## 93RD GENERAL ASSEMBLY

State of Illinois

## 2003 and 2004

Introduced 2/4/2004, by Lou Lang

## SYNOPSIS AS INTRODUCED:

See Index

Creates the Intercity Development Act. Provides that economically distressed communities may, by appointing a Board of Economic Advisors, receive assistance under the Act. Provides that the Board shall create a revitalization plan for the community. Provides that the Department of Commerce and Economic Opportunity shall, subject to appropriation, make grants to those communities for the operational expenses of the Board. Provides that Boards shall seek funding sources to enhance economic development. Amends the Illinois Pull Tabs and Jar Games Act. Increases certain prize limits. Amends the Illinois Horse Racing Act of 1975 and the Riverboat Gambling Act to authorize the conduct of gambling using slot machines at race tracks. Further amends the Illinois Horse Racing Act of 1975 to delete the recapture provisions and to repeal provisions concerning the pari-mutuel tax credit and the Horse Racing Equity Fund. Imposes an admission tax of \$1 for each person who enters the grounds of an organization license. Makes changes concerning the distribution of breakage. Provides that, subject to the availability of horses, certain races that are limited to Illinois conceived and foaled or Illinois foaled horses or both shall be limited to Illinois conceived and foaled or Illinois foaled maidens. Authorizes 2 or more former or existing organization licensees to consolidate into a single consolidated organization. Further amends the Riverboat Gambling Act. Changes the admission tax, which is currently a graduated tax ranging from \$3 to \$5 per person, based on the number of persons admitted each year to \$2 for the first 1,500,000 persons admitted by a licensee per year and \$3 for all persons admitted in excess of 1,500,000 per year. Reduces the wagering tax. Authorizes an owners licensee to operate up to 2,000 gaming positions (rather than limit the number of gambling participants to 1,200). Provides that a licensee that successfully bids for unused positions may operate those positions in addition to the positions authorized by its license. Authorizes an owners license to relocate a portion of its slot machines to its home dock facility. Requires owners licensees to pay an aggregate amount of \$130,000,000 to the Gaming Board by July 1, 2004 for deposit into the State Gaming Fund. Amends the Criminal Code of 1961 to provide that certain provisions that apply to riverboat gambling also apply to slot machine gambling at race tracks. Amends Public Act 91-40 to replace that Act's inseverability clause with a severability clause. Preempts home rule concerning the regulation of electronic gaming. Makes other changes. Amends the State Finance Act to create the Intercity Development Fund. Effective immediately.

LRB093 15178 LRD 40774 b

FISCAL NOTE ACT MAY APPLY HOME RULE NOTE ACT MAY APPLY

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AN ACT concerning economic development.

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

4 Section 1. Short title. This Act may be cited as the5 Intercity Development Act.

6 Section 5. Findings and purpose.

(a) The General Assembly finds that:

8 (1) There is a great need for economic revitalization 9 in many communities throughout this State.

10 (2) Each community has valuable resources at its 11 fingertips that can be tapped in the revitalization 12 process.

(3) With adequate support and assistance from the State
and other resources, each community can participate in and
shepherd its own economic renewal.

(4) Successful redevelopment plans are based on policy
that is responsive to the existing composition and
character of the economically distressed community and
that allows and compels the community to participate in the
redevelopment planning process.

(5) A successful redevelopment initiative creates and maintains a capable and adaptable workforce, has access to capital, has a sound fiscal base, has adequate infrastructure, has well-managed natural resources, and has an attractive quality of life.

(b) It is the purpose of this legislation to provide a
mechanism for an economically distressed community to use in
its efforts to revitalize the community.

29 Section 10. Definitions. As used in this Section:

30 "Community" means a municipality, a county with respect to 31 the unincorporated areas of a county, and any combination of - 2 - LRB093 15178 LRD 40774 b

1 municipalities and counties acting jointly.

2 "Department" means the Department of Commerce and Economic3 Opportunity.

4 "Economically distressed community" means any community
5 that is certified by the Department as being in the highest 3%
6 of all communities in the State in its rate of unemployment,
7 its poverty rate, and the rate of bankruptcy petitions filed.

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HB4600

Section 15. Certification; Board of Economic Advisors.

(a) In order to receive the assistance as provided in this 9 10 Act, a community shall first, by ordinance passed by its 11 corporate authorities, request that the Department certify that it is an economically distressed community. The community 12 must submit a certified copy of the ordinance to the 13 14 Department. After review of the ordinance, if the Department 15 determines that the community meets the requirements for 16 certification, the Department shall certify the community as an economically distressed community. 17

18 (b) A community that is certified by the Department as an 19 economically distressed community may appoint a Board of Economic Advisors to create and implement a revitalization plan 20 for the community. The Board shall consist of 12 members of the 21 22 community, appointed by the mayor or the presiding officer of 23 the county or jointly by the presiding officers of each 24 municipality and county that have joined to form a community 25 for the purposes of this Act. The Board members shall be 26 appointed from the 12 sectors vital to community redevelopment 27 as follows:

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(1) A member representing households and families.

(2) A member representing religious organizations.

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(3) A member representing educational institutions.

31 (4) A member representing daycare centers, care
 32 centers for the handicapped, and care centers for the
 33 disadvantaged.

34 (5) A member representing community based
 35 organizations such as neighborhood improvement

1 associations.

2 (6) A member representing federal and State employment 3 service systems, skill training centers, and placement 4 referrals.

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(7) A member representing Masonic organizations, fraternities, sororities, and social clubs.

7 (8) A member representing hospitals, nursing homes,
8 senior citizens, public health agencies, and funeral
9 homes.

(9) A member representing organized sports, parks,
 parties, and games of chance.

(10) A member representing political parties, clubs,
and affiliations, and election related matters concerning
voter education and participation.

15 (11) A member representing the cultural aspects of the 16 community, including cultural events, lifestyles, 17 languages, music, visual and performing arts, and 18 literature.

(12) A member representing police and fire protection
 agencies, prisons, weapons systems, and the military
 industrial complex.

The Board shall meet initially within 30 days of its appointment, shall select one member as chairperson at its initial meeting, and shall thereafter meet at the call of the chairperson. Members of the Board shall serve without compensation but shall be reimbursed for their reasonable and necessary expenses from funds available for that purpose.

28 The Board shall create а 3-year to 5-year (b) 29 revitalization plan for the community. The plan shall contain 30 distinct, measurable objectives for revitalization. The 31 objectives shall be used to guide ongoing implementation of the 32 plan and to measure progress during the 3-year to 5-year period. The Board shall work in a dynamic manner defining goals 33 34 for the community based on the strengths and weaknesses of the 35 individual sectors of the community as presented by each member 36 of the Board. The Board shall meet periodically and revise the

plan in light of the input from each member of the Board concerning his or her respective sector of expertise. The process shall be a community driven revitalization process, with community-specific data determining the direction and scope of the revitalization.

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Section 20. Action by the Board.

7 (a) Organize. The Board shall first assess the needs and 8 the resources of the community operating from the basic premise 9 that the family unit is the primary unit of community and that 10 the demand for goods and services from this residential sector 11 is the main source of recovery and growth for the redevelopment of a community. The Board shall inventory community assets, 12 including the condition of the family with respect to the role 13 of the family as workers, consumers, and investors. The Board 14 15 shall inventory the type and viability of businesses and 16 industries currently in the community. In compiling the inventory, the Board shall rely on the input of each Board 17 18 member with respect to his or her expertise in a given sector 19 of the revitalization plan.

(b) Revitalize. In implementing the revitalization plan, 20 the Board shall focus on and build from existing resources in 21 22 the community, growing existing businesses rather than luring 23 business into the community from the outside. The Board shall 24 also focus on the residents themselves rather than jobs. The 25 Board shall promote investment in training residents in areas 26 that will lead to employment and in turn will bring revenue 27 into the community.

(c) Mobilize. The Board shall engage in the dynamic process 28 29 community self-revitalization through of а continuous 30 reassessment of the needs of the community in the 31 revitalization process. As each goal of the 3-year to 5-year plan is achieved, the Board shall draw from the resources of 32 33 its members to establish new goals and implement new strategies 34 employing the lessons learned in the earlier stages of 35 revitalization.

- 5 - LRB093 15178 LRD 40774 b

1 (d) Advise. The Board shall Act as the liaison between the 2 community and the local, county, and State government. The 3 Board shall make use of the resources of these governmental 4 entities and shall provide counsel to each of these bodies with 5 respect to economic development.

6 The Board shall also act as a liaison between private 7 business entities located in the community and the community 8 itself. The Board shall offer advice and assistance to these 9 entities when requested and provide incentives and support, 10 both economic and otherwise, to facilitate expansion and 11 further investment in the community by the businesses.

12 The Board shall annually submit a report to the General 13 Assembly and the Governor summarizing the accomplishments of 14 the community concerning revitalization and the goals of the 15 community for future revitalization.

16 Section 25. Funding sources.

(a) The moneys appropriated into the Intercity Development
Fund, which is hereby created as a special fund in the State
Treasury, shall be allocated as follows:

20 (1) 50% shall be paid to the Department to be used to make 21 grants as follows:

22 (A) 25% shall be allocated for use within the City of23 Chicago;

24 (B) 25% shall be allocated for use within Cook County,
25 but outside of the City of Chicago; and

(C) 50% shall be allocated to communities that are
located outside of Cook County and are certified as
economically distressed communities and that have created
Boards of Economic Advisors under this Act for the
operational expenses of the Boards.

