoria. The Board shall issue  
14 one additional license to become effective not earlier than  
15 March 1, 1992, which shall authorize riverboat gambling on the  
16 Des Plaines River in Will County. The Board may issue 4  
17 additional licenses to become effective not earlier than March  
18 1, 1992. In determining the water upon which riverboats will  
19 operate, the Board shall consider the economic benefit which  
20 riverboat gambling confers on the State, and shall seek to  
21 assure that all regions of the State share in the economic  
22 benefits of riverboat gambling.

23 In granting all licenses, the Board may give favorable  
24 consideration to economically depressed areas of the State, to  
25 applicants presenting plans which provide for significant  
26 economic development over a large geographic area, and to

1 applicants who currently operate non-gambling riverboats in  
2 Illinois. The Board shall review all applications for owners  
3 licenses, and shall inform each applicant of the Board's  
4 decision. The Board may grant an owners license to an applicant  
5 that has not submitted the highest license bid, but if it does  
6 not select the highest bidder, the Board shall issue a written  
7 decision explaining why another applicant was selected and  
8 identifying the factors set forth in this Section that favored  
9 the winning bidder. The fee for issuance or renewal of a  
10 license pursuant to this subsection (e) shall be \$250,000.

11 (e-5) In addition to licenses authorized under subsection  
12 (e) of this Section:

13 (1) the Board may issue one owners license authorizing  
14 the conduct of casino gambling in the City of Chicago;

15 (2) the Board may issue one owners license authorizing  
16 the conduct of riverboat gambling in the City of Danville;

17 (3) the Board may issue one owners license authorizing  
18 the conduct of riverboat gambling ~~located~~ in the City of  
19 Waukegan;

20 (4) the Board may issue one owners license authorizing  
21 the conduct of riverboat gambling in the City of Rockford;

22 (5) the Board may issue one owners license authorizing  
23 the conduct of riverboat gambling in a municipality that is  
24 wholly or partially located in one of the following  
25 townships of Cook County: Bloom, Bremen, Calumet, Rich,  
26 Thornton, or Worth Township; and



1           (6) the Board may issue one owners license authorizing  
2           the conduct of riverboat gambling in the unincorporated  
3           area of Williamson County adjacent to the Big Muddy River.

4           Except for the license authorized under paragraph (1), each  
5           application for a license pursuant to this subsection (e-5)  
6           shall be submitted to the Board no later than 120 days after  
7           June 28, 2019 (the effective date of Public Act 101-31) ~~this~~  
8           ~~amendatory Act of the 101st General Assembly~~. All applications  
9           for a license under this subsection (e-5) shall include the  
10          nonrefundable application fee and the nonrefundable background  
11          investigation fee as provided in subsection (d) of Section 6 of  
12          this Act. In the event that an applicant submits an application  
13          for a license pursuant to this subsection (e-5) prior to June  
14          28, 2019 (the effective date of Public Act 101-31) ~~this~~  
15          ~~amendatory Act of the 101st General Assembly~~, such applicant  
16          shall submit the nonrefundable application fee and background  
17          investigation fee as provided in subsection (d) of Section 6 of  
18          this Act no later than 6 months after June 28, 2019 (the  
19          effective date of Public Act 101-31) ~~this amendatory Act of the~~  
20          ~~101st General Assembly~~.

21          The Board shall consider issuing a license pursuant to  
22          paragraphs (1) through (6) of this subsection only after the  
23          corporate authority of the municipality or the county board of  
24          the county in which the riverboat or casino shall be located  
25          has certified to the Board the following:

26                 (i) that the applicant has negotiated with the

1 corporate authority or county board in good faith;

2 (ii) that the applicant and the corporate authority or  
3 county board have mutually agreed on the permanent location  
4 of the riverboat or casino;

5 (iii) that the applicant and the corporate authority or  
6 county board have mutually agreed on the temporary location  
7 of the riverboat or casino;

8 (iv) that the applicant and the corporate authority or  
9 the county board have mutually agreed on the percentage of  
10 revenues that will be shared with the municipality or  
11 county, if any;

12 (v) that the applicant and the corporate authority or  
13 county board have mutually agreed on any zoning, licensing,  
14 public health, or other issues that are within the  
15 jurisdiction of the municipality or county; and

16 (vi) that the corporate authority or county board has  
17 passed a resolution or ordinance in support of the  
18 riverboat or casino in the municipality or county.

19 At least 7 days before the corporate authority of a  
20 municipality or county board of the county submits a  
21 certification to the Board concerning items (i) through (vi) of  
22 this subsection, it shall hold a public hearing to discuss  
23 items (i) through (vi), as well as any other details concerning  
24 the proposed riverboat or casino in the municipality or county.  
25 The corporate authority or county board must subsequently  
26 memorialize the details concerning the proposed riverboat or

1 casino in a resolution that must be adopted by a majority of  
2 the corporate authority or county board before any  
3 certification is sent to the Board. The Board shall not alter,  
4 amend, change, or otherwise interfere with any agreement  
5 between the applicant and the corporate authority of the  
6 municipality or county board of the county regarding the  
7 location of any temporary or permanent facility.