31 The procedures for grant applications shall be established 32 by the Department by rule.

33 (2) The remaining 50% of the moneys shall be allocated as 34 follows:

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(A) 25% shall be paid, subject to appropriation, to the

- 6 - LRB093 15178 LRD 40774 b

HB4600

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general fund of the City of Chicago;

2 (B) 25% shall be paid, subject to appropriation, to the
3 general fund of Cook County; and

4 (C) 50% shall be paid, subject to appropriation, to the 5 general funds of communities that are located outside of 6 Cook County and are certified as economically distressed 7 communities and that have created Boards of Economic 8 Advisors under this Act for the operational expenses of the 9 Boards.

(b) The Board, as a vital part of its function, shall seek 10 11 funding sources to enhance economic development. The Board 12 shall seek funding from the local, State, and federal government as well as from private funding sources, whether in 13 the form of grants, loans, or otherwise. The Department shall 14 advise the Boards of Economic Advisors created under this Act 15 16 of all available sources of funding for economic development 17 that it is aware of and shall assist the Boards in securing this funding. 18

19 (c) To the extent that there is a gap in funding for 20 economic development, the Board shall recommend possible 21 solutions to be undertaken by the State in addressing this 22 issue to fill the funding gap.

Section 75. The Illinois Horse Racing Act of 1975 is
amended by changing Sections 1.2, 3.11, 9, 20, 25, 26, 26.1,
27, 28.1, 30, 31, 36, and 42 and by adding Sections 3.24, 3.25,
3.26, 3.27, 34.2, and 56 as follows:

27 (230 ILCS 5/1.2)

Sec. 1.2. Legislative intent. This Act is intended to benefit the people of the State of Illinois by <u>encouraging the</u> <u>breeding and production of race horses</u>, assisting economic development, and promoting Illinois tourism. The General Assembly finds and declares it to be the public policy of the State of Illinois to:

34 (a) support and enhance Illinois' horse racing industry,

which is a significant component within the agribusiness industry;

3 (b) ensure that Illinois' horse racing industry remains 4 competitive with neighboring states;

5 (c) stimulate growth within Illinois' horse racing 6 industry, thereby encouraging new investment and development 7 to produce additional tax revenues and to create additional 8 jobs;

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(d) promote the further growth of tourism;

10 (e) encourage the breeding of thoroughbred and 11 standardbred horses in this State; and

12 (f) ensure that public confidence and trust in the 13 credibility and integrity of racing operations and the 14 regulatory process is maintained.

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

16 (230 ILCS 5/3.11) (from Ch. 8, par. 37-3.11)

Sec. 3.11. "Organization licensee" means any person, <u>not-for-profit corporation, municipality, or legal authority</u> <u>with bonding power created to promote tourism</u>, receiving an organization license from the Board to conduct a race meeting or meetings.

22 (Source: P.A. 79-1185.)

23 (230 ILCS 5/3.24 new)

24 <u>Sec. 3.24. "Adjusted gross receipts" means the gross</u> 25 <u>receipts from electronic gaming less winnings paid to wagerers.</u>

26 (230 ILCS 5/3.25 new)

27 <u>Sec. 3.25. "Electronic gaming" means slot machine gambling</u> 28 <u>conducted at a race track pursuant to an electronic gaming</u> 29 <u>license.</u>

30 (230 ILCS 5/3.26 new)

31 <u>Sec. 3.26. "Electronic gaming license" means a license to</u>
 32 <u>conduct electronic gaming issued under Section 56.</u>

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1 (230 ILCS 5/3.27 new)
2 Sec. 3.27. "Electronic gaming facility" means that portion
3 of an organization licensee's race track facility at which
4 electronic gaming is conducted.
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5 (230 ILCS 5/9) (from Ch. 8, par. 37-9)

6 Sec. 9. The Board shall have all powers necessary and 7 proper to fully and effectively execute the provisions of this 8 Act, including, but not limited to, the following:

9 (a) The Board is vested with jurisdiction and supervision 10 over all race meetings in this State, over all licensees doing business in this State, over all occupation licensees, and over 11 the facilities of any 12 all persons on licensee. Such 13 jurisdiction shall include the power to issue licenses to the 14 Illinois Department of Agriculture authorizing the pari-mutuel system of wagering on harness and Quarter Horse races held (1) 15 at the Illinois State Fair in Sangamon County, and (2) at the 16 17 DuQuoin State Fair in Perry County. The jurisdiction of the 18 Board shall also include the power to issue licenses to county fairs which are eligible to receive funds pursuant to the 19 Agricultural Fair Act, as now or hereafter amended, or their 20 21 agents, authorizing the pari-mutuel system of wagering on horse 22 races conducted at the county fairs receiving such licenses. Such licenses shall be governed by subsection (n) of this 23 24 Section.

Upon application, the Board shall issue a license to the 25 26 Illinois Department of Agriculture to conduct harness and 27 Quarter Horse races at the Illinois State Fair and at the 28 DuQuoin State Fairgrounds during the scheduled dates of each 29 fair. The Board shall not require and the Department of 30 Agriculture shall be exempt from the requirements of Sections 15.3, 18 and 19, paragraphs (a)(2), (b), (c), (d), (e), (e-5), 31 (e-10), (f), (g), and (h) of Section 20, and Sections 21, 24 32 33 and 25. The Board and the Department of Agriculture may extend any or all of these exemptions to any contractor or agent 34

- 9 - LRB093 15178 LRD 40774 b

HB4600

engaged by the Department of Agriculture to conduct its race meetings when the Board determines that this would best serve the public interest and the interest of horse racing.

Notwithstanding any provision of law to the contrary, it 4 5 shall be lawful for any licensee to operate pari-mutuel 6 wagering or contract with the Department of Agriculture to operate pari-mutuel wagering at the DuQuoin State Fairgrounds 7 8 or for the Department to enter into contracts with a licensee, 9 employ its owners, employees or agents and employ such other 10 occupation licensees as the Department deems necessary in 11 connection with race meetings and wagerings.

12 (b) The Board is vested with the full power to promulgate 13 reasonable rules and regulations for the purpose of administering the provisions of this Act and to prescribe 14 15 reasonable rules, regulations and conditions under which all 16 horse race meetings or wagering in the State shall be conducted. Such reasonable rules and regulations are to provide 17 for the prevention of practices detrimental to the public 18 19 interest and to promote the best interests of horse racing and 20 to impose penalties for violations thereof.

(c) The Board, and any person or persons to whom it delegates this power, is vested with the power to enter the facilities and other places of business of any licensee to determine whether there has been compliance with the provisions of this Act and its rules and regulations.

(d) The Board, and any person or persons to whom it 26 27 delegates this power, is vested with the authority to 28 investigate alleged violations of the provisions of this Act, 29 its reasonable rules and regulations, orders and final 30 decisions; the Board shall take appropriate disciplinary 31 action against any licensee or occupation licensee for 32 violation thereof or institute appropriate legal action for the enforcement thereof. 33

(e) The Board, and any person or persons to whom it
 delegates this power, may eject or exclude from any race
 meeting or the facilities of any licensee, or any part thereof,

- 10 - LRB093 15178 LRD 40774 b

HB4600

1 any occupation licensee or any other individual whose conduct 2 or reputation is such that his presence on those facilities 3 may, in the opinion of the Board, call into question the honesty and integrity of horse racing or wagering or interfere 4 5 with the orderly conduct of horse racing or wagering; provided, 6 however, that no person shall be excluded or ejected from the facilities of any licensee solely on the grounds of race, 7 color, creed, national origin, ancestry, or sex. The power to 8 9 eject or exclude an occupation licensee or other individual may 10 be exercised for just cause by the licensee or the Board, 11 subject to subsequent hearing by the Board as to the propriety 12 of said exclusion.

The Board is vested with the power to acquire, 13 (f) establish, maintain and operate (or provide by contract to 14 15 maintain and operate) testing laboratories and related 16 facilities, for the purpose of conducting saliva, blood, urine 17 and other tests on the horses run or to be run in any horse race meeting, including races run at county fairs, and to purchase 18 19 all equipment and supplies deemed necessary or desirable in 20 connection with any such testing laboratories and related facilities and all such tests. 21

(g) The Board may require that the records, including 22 23 financial or other statements of any licensee or any person affiliated with the licensee who is involved directly or 24 25 indirectly in the activities of any licensee as regulated under 26 this Act to the extent that those financial or other statements 27 relate to such activities be kept in such manner as prescribed 28 by the Board, and that Board employees shall have access to 29 those records during reasonable business hours. Within 120 days 30 of the end of its fiscal year, each licensee shall transmit to 31 the Board an audit of the financial transactions and condition 32 of the licensee's total operations. All audits shall be conducted by certified public accountants. Each certified 33 34 public accountant must be registered in the State of Illinois 35 under the Illinois Public Accounting Act. The compensation for 36 each certified public accountant shall be paid directly by the

licensee to the certified public accountant. A licensee shall also submit any other financial or related information the Board deems necessary to effectively administer this Act and all rules, regulations, and final decisions promulgated under this Act.

(h) The Board shall name and appoint in the manner provided 6 by the rules and regulations of the Board: an Executive 7 Director; a State director of mutuels; State veterinarians and 8 9 representatives to take saliva, blood, urine and other tests on 10 horses; licensing personnel; revenue inspectors; and State 11 seasonal employees (excluding admission ticket sellers and 12 mutuel clerks). All of those named and appointed as provided in this subsection shall serve during the pleasure of the Board; 13 their compensation shall be determined by the Board and be paid 14 in the same manner as other employees of the Board under this 15 16 Act.

(i) The Board shall require that there shall be 3 stewards at each horse race meeting, at least 2 of whom shall be named and appointed by the Board. Stewards appointed or approved by the Board, while performing duties required by this Act or by the Board, shall be entitled to the same rights and immunities as granted to Board members and Board employees in Section 10 of this Act.

(j) The Board may discharge any Board employee who fails or 24 25 refuses for any reason to comply with the rules and regulations of the Board, or who, in the opinion of the Board, is guilty of 26 27 fraud, dishonesty or who is proven to be incompetent. The Board 28 shall have no right or power to determine who shall be 29 officers, directors or employees of any licensee, or their 30 salaries except the Board may, by rule, require that all or any 31 officials or employees in charge of or whose duties relate to 32 the actual running of races be approved by the Board.

33 (k) The Board is vested with the power to appoint delegates 34 to execute any of the powers granted to it under this Section 35 for the purpose of administering this Act and any rules or 36 regulations promulgated in accordance with this Act.

1 (1) The Board is vested with the power to impose civil 2 penalties of up to \$5,000 against an individual and up to 3 \$10,000 against a licensee for each violation of any provision 4 of this Act, any rules adopted by the Board, any order of the 5 Board or any other action which, in the Board's discretion, is 6 a detriment or impediment to horse racing or wagering.

7 (m) The Board is vested with the power to prescribe a form 8 to be used by licensees as an application for employment for 9 employees of each licensee.

(n) The Board shall have the power to issue a license to 10 11 any county fair, or its agent, authorizing the conduct of the 12 pari-mutuel system of wagering. The Board is vested with the 13 full power to promulgate reasonable rules, regulations and conditions under which all horse race meetings licensed 14 15 pursuant to this subsection shall be held and conducted, 16 including rules, regulations and conditions for the conduct of 17 the pari-mutuel system of wagering. The rules, regulations and conditions shall provide for the prevention of practices 18 19 detrimental to the public interest and for the best interests of horse racing, and shall prescribe penalties for violations 20 thereof. Any authority granted the Board under this Act shall 21 22 extend to its jurisdiction and supervision over county fairs, 23 or their agents, licensed pursuant to this subsection. However, 24 the Board may waive any provision of this Act or its rules or 25 regulations which would otherwise apply to such county fairs or 26 their agents.

27 (o) Whenever the Board is authorized or required by law to 28 consider some aspect of criminal history record information for 29 the purpose of carrying out its statutory powers and 30 responsibilities, then, upon request and payment of fees in conformance with the requirements of Section 2605-400 of the 31 32 Department of State Police Law (20 ILCS 2605/2605-400), the 33 Department of State Police is authorized to furnish, pursuant to positive identification, such information contained in 34 35 State files as is necessary to fulfill the request.

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(p) To insure the convenience, comfort, and wagering

accessibility of race track patrons, to provide for the maximization of State revenue, and to generate increases in purse allotments to the horsemen, the Board shall require any licensee to staff the pari-mutuel department with adequate personnel.

6 (Source: P.A. 91-239, eff. 1-1-00.)

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(230 ILCS 5/20) (from Ch. 8, par. 37-20)

8 Sec. 20. (a) Any person desiring to conduct a horse race 9 meeting may apply to the Board for an organization license. The 10 application shall be made on a form prescribed and furnished by 11 the Board. The application shall specify:

12 (1) the dates on which it intends to conduct the horse
13 race meeting, which dates shall be provided under Section
14 21;

15 (2) the hours of each racing day between which it
 16 intends to hold or conduct horse racing at such meeting;

17 (3) the location where it proposes to conduct the 18 meeting; and

19 (4) any other information the Board may reasonably20 require.

(b) A separate application for an organization license 21 22 shall be filed for each horse race meeting which such person 23 proposes to hold. Any such application, if made by an 24 individual, or by any individual as trustee, shall be signed 25 and verified under oath by such individual. If made by 26 individuals or a partnership, it shall be signed and verified 27 under oath by at least 2 of such individuals or members of such partnership as the case may be. If made by an association, 28 29 corporation, corporate trustee or any other entity, it shall be 30 signed by the president and attested by the secretary or 31 assistant secretary under the seal of such association, trust or corporation if it has a seal, and shall also be verified 32 33 under oath by one of the signing officers.

34 (c) The application shall specify the name of the persons,35 association, trust, or corporation making such application and

the post office address of the applicant; if the applicant is a 1 2 trustee, the names and addresses of the beneficiaries; if a 3 corporation, the names and post office addresses of all 4 officers, stockholders and directors; or if such stockholders 5 hold stock as a nominee or fiduciary, the names and post office 6 addresses of these persons, partnerships, corporations, or trusts who are the beneficial owners thereof or who are 7 8 beneficially interested therein; and if a partnership, the 9 names and post office addresses of all partners, general or 10 limited; if the applicant is a corporation, the name of the 11 state of its incorporation shall be specified.

(d) The applicant shall execute and file with the Board a good faith affirmative action plan to recruit, train, and upgrade minorities in all classifications within the association.

(e) With such application there shall be delivered to the 16 Board a certified check or bank draft payable to the order of 17 the Board for an amount equal to \$1,000. All applications for 18 19 the issuance of an organization license shall be filed with the 20 Board before August 1 of the year prior to the year for which application is made and shall be acted upon by the Board at a 21 22 meeting to be held on such date as shall be fixed by the Board 23 during the last 15 days of September of such prior year. At 24 such meeting, the Board shall announce the award of the racing meets, live racing schedule, and designation of host track to 25 26 the applicants and its approval or disapproval of each 27 application. No announcement shall be considered binding until 28 a formal order is executed by the Board, which shall be executed no later than October 15 of that prior year. Absent 29 30 the agreement of the affected organization licensees, the Board 31 shall not grant overlapping race meetings to 2 or more tracks that are within 100 miles of each other to conduct the 32 thoroughbred racing. 33

34 <u>(e-2) In awarding racing dates for calendar year 2005 and</u> 35 <u>thereafter, the Board shall award the same total number of</u> 36 <u>racing days as it awarded in calendar year 2003 plus an amount</u> НВ4600

1	as provided in subsection (e-3). In awarding racing dates under
2	this subsection (e-2), the Board shall have the discretion to
3	allocate those racing dates among organization licensees.
4	(e-3) Upon request, the Board shall award at least 100
5	standardbred racing dates to the organization licensee that
6	conducts racing at Fairmount Race Track. Any racing dates
7	awarded under this subsection (e-3) to an organization licensee
8	that conducts racing at Fairmount Race Track that are in excess
9	of the number awarded to that organization licensee in 2003
)	shall be in addition to those racing dates awarded under
-	subsection (e-2).
	(e-5) In reviewing an application for the purpose of
	granting an organization license consistent with the best
	interests of the public and the sport of horse racing, the
	Board shall consider:
	(1) the character, reputation, experience, and
	financial integrity of the applicant and of any other
	separate person that either:
	(i) controls the applicant, directly or
	indirectly, or
	(ii) is controlled, directly or indirectly, by
	that applicant or by a person who controls, directly or
	indirectly, that applicant;
	(2) the applicant's facilities or proposed facilities
	for conducting horse racing;
	(3) the total revenue without regard to Section 32.1 to
	be derived by the State and horsemen from the applicant's
	conducting a race meeting;
	(4) the applicant's good faith affirmative action plan
	to recruit, train, and upgrade minorities in all employment
	classifications;
	(5) the applicant's financial ability to purchase and
	maintain adequate liability and casualty insurance;
	(6) the applicant's proposed and prior year's
	promotional and marketing activities and expenditures of
	the applicant associated with those activities;

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1 (7) an agreement, if any, among organization licensees 2 as provided in subsection (b) of Section 21 of this Act; 3 and

(8) the extent to which the applicant exceeds or meets other standards for the issuance of an organization license that the Board shall adopt by rule.

7 In granting organization licenses and allocating dates for 8 horse race meetings, the Board shall have discretion to 9 determine an overall schedule, including required simulcasts 10 of Illinois races by host tracks that will, in its judgment, be 11 conducive to the best interests of the public and the sport of 12 horse racing.

(e-10) The Illinois Administrative Procedure Act shall 13 apply to administrative procedures of the Board under this Act 14 for the granting of an organization license, except that (1) 15 16 notwithstanding the provisions of subsection (b) of Section 10-40 of the Illinois Administrative Procedure Act regarding 17 cross-examination, the Board may prescribe rules limiting the 18 19 right of an applicant or participant in any proceeding to award 20 an organization license to conduct cross-examination of witnesses at that proceeding where that cross-examination 21 would unduly obstruct the timely award of an organization 22 23 license under subsection (e) of Section 20 of this Act; (2) the provisions of Section 10-45 of the Illinois Administrative 24 Procedure Act regarding proposals for decision are excluded 25 26 (3) under this Act; notwithstanding the provisions of 27 subsection (a) of Section 10-60 of the Illinois Administrative 28 Procedure Act regarding ex parte communications, the Board may 29 prescribe rules allowing ex parte communications with 30 applicants or participants in a proceeding to award an 31 organization license where conducting those communications 32 would be in the best interest of racing, provided all those communications are made part of the record of that proceeding 33 pursuant to subsection (c) of Section 10-60 of the Illinois 34 35 Administrative Procedure Act; (4) the provisions of Section 14a of this Act and the rules of the Board promulgated under that 36

1 Section shall apply instead of the provisions of Article 10 of 2 Illinois Administrative Procedure the Act regarding 3 administrative law judges; and (5) the provisions of subsection (d) of Section 10-65 of the Illinois Administrative Procedure 4 5 Act that prevent summary suspension of a license pending 6 revocation or other action shall not apply.