8 In addition, within 10 days after June 28, 2019 (the  
9 effective date of Public Act 101-31) ~~this amendatory Act of the~~  
10 ~~101st General Assembly~~, the Board, with consent and at the  
11 expense of the City of Chicago, shall select and retain the  
12 services of a nationally recognized casino gaming feasibility  
13 consultant. Within 45 days after June 28, 2019 (the effective  
14 date of Public Act 101-31) ~~this amendatory Act of the 101st~~  
15 ~~General Assembly~~, the consultant shall prepare and deliver to  
16 the Board a study concerning the feasibility of, and the  
17 ability to finance, a casino in the City of Chicago. The  
18 feasibility study shall be delivered to the Mayor of the City  
19 of Chicago, the Governor, the President of the Senate, and the  
20 Speaker of the House of Representatives. Ninety days after  
21 receipt of the feasibility study, the Board shall make a  
22 determination, based on the results of the feasibility study,  
23 whether to recommend to the General Assembly that the terms of  
24 the license under paragraph (1) of this subsection (e-5) should  
25 be modified. The Board may begin accepting applications for the  
26 owners license under paragraph (1) of this subsection (e-5)

1 upon the determination to issue such an owners license.

2 In addition, prior to the Board issuing the owners license  
3 authorized under paragraph (4) of subsection (e-5), an impact  
4 study shall be completed to determine what location in the city  
5 will provide the greater impact to the region, including the  
6 creation of jobs and the generation of tax revenue.

7 (e-10) The licenses authorized under subsection (e-5) of  
8 this Section shall be issued within 12 months after the date  
9 the license application is submitted. If the Board does not  
10 issue the licenses within that time period, then the Board  
11 shall give a written explanation to the applicant as to why it  
12 has not reached a determination and when it reasonably expects  
13 to make a determination. The fee for the issuance or renewal of  
14 a license issued pursuant to this subsection (e-10) shall be  
15 \$250,000. Additionally, a licensee located outside of Cook  
16 County shall pay a minimum initial fee of \$17,500 per gaming  
17 position, and a licensee located in Cook County shall pay a  
18 minimum initial fee of \$30,000 per gaming position. The initial  
19 fees payable under this subsection (e-10) shall be deposited  
20 into the Rebuild Illinois Projects Fund. If the Board does not  
21 issue all licenses within that time period specified in this  
22 subsection, then the Board shall reopen the license application  
23 process for those licenses authorized under subsection (e-5)  
24 that have not been issued. The Board shall follow the licensing  
25 process laid out in subsection (e-5) with all time frames tied  
26 to the last date for issuing a license under (e-5) rather than

1 the effective date of the amendatory Act.

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. Each licensee shall pay a \$15,000,000  
9 reconciliation fee upon issuance of an owners license. If this  
10 calculation results in a negative amount, then the licensee is  
11 not entitled to any reimbursement of fees previously paid. This  
12 reconciliation payment may be made in installments over a  
13 period of no more than 2 years, subject to Board approval. Any  
14 installment payments shall include an annual market interest  
15 rate as determined by the Board. All payments by licensees  
16 under this subsection (e-15) shall be deposited into the  
17 Rebuild Illinois Projects Fund.

18 (e-20) In addition to any other revocation powers granted  
19 to the Board under this Act, the Board may revoke the owners  
20 license of a licensee which fails to begin conducting gambling  
21 within 15 months of receipt of the Board's approval of the  
22 application if the Board determines that license revocation is  
23 in the best interests of the State.

24 (f) The first 10 owners licenses issued under this Act  
25 shall permit the holder to own up to 2 riverboats and equipment  
26 thereon for a period of 3 years after the effective date of the

1 license. Holders of the first 10 owners licenses must pay the  
2 annual license fee for each of the 3 years during which they  
3 are authorized to own riverboats.

4 (g) Upon the termination, expiration, or revocation of each  
5 of the first 10 licenses, which shall be issued for a 3-year ~~3~~  
6 ~~year~~ period, all licenses are renewable annually upon payment  
7 of the fee and a determination by the Board that the licensee  
8 continues to meet all of the requirements of this Act and the  
9 Board's rules. However, for licenses renewed on or after May 1,  
10 1998, renewal shall be for a period of 4 years, unless the  
11 Board sets a shorter period.

12 (h) An owners license, except for an owners license issued  
13 under subsection (e-5) of this Section, shall entitle the  
14 licensee to own up to 2 riverboats.