(f) The Board may allot racing dates to an organization 7 8 licensee for more than one calendar year but for no more than 3 successive calendar years in advance, provided that the Board 9 10 shall review such allotment for more than one calendar year 11 prior to each year for which such allotment has been made. The 12 granting of an organization license to a person constitutes a 13 privilege to conduct a horse race meeting under the provisions of this Act, and no person granted an organization license 14 15 shall be deemed to have a vested interest, property right, or 16 future expectation to receive an organization license in any 17 subsequent year as a result of the granting of an organization license. Organization licenses shall be subject to revocation 18 19 if the organization licensee has violated any provision of this 20 Act or the rules and regulations promulgated under this Act or has been convicted of a crime or has failed to disclose or has 21 stated falsely any information called for in the application 22 23 organization license. Any organization for an license 24 revocation proceeding shall be in accordance with Section 16 25 regarding suspension and revocation of occupation licenses.

26 (f-5) If, (i) an applicant does not file an acceptance of 27 the racing dates awarded by the Board as required under part of 28 subsection (h) of this Section 20, or (ii) (1)an 29 organization licensee has its license suspended or revoked 30 under this Act, the Board, upon conducting an emergency hearing 31 as provided for in this Act, may reaward on an emergency basis 32 pursuant to rules established by the Board, racing dates not 33 accepted or the racing dates associated with any suspension or 34 revocation period to one or more organization licensees, new 35 applicants, or any combination thereof, upon terms and 36 conditions that the Board determines are in the best interest

- 18 - LRB093 15178 LRD 40774 b

HB4600

1 of racing, provided, the organization licensees or new 2 applicants receiving the awarded racing dates file an acceptance of those reawarded racing dates as required under 3 paragraph (1) of subsection (h) of this Section 20 and comply 4 5 the other provisions of this Act. The Illinois with Administrative Procedures Act 6 shall not apply to the administrative procedures of the Board in conducting the 7 8 emergency hearing and the reallocation of racing dates on an 9 emergency basis.

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(g) (Blank).

(h) The Board shall send the applicant a copy of its formally executed order by certified mail addressed to the applicant at the address stated in his application, which notice shall be mailed within 5 days of the date the formal order is executed.

Each applicant notified shall, within 10 days after receipt of the final executed order of the Board awarding racing dates:

18 (1) file with the Board an acceptance of such award in19 the form prescribed by the Board;

20 (2) pay to the Board an additional amount equal to \$110
21 for each racing date awarded; and

(3) file with the Board the bonds required in Sections
21 and 25 at least 20 days prior to the first day of each
race meeting.

25 Upon compliance with the provisions of paragraphs (1), (2), and 26 (3) of this subsection (h), the applicant shall be issued an 27 organization license.

If any applicant fails to comply with this Section or fails to pay the organization license fees herein provided, no organization license shall be issued to such applicant.

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

32 (230 ILCS 5/25) (from Ch. 8, par. 37-25)

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Sec. 25. Admissions tax; records and books; bond; penalty.

34 <u>(a)</u> There shall be paid to the Board at such time or times 35 as it shall prescribe, the sum of fifteen cents (15¢) for each

1 person entering the grounds or enclosure of each organization 2 licensee and inter-track wagering licensee upon a ticket of 3 admission except as provided in subsection (g) of Section 27 of 4 this Act. If tickets are issued for more than one day then the 5 sum of fifteen cents (15¢) shall be paid for each person using 6 such ticket on each day that the same shall be used. Provided, however, that no charge shall be made on tickets of admission 7 8 issued to and in the name of directors, officers, agents or 9 employees of the organization licensee, or inter-track 10 wagering licensee, or to owners, trainers, jockeys, drivers and 11 their employees or to any person or persons entering the 12 grounds or enclosure for the transaction of business in 13 connection with such race meeting. The organization licensee or inter-track wagering licensee may, if it desires, collect such 14 15 amount from each ticket holder in addition to the amount or 16 amounts charged for such ticket of admission.

(b) Accurate records and books shall at all times be kept 17 and maintained by the organization licensees and inter-track 18 19 wagering licensees showing the admission tickets issued and 20 used on each racing day and the attendance thereat of each horse racing meeting. The Board or its duly authorized 21 22 representative or representatives shall at all reasonable 23 times have access to the admission records of any organization 24 licensee and inter-track wagering licensee for the purpose of 25 examining and checking the same and ascertaining whether or not 26 the proper amount has been or is being paid the State of 27 Illinois as herein provided. The Board shall also require, 28 before issuing any license, that the licensee shall execute and deliver to it a bond, payable to the State of Illinois, in such 29 30 sum as it shall determine, not, however, in excess of fifty 31 thousand dollars (\$50,000), with a surety or sureties to be 32 approved by it, conditioned for the payment of all sums due and payable or collected by it under this Section upon admission 33 34 fees received for any particular racing meetings. The Board may 35 also from time to time require sworn statements of the number or numbers of such admissions and may prescribe blanks upon 36

1 which such reports shall be made. Any organization licensee or 2 inter-track wagering licensee failing or refusing to pay the amount found to be due as herein provided, shall be deemed 3 guilty of a business offense and upon conviction shall be 4 5 punished by a fine of not more than five thousand dollars 6 (\$5,000) in addition to the amount due from such organization licensee or inter-track wagering licensee as herein provided. 7 All fines paid into court by an organization licensee or 8 9 inter-track wagering licensee found guilty of violating this 10 Section shall be transmitted and paid over by the clerk of the 11 court to the Board.

12 <u>(c) In addition to the admission tax imposed under</u> 13 <u>subsection (a), a tax of \$1 is hereby imposed for each person</u> 14 <u>who enters the grounds or enclosure of each organization</u> 15 <u>licensee. The tax is imposed upon the organization licensee.</u>

16(1) The admission tax shall be paid for each17admission.

18 (2) An organization licensee may issue tax-free 19 passes to actual and necessary officials and employees of 20 the licensee and other persons associated with race meeting 21 operations.

22 <u>(3) The number and issuance of tax-free passes is</u> 23 <u>subject to the rules of the Board, and a list of all</u> 24 <u>persons to whom the tax-free passes are issued shall be</u> 25 <u>filed with the Board.</u>

(4) The organization licensee shall pay the entire 26 27 admission tax to the Board. Such payments shall be made daily. Accompanying each payment shall be a return on forms 28 provided by the Board, which shall include other 29 30 information regarding admission as the Board may require. 31 Failure to submit either the payment or the return within the specified time may result in suspension or revocation 32 of the organization licensee's license. 33

34(5) The Board shall administer and collect the35admission tax imposed by this subsection, to the extent36practicable, in a manner consistent with the provisions of

Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 6, 6a, 6b, 6c, 8,
 9, and 10 of the Retailers' Occupation Tax Act and Section
 3-7 of the Uniform Penalty and Interest Act. All moneys
 collected by the Board shall be deposited into the State
 Gaming Fund.

6 (Source: P.A. 88-495; 89-16, eff. 5-30-95.)

7 (230 ILCS 5/26) (from Ch. 8, par. 37-26)

8 Sec. 26. Wagering.

9 (a) Any licensee may conduct and supervise the pari-mutuel 10 system of wagering, as defined in Section 3.12 of this Act, on horse races conducted by an Illinois organization licensee or 11 12 conducted at a racetrack located in another state or country and televised in Illinois in accordance with subsection (g) of 13 14 Section 26 of this Act. Subject to the prior consent of the 15 Board, licensees may supplement any pari-mutuel pool in order 16 to guarantee a minimum distribution. Such pari-mutuel method of wagering shall not, under any circumstances if conducted under 17 18 the provisions of this Act, be held or construed to be 19 unlawful, other statutes of this State to the contrary for 20 notwithstanding. Subject to rules advance wagering promulgated by the Board, any licensee may accept wagers in 21 22 advance of the day of the race wagered upon occurs.

(b) Except as otherwise provided in Section 56, no other
method of betting, pool making, wagering or gambling shall be
used or permitted by the licensee. Each licensee may retain,
subject to the payment of all applicable taxes and purses, an
amount not to exceed 17% of all money wagered under subsection
(a) of this Section, except as may otherwise be permitted under
this Act.

30 (b-5) An individual may place a wager under the pari-mutuel 31 system from any licensed location authorized under this Act 32 provided that wager is electronically recorded in the manner 33 described in Section 3.12 of this Act. Any wager made 34 electronically by an individual while physically on the 35 premises of a licensee shall be deemed to have been made at the

1 premises of that licensee.

2 (c) Until January 1, 2000, the sum held by any licensee for payment of outstanding pari-mutuel tickets, if unclaimed prior 3 to December 31 of the next year, shall be retained by the 4 5 licensee for payment of such tickets until that date. Within 10 6 days thereafter, the balance of such sum remaining unclaimed, less any uncashed supplements contributed by such licensee for 7 8 the purpose of guaranteeing minimum distributions of any 9 pari-mutuel pool, shall be paid to the Illinois Veterans' Rehabilitation Fund of the State treasury, except as provided 10 11 in subsection (g) of Section 27 of this Act.

12 (c-5) Beginning January 1, 2000, the sum held by any 13 licensee for payment of outstanding pari-mutuel tickets, if unclaimed prior to December 31 of the next year, shall be 14 15 retained by the licensee for payment of such tickets until that 16 date. Within 10 days thereafter, the balance of such sum 17 remaining unclaimed, less any uncashed supplements contributed by such licensee for the purpose of guaranteeing minimum 18 19 distributions of any pari-mutuel pool, shall be evenly 20 distributed to the purse account of the organization licensee and the organization licensee. 21

(d) A pari-mutuel ticket shall be honored until December 31 of the next calendar year, and the licensee shall pay the same and may charge the amount thereof against unpaid money similarly accumulated on account of pari-mutuel tickets not presented for payment.