15 An owners licensee of a casino or riverboat that is located  
16 in the City of Chicago pursuant to paragraph (1) of subsection  
17 (e-5) of this Section shall limit the number of gaming  
18 positions to 4,000 for such owner. An owners licensee  
19 authorized under subsection (e) or paragraph (2), (3), (4), or  
20 (5) of subsection (e-5) of this Section shall limit the number  
21 of gaming positions to 2,000 for any such owners license. An  
22 owners licensee authorized under paragraph (6) of subsection  
23 (e-5) of this Section shall limit the number of gaming  
24 positions to 1,200 for such owner. The initial fee for each  
25 gaming position obtained on or after June 28, 2019 (the  
26 effective date of Public Act 101-31) ~~this amendatory Act of the~~

1 ~~101st General Assembly~~ shall be a minimum of \$17,500 for  
2 licensees not located in Cook County and a minimum of \$30,000  
3 for licensees located in Cook County, in addition to the  
4 reconciliation payment, as set forth in subsection (e-15) of  
5 this Section. The fees under this subsection (h) shall be  
6 deposited into the Rebuild Illinois Projects Fund. The fees  
7 under this subsection (h) that are paid by an owners licensee  
8 authorized under subsection (e) shall be paid by July 1, 2020.

9 Each owners licensee under subsection (e) of this Section  
10 shall reserve its gaming positions within 30 days after June  
11 28, 2019 (the effective date of Public Act 101-31) ~~this~~  
12 ~~amendatory Act of the 101st General Assembly~~. The Board may  
13 grant an extension to this 30-day period, provided that the  
14 owners licensee submits a written request and explanation as to  
15 why it is unable to reserve its positions within the 30-day  
16 period.

17 Each owners licensee under subsection (e-5) of this Section  
18 shall reserve its gaming positions within 30 days after  
19 issuance of its owners license. The Board may grant an  
20 extension to this 30-day period, provided that the owners  
21 licensee submits a written request and explanation as to why it  
22 is unable to reserve its positions within the 30-day period.

23 A licensee may operate both of its riverboats concurrently,  
24 provided that the total number of gaming positions on both  
25 riverboats does not exceed the limit established pursuant to  
26 this subsection. Riverboats licensed to operate on the

1 Mississippi River and the Illinois River south of Marshall  
2 County shall have an authorized capacity of at least 500  
3 persons. Any other riverboat licensed under this Act shall have  
4 an authorized capacity of at least 400 persons.

5 (h-5) An owners licensee who conducted gambling operations  
6 prior to January 1, 2012 and obtains positions pursuant to  
7 Public Act 101-31 ~~this amendatory Act of the 101st General~~  
8 ~~Assembly~~ shall make a reconciliation payment 3 years after any  
9 additional gaming positions begin operating in an amount equal  
10 to 75% of the owners licensee's average gross receipts for the  
11 most lucrative 12-month period of operations minus an amount  
12 equal to the initial fee that the owners licensee paid per  
13 additional gaming position. For purposes of this subsection  
14 (h-5), "average gross receipts" means (i) the increase in  
15 adjusted gross receipts for the most lucrative 12-month period  
16 of operations over the adjusted gross receipts for 2019,  
17 multiplied by (ii) the percentage derived by dividing the  
18 number of additional gaming positions that an owners licensee  
19 had obtained by the total number of gaming positions operated  
20 by the owners licensee. If this calculation results in a  
21 negative amount, then the owners licensee is not entitled to  
22 any reimbursement of fees previously paid. This reconciliation  
23 payment may be made in installments over a period of no more  
24 than 2 years, subject to Board approval. Any installment  
25 payments shall include an annual market interest rate as  
26 determined by the Board. These reconciliation payments shall be



1 deposited into the Rebuild Illinois Projects Fund.

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 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  
8 and beverages in this State and all taxes imposed on the sale  
9 or 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 and payment of a fee of  
25 \$250,000, which shall be deposited into the State Gaming Fund.

26 (l) An owners licensee may conduct gaming at a temporary

1 facility pending the construction of a permanent facility or  
2 the remodeling or relocation of an existing facility to  
3 accommodate gaming participants for up to 24 months after the  
4 temporary facility begins to conduct gaming. Upon request by an  
5 owners licensee and upon a showing of good cause by the owners  
6 licensee, the Board shall extend the period during which the  
7 licensee may conduct gaming at a temporary facility by up to 12  
8 months. The Board shall make rules concerning the conduct of  
9 gaming from temporary facilities.

10 (Source: P.A. 100-391, eff. 8-25-17; 100-1152, eff. 12-14-18;  
11 101-31, eff. 6-28-19; revised 9-20-19.)

12 Section 99. Effective date. This Act takes effect upon  
13 becoming law.