27 (e) No licensee shall knowingly permit any minor, other 28 than an employee of such licensee or an owner, trainer, jockey, driver, or employee thereof, to be admitted during a racing 29 30 program unless accompanied by a parent or guardian, or any 31 minor to be a patron of the pari-mutuel system of wagering 32 conducted or supervised by it. The admission of any unaccompanied minor, other than an employee of the licensee or 33 an owner, trainer, jockey, driver, or employee thereof at a 34 race track is a Class C misdemeanor. 35

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(f) Notwithstanding the other provisions of this Act, an

- 23 - LRB093 15178 LRD 40774 b

HB4600

organization licensee may contract with an entity in another 1 2 state or country to permit any legal wagering entity in another 3 state or country to accept wagers solely within such other 4 state or country on races conducted by the organization 5 licensee in this State. Beginning January 1, 2000, these wagers shall not be subject to State taxation. Until January 1, 2000, 6 when the out-of-State entity conducts a pari-mutuel pool 7 8 separate from the organization licensee, a privilege tax equal 9 to 7 1/2% of all monies received by the organization licensee from entities in other states or countries pursuant to such 10 11 contracts is imposed on the organization licensee, and such 12 privilege tax shall be remitted to the Department of Revenue 13 within 48 hours of receipt of the moneys from the simulcast. When the out-of-State entity conducts a combined pari-mutuel 14 15 pool with the organization licensee, the tax shall be 10% of 16 all monies received by the organization licensee with 25% of 17 the receipts from this 10% tax to be distributed to the county in which the race was conducted. 18

19 An organization licensee may permit one or more of its 20 races to be utilized for pari-mutuel wagering at one or more locations in other states and may transmit audio and visual 21 signals of races the organization licensee conducts to one or 22 23 more locations outside the State or country and may also permit pari-mutuel pools in other states or countries to be combined 24 25 with its gross or net wagering pools or with wagering pools 26 established by other states.

27 (g) A host track may accept interstate simulcast wagers on 28 horse races conducted in other states or countries and shall 29 control the number of signals and types of breeds of racing in 30 its simulcast program, subject to the disapproval of the Board. The Board may prohibit a simulcast program only if it finds 31 32 that the simulcast program is clearly adverse to the integrity of racing. The host track simulcast program shall include the 33 signal of live racing of all organization licensees. All 34 35 non-host licensees shall carry the host track simulcast program and accept wagers on all races included as part of the 36

1 simulcast program upon which wagering is permitted. The costs 2 host track and non-host licensees expenses of the and 3 associated with interstate simulcast wagering, other than the interstate commission fee, shall be borne by the host track and 4 5 all non-host licensees incurring these costs. The interstate commission fee shall not exceed 5% of Illinois handle on the 6 interstate simulcast race or races without prior approval of 7 the Board. The Board shall promulgate rules under which it may 8 5%. The 9 permit interstate commission fees in excess of 10 interstate commission fee and other fees charged by the sending 11 racetrack, including, but not limited to, satellite decoder 12 fees, shall be uniformly applied to the host track and all 13 non-host licensees.

(1) Between the hours of 6:30 a.m. and 6:30 p.m. an 14 intertrack wagering licensee other than the host track may 15 16 supplement the host track simulcast program with 17 additional simulcast races or race programs, provided that between January 1 and the third Friday in February of any 18 19 inclusive, if no live thoroughbred racing year, is 20 occurring in Illinois during this period, only thoroughbred races may be used for supplemental interstate 21 simulcast purposes. The Board shall withhold approval for a 22 23 supplemental interstate simulcast only if it finds that the simulcast is clearly adverse to the integrity of racing. A 24 25 supplemental interstate simulcast may be transmitted from an intertrack wagering licensee to its affiliated non-host 26 commission 27 licensees. The interstate fee for а 28 supplemental interstate simulcast shall be paid by the 29 non-host licensee and its affiliated non-host licensees 30 receiving the simulcast.

31 (2) Between the hours of 6:30 p.m. and 6:30 a.m. an 32 intertrack wagering licensee other than the host track may 33 receive supplemental interstate simulcasts only with the 34 consent of the host track, except when the Board finds that 35 the simulcast is clearly adverse to the integrity of 36 racing. Consent granted under this paragraph (2) to any

intertrack wagering licensee shall be deemed consent to all non-host licensees. The interstate commission fee for the supplemental interstate simulcast shall be paid by all participating non-host licensees.

5 Each licensee conducting interstate simulcast (3) 6 wagering may retain, subject to the payment of all 7 applicable taxes and the purses, an amount not to exceed 17% of all money wagered. If any licensee conducts the 8 races 9 pari-mutuel system wagering on conducted at. 10 racetracks in another state or country, each such race or 11 race program shall be considered a separate racing day for 12 the purpose of determining the daily handle and computing the privilege tax of that daily handle as provided in 13 subsection (a) of Section 27. Until January 1, 2000, from 14 the sums permitted to be retained pursuant to this 15 16 subsection, each intertrack wagering location licensee 17 shall pay 1% of the pari-mutuel handle wagered on simulcast wagering to the Horse Racing Tax Allocation Fund, subject 18 to the provisions of subparagraph (B) of paragraph (11) of 19 subsection (h) of Section 26 of this Act. 20

(4) A licensee who receives an interstate simulcast may 21 combine its gross or net pools with pools at the sending 22 23 racetracks pursuant to rules established by the Board. All licensees combining their gross pools at 24 a sending 25 racetrack shall adopt the take-out percentages of the sending racetrack. A licensee may also establish a separate 26 27 pool and takeout structure for wagering purposes on races 28 conducted at race tracks outside of the State of Illinois. 29 The licensee may permit pari-mutuel wagers placed in other 30 states or countries to be combined with its gross or net 31 wagering pools or other wagering pools.

32 (5) After the payment of the interstate commission fee 33 (except for the interstate commission fee on a supplemental 34 interstate simulcast, which shall be paid by the host track 35 and by each non-host licensee through the host-track) and 36 all applicable State and local taxes, except as provided in

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subsection (g) of Section 27 of this Act, the remainder of moneys retained from simulcast wagering pursuant to this subsection (g), and Section 26.2 shall be divided as follows:

(A) For interstate simulcast wagers made at a host track, 50% to the host track and 50% to purses at the host track.

(B) For wagers placed on interstate simulcast 8 9 supplemental simulcasts as defined races, in 10 subparagraphs (1) and (2), and separately pooled races 11 conducted outside of the State of Illinois made at a non-host licensee, 25% to the host track, 25% to the 12 non-host licensee, and 50% to the purses at the host 13 track. 14

(6) Notwithstanding any provision in this Act to the 15 16 contrary, non-host licensees who derive their licenses 17 from a track located in a county with a population in excess of 230,000 and that borders the Mississippi River 18 may receive supplemental interstate simulcast races at all 19 20 times subject to Board approval, which shall be withheld 21 only upon a finding that a supplemental interstate simulcast is clearly adverse to the integrity of racing. 22

23 (7) Notwithstanding any provision of this Act to the contrary, after payment of all applicable State and local 24 taxes and interstate commission fees, non-host licensees 25 who derive their licenses from a track located in a county 26 27 with a population in excess of 230,000 and that borders the 28 Mississippi River shall retain 50% of the retention from interstate simulcast wagers and shall pay 50% to purses at 29 30 the track from which the non-host licensee derives its 31 license as follows:

(A) Between January 1 and the third Friday in
February, inclusive, if no live thoroughbred racing is
occurring in Illinois during this period, when the
interstate simulcast is a standardbred race, the purse
share to its standardbred purse account;

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(B) Between January 1 and the third Friday in February, inclusive, if no live thoroughbred racing is occurring in Illinois during this period, and the interstate simulcast is a thoroughbred race, the purse share to its interstate simulcast purse pool to be distributed under paragraph (10) of this subsection (g);

(C) Between January 1 and the third Friday in 8 9 February, inclusive, if live thoroughbred racing is occurring in Illinois, between 6:30 a.m. and 6:30 p.m. 10 11 the purse share from wagers made during this time period to its thoroughbred purse account and between 12 6:30 p.m. and 6:30 a.m. the purse share from wagers 13 made during this time period to its standardbred purse 14 accounts; 15

(D) Between the third Saturday in February and
December 31, when the interstate simulcast occurs
between the hours of 6:30 a.m. and 6:30 p.m., the purse
share to its thoroughbred purse account;

20 (E) Between the third Saturday in February and 21 December 31, when the interstate simulcast occurs 22 between the hours of 6:30 p.m. and 6:30 a.m., the purse 23 share to its standardbred purse account.

(7.1) Notwithstanding any other provision of this Act 24 to the contrary, if no standardbred racing is conducted at 25 a racetrack located in Madison County during any calendar 26 27 year beginning on or after January 1, 2002, all moneys 28 derived by that racetrack from simulcast wagering and inter-track wagering that (1) are to be used for purses and 29 30 (2) are generated between the hours of 6:30 p.m. and 6:30 31 a.m. during that calendar year shall be paid as follows:

32 (A) If the licensee that conducts horse racing at
33 that racetrack requests from the Board at least as many
34 racing dates as were conducted in calendar year 2000,
35 80% shall be paid to its thoroughbred purse account;
36 and

1 (B) Twenty percent shall be deposited into the Illinois Colt Stakes Purse Distribution Fund and shall 2 be paid to purses for standardbred races for Illinois 3 conceived and foaled horses conducted at any county 4 5 fairgrounds. The moneys deposited into the Fund pursuant to this subparagraph (B) shall be deposited 6 within 2 weeks after the day they were generated, shall 7 be in addition to and not in lieu of any other moneys 8 paid to standardbred purses under this Act, and shall 9 not be commingled with other moneys paid into that 10 11 Fund. The moneys deposited pursuant to this 12 subparagraph (B) shall be allocated as provided by the Department of Agriculture, with the 13 advice and assistance of the Illinois Standardbred Breeders Fund 14 Advisory Board. 15

16 (7.2) Notwithstanding any other provision of this Act 17 to the contrary, if no thoroughbred racing is conducted at a racetrack located in Madison County during any calendar 18 year beginning on or after January 1, 2002, all moneys 19 20 derived by that racetrack from simulcast wagering and inter-track wagering that (1) are to be used for purses and 21 (2) are generated between the hours of 6:30 a.m. and 6:30 22 p.m. during that calendar year shall be deposited as 23 follows: 24

(A) If the licensee that conducts horse racing at
that racetrack requests from the Board at least as many
racing dates as were conducted in calendar year 2000,
80% shall be deposited into its standardbred purse
account; and

30 (B) Twenty percent shall be deposited into the 31 Illinois Colt Stakes Purse Distribution Fund. Moneys 32 deposited into the Illinois Colt Stakes Purse Distribution Fund pursuant to this subparagraph (B) 33 shall be paid to Illinois conceived and foaled 34 thoroughbred breeders' programs and to thoroughbred 35 36 purses for races conducted at any county fairgrounds - 29 - LRB093 15178 LRD 40774 b

HB4600

for Illinois conceived and foaled horses at the 1 discretion of the Department of Agriculture, with the 2 advice and assistance of the Illinois Thoroughbred 3 Breeders Fund Advisory Board. The moneys deposited 4 5 into the Illinois Colt Stakes Purse Distribution Fund pursuant to this subparagraph (B) shall be deposited 6 within 2 weeks after the day they were generated, shall 7 be in addition to and not in lieu of any other moneys 8 paid to thoroughbred purses under this Act, and shall 9 10 not be commingled with other moneys deposited into that 11 Fund.

(7.3) If no live standardbred racing is conducted at a 12 racetrack located in Madison County in calendar year 2000 13 or 2001, an organization licensee who is licensed to 14 conduct horse racing at that racetrack shall, before 15 16 January 1, 2002, pay all moneys derived from simulcast 17 wagering and inter-track wagering in calendar years 2000 and 2001 and paid into the licensee's standardbred purse 18 account as follows: 19

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(A) Eighty percent to that licensee's thoroughbred purse account to be used for thoroughbred purses; and

(B) Twenty percent to the Illinois Colt Stakes Purse Distribution Fund.

Failure to make the payment to the Illinois Colt Stakes Purse Distribution Fund before January 1, 2002 shall result in the immediate revocation of the licensee's organization license, inter-track wagering license, and inter-track wagering location license.

Moneys paid into the Illinois Colt Stakes Purse 29 30 Distribution Fund pursuant to this paragraph (7.3) shall be 31 paid to purses for standardbred races for Illinois conceived and foaled horses conducted at any county 32 fairgrounds. Moneys paid into the Illinois Colt Stakes 33 Purse Distribution Fund pursuant to this paragraph (7.3) 34 used 35 shall be as determined by the Department of Agriculture, with the advice and assistance of the Illinois 36

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Standardbred Breeders Fund Advisory Board, shall be in addition to and not in lieu of any other moneys paid to standardbred purses under this Act, and shall not be commingled with any other moneys paid into that Fund.

5 (7.4) If live standardbred racing is conducted at a 6 racetrack located in Madison County at any time in calendar year 2001 before the payment required under paragraph (7.3) 7 has been made, the organization licensee who is licensed to 8 9 conduct racing at that racetrack shall pay all moneys 10 derived by that racetrack from simulcast wagering and 11 inter-track wagering during calendar years 2000 and 2001 12 that (1) are to be used for purses and (2) are generated between the hours of 6:30 p.m. and 6:30 a.m. during 2000 or 13 2001 to the standardbred purse account at that racetrack to 14 be used for standardbred purses. 15

16 (8) Notwithstanding any provision in this Act to the
17 contrary, an organization licensee from a track located in
18 a county with a population in excess of 230,000 and that
19 borders the Mississippi River and its affiliated non-host
20 licensees shall not be entitled to share in any retention
21 generated on racing, inter-track wagering, or simulcast
22 wagering at any other Illinois wagering facility.

23 (8.1) Notwithstanding any provisions in this Act to the contrary, if 2 organization licensees are conducting 24 25 standardbred race meetings concurrently between the hours of 6:30 p.m. and 6:30 a.m., after payment of all applicable 26 27 State and local taxes and interstate commission fees, the 28 remainder of the amount retained from simulcast wagering otherwise attributable to the host track and to host track 29 30 purses shall be split daily between the 2 organization 31 licensees and the purses at the tracks of the 2 32 organization licensees, respectively, based on each organization licensee's share of the total live handle for 33 that day, provided that this provision shall not apply to 34 any non-host licensee that derives its license from a track 35 36 located in a county with a population in excess of 230,000

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and that borders the Mississippi River.

- (9) (Blank).
- (10) (Blank).
- (11) (Blank).

5 (12) The Board shall have authority to compel all host 6 tracks to receive the simulcast of any or all races 7 conducted at the Springfield or DuQuoin State fairgrounds 8 and include all such races as part of their simulcast 9 programs.

10 (13) (Blank). Notwithstanding any other provision of this Act, in the event that the total Illinois pari-mutuel 11 handle on Illinois horse races at all wagering facilities 12 in any calendar year is less than 75% of the total Illinois 13 pari-mutuel handle on Illinois horse races at all such 14 wagering facilities for calendar year 1994, 15 then each 16 wagering facility that has an annual total Illinois 17 pari mutuel handle on Illinois horse races that 1033 than 75% of the total Illinois pari mutuel handle 18 on Illinois horse races at such wagering facility for calendar 19 20 year 1994, shall be permitted to receive, from any amount otherwise payable to the purse account at the race track 21 with which the wagering facility is affiliated in the 22 23 succeeding calendar year, an amount equal to 2% of the differential in total Illinois pari-mutuel handle 24 25 Illinois horse races at the wagering facility between that calendar year in question and 1994 provided, however, that 26 27 a wagering facility shall not be entitled to any such 28 until the Board certifies in writing payment the to 29 wagering facility the amount to which the wagering facility 30 is entitled and a schedule for payment of the amount to the 31 wagering facility, based on: (i) the racing dates awarded 32 to the race track affiliated with the wagering facility during the succeeding year; (ii) the sums available or 33 anticipated to be available in the purse account of the 34 track affiliated with the wagering facility for 35 36 during the succeeding year; and (iii) the need to ensure

1 reasonable purse levels during the payment period. The 2 Board's certification shall be provided no later than 3 January 31 of the succeeding year. In the event a wagering entitled to a payment under this paragraph (13) is 4 facility 5 affiliated with a race track that maintains purse accounts both standardbred and thoroughbred racing, the amount 6 paid to the wagering facility shall be divided 7 be between each purse account pro rata, based on the amount of 8 Illinois handle on Illinois standardbred and thoroughbred 9 10 racing respectively at the wagering facility during the 11 previous calendar year. Annually, the General Assembly shall appropriate sufficient funds from the 12 Conoral Revenue Fund to the Department of Agriculture for 13 into the thoroughbred and standardbred horse racing purse 14 accounts at Illinois pari-mutuel tracks. The amount paid to 15 16 each purse account shall be the amount certified by the 17 Illinois Racing Board in January to be transferred each account to each eligible racing facility in accordance 18 with the provisions of this Section. 19

(h) The Board may approve and license the conduct of inter-track wagering and simulcast wagering by inter-track wagering licensees and inter-track wagering location licensees subject to the following terms and conditions:

(1) Any person licensed to conduct a race meeting (i) 24 25 at a track where 60 or more days of racing were conducted during the immediately preceding calendar year or where 26 27 over the 5 immediately preceding calendar years an average 28 of 30 or more days of racing were conducted annually may be issued an inter-track wagering license; (ii) at a track 29 30 located in a county that is bounded by the Mississippi 31 River, which has a population of less than 150,000 32 according to the 1990 decennial census, and an average of at least 60 days of racing per year between 1985 and 1993 33 may be issued an inter-track wagering license; or (iii) at 34 a track located in Madison County that conducted at least 35 100 days of live racing during the immediately preceding 36

- 33 - LRB093 15178 LRD 40774 b

HB4600

1 calendar year may be issued an inter-track wagering 2 license, unless a lesser schedule of live racing is the result of (A) weather, unsafe track conditions, or other 3 acts of God; (B) an agreement between the organization 4 5 licensee and the associations representing the largest 6 number of owners, trainers, jockeys, or standardbred drivers who race horses at that organization licensee's 7 racing meeting; or (C) a finding by the Board of 8 9 extraordinary circumstances and that it was in the best 10 interest of the public and the sport to conduct fewer than 11 100 days of live racing. Any such person having operating 12 control of the racing facility may also receive up to 6 inter-track wagering location licenses. In no event shall 13 more than 6 inter-track wagering locations be established 14 for each eligible race track, except that an eligible race 15 16 track located in a county that has a population of more 17 than 230,000 and that is bounded by the Mississippi River may establish up to 7 inter-track wagering locations. An 18 application for said license shall be filed with the Board 19 20 prior to such dates as may be fixed by the Board. With an 21 application for an inter-track wagering location license there shall be delivered to the Board a certified check or 22 23 bank draft payable to the order of the Board for an amount equal to \$500. The application shall be on forms prescribed 24 25 and furnished by the Board. The application shall comply with all other rules, regulations and conditions imposed by 26 27 the Board in connection therewith.

28 (2) The Board shall examine the applications with 29 respect to their conformity with this Act and the rules and 30 regulations imposed by the Board. If found to be in compliance with the Act and rules and regulations of the 31 32 Board, the Board may then issue a license to conduct inter-track wagering and simulcast wagering to 33 such applicant. All such applications shall be acted upon by the 34 Board at a meeting to be held on such date as may be fixed 35 36 by the Board.

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(3) In granting licenses to conduct inter-track wagering and simulcast wagering, the Board shall give due consideration to the best interests of the public, of horse racing, and of maximizing revenue to the State.

5 (4) Prior to the issuance of a license to conduct 6 inter-track wagering and simulcast wagering, the applicant shall file with the Board a bond payable to the State of 7 Illinois in the sum of \$50,000, executed by the applicant 8 9 and a surety company or companies authorized to do business 10 in this State, and conditioned upon (i) the payment by the 11 licensee of all taxes due under Section 27 or 27.1 and any 12 other monies due and payable under this Act, and (ii) distribution by the licensee, upon presentation of the 13 winning ticket or tickets, of all sums payable to the 14 patrons of pari-mutuel pools. 15

16 (5) Each license to conduct inter-track wagering and 17 simulcast wagering shall specify the person to whom it is 18 issued, the dates on which such wagering is permitted, and 19 the track or location where the wagering is to be 20 conducted.

(6) All wagering under such license is subject to this
Act and to the rules and regulations from time to time
prescribed by the Board, and every such license issued by
the Board shall contain a recital to that effect.

(7) An inter-track wagering licensee or inter-track
wagering location licensee may accept wagers at the track
or location where it is licensed, or as otherwise provided
under this Act.

(8) Inter-track wagering or simulcast wagering shall not be conducted at any track less than 5 miles from a track at which a racing meeting is in progress.

32 (8.1) Inter-track wagering location licensees who
33 derive their licenses from a particular organization
34 licensee shall conduct inter-track wagering and simulcast
35 wagering only at locations which are either within 90 miles
36 of that race track where the particular organization

- 35 - LRB093 15178 LRD 40774 b

HB4600

licensee is licensed to conduct racing, or within 135 miles 1 2 that race track where the particular organization of 3 licensee is licensed to conduct racing in the case of race tracks in counties of less than 400,000 that were operating 4 5 on or before June 1, 1986. However, inter-track wagering and simulcast wagering shall not be conducted by those 6 licensees at any location within 5 miles of any race track 7 at which a horse race meeting has been licensed in the 8 9 current year, unless the person having operating control of 10 such race track has given its written consent to such 11 inter-track wagering location licensees, which consent must be filed with the Board at or prior to the time 12 application is made. 13

(8.2) Inter-track wagering or simulcast wagering shall 14 15 not be conducted by an inter-track wagering location 16 licensee at any location within 500 feet of an existing 17 church or existing school, nor within 500 feet of the residences of more than 50 registered voters without 18 receiving written permission from a majority 19 of the 20 registered voters at such residences. Such written permission statements shall be filed with the Board. The 21 distance of 500 feet shall be measured to the nearest part 22 23 of any building used for worship services, education programs, residential purposes, or conducting inter-track 24 wagering by an inter-track wagering location licensee, and 25 not to property boundaries. However, inter-track wagering 26 27 or simulcast wagering may be conducted at a site within 500 28 feet of a church, school or residences of 50 or more registered voters if such church, school or residences have 29 30 been erected or established, or such voters have been 31 registered, after the Board issues the original 32 inter-track wagering location license at the site in Inter-track wagering location licensees may 33 question. conduct inter-track wagering and simulcast wagering only 34 in areas that are zoned for commercial or manufacturing 35 purposes or in areas for which a special use has been 36

1 approved by the local zoning authority. However, no license to conduct inter-track wagering and simulcast wagering 2 3 shall be granted by the Board with respect to any inter-track wagering location within the jurisdiction of 4 5 any local zoning authority which has, by ordinance or by 6 resolution, prohibited the establishment of an inter-track wagering location within its jurisdiction. 7 However, inter-track wagering and simulcast wagering 8 may be 9 conducted at a site if such ordinance or resolution is 10 enacted after the Board licenses the original inter-track 11 wagering location licensee for the site in question.

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(9) (Blank).

(10)inter-track wagering 13 An licensee or an inter-track wagering location licensee may retain, subject 14 to the payment of the privilege taxes and the purses, an 15 16 amount not to exceed 17% of all money wagered. Each program 17 of racing conducted by each inter-track wagering licensee inter-track wagering location licensee shall 18 be or considered a separate racing day for the purpose of 19 20 determining the daily handle and computing the privilege tax or pari-mutuel tax on such daily handle as provided in 21 Section 27. 22

23 (10.1) Except as provided in subsection (g) of Section 27 of this Act, inter-track wagering location licensees 24 25 shall pay 1% of the pari-mutuel handle at each location to the municipality in which such location is situated and 1% 26 27 of the pari-mutuel handle at each location to the county in 28 which such location is situated. In the event that an inter-track wagering location licensee is situated in an 29 30 unincorporated area of a county, such licensee shall pay 2% 31 of the pari-mutuel handle from such location to such 32 county.

33 (10.2) Notwithstanding any other provision of this
34 Act, with respect to intertrack wagering at a race track
35 located in a county that has a population of more than
36 230,000 and that is bounded by the Mississippi River ("the

- 37 - LRB093 15178 LRD 40774 b

HB4600

1 first race track"), or at a facility operated by an 2 inter-track wagering licensee or inter-track wagering location licensee that derives its license from the 3 organization licensee that operates the first race track, 4 5 on races conducted at the first race track or on races 6 conducted at another Illinois race track and simultaneously televised to the first race track or to a 7 facility operated by an inter-track wagering licensee or 8 9 inter-track wagering location licensee that derives its 10 license from the organization licensee that operates the 11 first race track, those moneys shall be allocated as 12 follows:

(A) That portion of all moneys wagered on
standardbred racing that is required under this Act to
be paid to purses shall be paid to purses for
standardbred races.

17 (B) That portion of all moneys wagered on
18 thoroughbred racing that is required under this Act to
19 be paid to purses shall be paid to purses for
20 thoroughbred races.

(11) (A) After payment of the privilege or pari-mutuel 21 tax, any other applicable taxes, and the costs and expenses 22 23 in connection with the gathering, transmission, and dissemination of all data necessary to the conduct of 24 25 inter-track wagering, the remainder of the monies retained under either Section 26 or Section 26.2 of this Act by the 26 27 inter-track wagering licensee on inter-track wagering 28 shall be allocated with 50% to be split between the 2 29 participating licensees and 50% to purses, except that an 30 intertrack wagering licensee that derives its license from 31 a track located in a county with a population in excess of 32 230,000 and that borders the Mississippi River shall not remaining retention with 33 divide any the Tllinois organization licensee that provides the race or races, and 34 35 an intertrack wagering licensee that accepts wagers on 36 races conducted by an organization licensee that conducts a

1 race meet in a county with a population in excess of 2 230,000 and that borders the Mississippi River shall not 3 divide any remaining retention with that organization 4 licensee.

5 (B) From the sums permitted to be retained pursuant to 6 this Act each inter-track wagering location licensee shall 7 pay (i) the privilege or pari-mutuel tax to the State; (ii) 4.75% of the pari-mutuel handle on intertrack wagering at 8 9 such location on races as purses, except that an intertrack 10 wagering location licensee that derives its license from a 11 track located in a county with a population in excess of 12 230,000 and that borders the Mississippi River shall retain all purse moneys for its own purse account consistent with 13 distribution set forth in this subsection (h), 14 and intertrack wagering location licensees that accept wagers 15 16 on races conducted by an organization licensee located in a 17 county with a population in excess of 230,000 and that borders the Mississippi River shall distribute all purse 18 moneys to purses at the operating host track; (iii) until 19 20 January 1, 2000, except as provided in subsection (g) of Section 27 of this Act, 1% of the pari-mutuel handle 21 wagered on inter-track wagering and simulcast wagering at 22 23 each inter-track wagering location licensee facility to the Horse Racing Tax Allocation Fund, provided that, to the 24 extent the total amount collected and distributed to the 25 Horse Racing Tax Allocation Fund under this subsection (h) 26 27 during any calendar year exceeds the amount collected and 28 distributed to the Horse Racing Tax Allocation Fund during year 1994, that 29 calendar excess amount shall be 30 redistributed (I) to all inter-track wagering location 31 licensees, based on each licensee's pro-rata share of the 32 total handle from inter-track wagering and simulcast wagering for all inter-track wagering location licensees 33 during the calendar year in which this provision is 34 applicable; then (II) the amounts redistributed to each 35 inter-track wagering location licensee as described in 36

1 subpart (I) shall be further redistributed as provided in 2 subparagraph (B) of paragraph (5) of subsection (g) of this 3 Section 26 provided first, that the shares of those amounts, which are to be redistributed to the host track or 4 5 to purses at the host track under subparagraph (B) of 6 paragraph (5) of subsection (g) of this Section 26 shall be redistributed based on each host track's pro rata share of 7 the total inter-track wagering and simulcast wagering 8 9 handle at all host tracks during the calendar year in 10 question, and second, that any amounts redistributed as 11 described in part (I) to an inter-track wagering location licensee that accepts wagers on races conducted by an 12 organization licensee that conducts a race meet in a county 13 with a population in excess of 230,000 and that borders the 14 Mississippi River shall be further redistributed as 15 16 provided in subparagraphs (D) and (E) of paragraph (7) of 17 subsection (g) of this Section 26, with the portion of that further redistribution allocated to purses 18 at that organization licensee to be divided between standardbred 19 20 purses and thoroughbred purses based on the amounts 21 otherwise allocated to purses at that organization licensee during the calendar year in question; and (iv) 8% 22 23 of the pari-mutuel handle on inter-track wagering wagered at such location to satisfy all costs and expenses of 24 conducting its wagering. The remainder of the monies 25 26 retained by the inter-track wagering location licensee 27 shall be allocated 40% to the location licensee and 60% to 28 the organization licensee which provides the Illinois 29 races to the location, except that an intertrack wagering 30 location licensee that derives its license from a track 31 located in a county with a population in excess of 230,000 32 and that borders the Mississippi River shall not divide any remaining retention with the organization licensee that 33 provides the race or races and an intertrack wagering 34 location licensee that accepts wagers on races conducted by 35 an organization licensee that conducts a race meet in a 36

1 county with a population in excess of 230,000 and that 2 borders the Mississippi River shall not divide any 3 remaining retention with the organization licensee. Notwithstanding the provisions of clauses (ii) and (iv) of 4 5 this paragraph, in the case of the additional inter-track 6 wagering location licenses authorized under paragraph (1) of this subsection (h) by this amendatory Act of 1991, 7 those licensees shall pay the following amounts as purses: 8 9 during the first 12 months the licensee is in operation, 10 5.25% of the pari-mutuel handle wagered at the location on 11 races; during the second 12 months, 5.25%; during the third 12 months, 5.75%; during the fourth 12 months, 6.25%; and 12 during the fifth 12 months and thereafter, 6.75%. The 13 following amounts shall be retained by the licensee to 14 satisfy all costs and expenses of conducting its wagering: 15 16 during the first 12 months the licensee is in operation, 17 8.25% of the pari-mutuel handle wagered at the location; during the second 12 months, 8.25%; during the third 12 18 months, 7.75%; during the fourth 12 months, 7.25%; and 19 20 during the fifth 12 months and thereafter, 6.75%. For 21 additional intertrack wagering location licensees authorized under this amendatory Act of 1995, purses for 22 23 the first 12 months the licensee is in operation shall be 5.75% of the pari-mutuel wagered at the location, purses 24 25 for the second 12 months the licensee is in operation shall be 6.25%, and purses thereafter shall be 6.75%. For 26 27 additional intertrack location licensees authorized under 28 this amendatory Act of 1995, the licensee shall be allowed to retain to satisfy all costs and expenses: 7.75% of the 29 30 pari-mutuel handle wagered at the location during its first 31 12 months of operation, 7.25% during its second 12 months 32 of operation, and 6.75% thereafter.

(C) There is hereby created the Horse Racing Tax
 Allocation Fund which shall remain in existence until
 December 31, 1999. Moneys remaining in the Fund after
 December 31, 1999 shall be paid into the General Revenue

1 Fund. Until January 1, 2000, all monies paid into the Horse 2 Racing Tax Allocation Fund pursuant to this paragraph (11) 3 by inter-track wagering location licensees located in park 500,000 population or less, or in a 4 districts of 5 municipality that is not included within any park district 6 but is included within a conservation district and is the county seat of a county that (i) is contiguous to the state 7 of Indiana and (ii) has a 1990 population of 88,257 8 9 according to the United States Bureau of the Census, and 10 operating on May 1, 1994 shall be allocated by 11 appropriation as follows:

12 Two-sevenths to the Department of Agriculture. Fifty percent of this two-sevenths shall be used to 13 promote the Illinois horse racing and breeding 14 industry, and shall be distributed by the Department of 15 16 Agriculture upon the advice of a 9-member committee 17 appointed by the Governor consisting of the following members: the Director of Agriculture, who shall serve 18 19 chairman; 2 representatives of as organization 20 licensees conducting thoroughbred race meetings in by those 2 21 this State, recommended licensees; representatives of organization licensees conducting 22 23 standardbred race meetings in this State, recommended by those licensees; a representative of the Illinois 24 25 Thoroughbred Breeders and Owners Foundation, recommended by that Foundation; a representative of 26 27 the Illinois Standardbred Owners and Breeders 28 Association, recommended by that Association; а representative of the Horsemen's Benevolent 29 and 30 Protective Association or any successor organization 31 thereto established in Illinois comprised of the 32 largest number of owners and trainers, recommended by that Association or that successor organization; and a 33 34 representative of the Illinois Harness Horsemen's 35 Association, recommended by that Association. Committee members shall serve for terms of 2 years, 36

1 commencing January 1 of each even-numbered year. If a 2 representative of any of the above-named entities has 3 not been recommended by January 1 of any even-numbered year, the Governor shall appoint a committee member to 4 5 fill that position. Committee members shall receive no compensation for their services as members but shall be 6 reimbursed for all actual and necessary expenses and 7 disbursements incurred in the performance of their 8 9 official duties. The remaining 50% of this 10 two-sevenths shall be distributed to county fairs for 11 premiums and rehabilitation as set forth in the 12 Agricultural Fair Act;

Four-sevenths to park districts or municipalities 13 that do not have a park district of 500,000 population 14 or less for museum purposes (if an inter-track wagering 15 16 location licensee is located in such a park district) 17 or to conservation districts for museum purposes (if an inter-track wagering location licensee is located in a 18 municipality that is not included within any park 19 20 district but is included within а conservation district and is the county seat of a county that (i) is 21 contiguous to the state of Indiana and (ii) has a 1990 22 23 population of 88,257 according to the United States Bureau of the Census, except that if the conservation 24 25 district does not maintain a museum, the monies shall 26 be allocated equally between the county and the 27 municipality in which the inter-track wagering 28 location licensee is located for general purposes) or 29 to a municipal recreation board for park purposes (if 30 an inter-track wagering location licensee is located 31 in a municipality that is not included within any park 32 district and park maintenance is the function of the municipal recreation board and the municipality has a 33 1990 population of 9,302 according to the United States 34 Bureau of the Census); provided that the monies are 35 distributed to each park district or conservation 36

- 43 - LRB093 15178 LRD 40774 b

HB4600

1 district or municipality that does not have a park 2 district in an amount equal to four-sevenths of the 3 amount collected by each inter-track wagering location licensee within the park district or conservation 4 5 district or municipality for the Fund. Monies that were paid into the Horse Racing Tax Allocation Fund before 6 the effective date of this amendatory Act of 1991 by an 7 inter-track wagering location licensee located in a 8 9 municipality that is not included within any park 10 district but is included within a conservation 11 district as provided in this paragraph shall, as soon 12 as practicable after the effective date of this amendatory Act of 1991, be allocated and paid to that 13 conservation district as provided in this paragraph. 14 Any park district or municipality not maintaining a 15 16 museum may deposit the monies in the corporate fund of 17 the park district or municipality where the inter-track wagering location is located, to be used 18 19 for general purposes; and

20 One-seventh to the Agricultural Premium Fund to be 21 used for distribution to agricultural home economics 22 extension councils in accordance with "An Act in 23 relation to additional support and finances for the 24 Agricultural and Home Economic Extension Councils in 25 the several counties of this State and making an 26 appropriation therefor", approved July 24, 1967.

27 Until January 1, 2000, all other monies paid into the 28 Horse Racing Tax Allocation Fund pursuant to this paragraph 29 (11) shall be allocated by appropriation as follows:

30 Two-sevenths to the Department of Agriculture. 31 Fifty percent of this two-sevenths shall be used to 32 promote the Illinois horse racing and breeding industry, and shall be distributed by the Department of 33 34 Agriculture upon the advice of a 9-member committee appointed by the Governor consisting of the following 35 members: the Director of Agriculture, who shall serve 36

1 2 representatives of organization as chairman; 2 licensees conducting thoroughbred race meetings in 3 State, recommended by those licensees; 2 this representatives of organization licensees conducting 4 5 standardbred race meetings in this State, recommended 6 by those licensees; a representative of the Illinois 7 Thoroughbred Breeders and Owners Foundation, recommended by that Foundation; a representative of 8 9 the Illinois Standardbred Owners and Breeders 10 Association, recommended by that Association; а 11 representative of the Horsemen's Benevolent and 12 Protective Association or any successor organization 13 thereto established in Illinois comprised of the 14 largest number of owners and trainers, recommended by 15 that Association or that successor organization; and a 16 representative of the Illinois Harness Horsemen's 17 Association, recommended by that Association. Committee members shall serve for terms of 2 years, 18 19 commencing January 1 of each even-numbered year. If a 20 representative of any of the above-named entities has not been recommended by January 1 of any even-numbered 21 year, the Governor shall appoint a committee member to 22 23 fill that position. Committee members shall receive no compensation for their services as members but shall be 24 25 reimbursed for all actual and necessary expenses and disbursements incurred in the performance of their 26 27 official duties. The remaining 50% of this 28 two-sevenths shall be distributed to county fairs for 29 premiums and rehabilitation as set forth in the 30 Agricultural Fair Act;

Four-sevenths to museums and aquariums located in park districts of over 500,000 population; provided that the monies are distributed in accordance with the previous year's distribution of the maintenance tax for such museums and aquariums as provided in Section 2 of the Park District Aquarium and Museum Act; and - 45 - LRB093 15178 LRD 40774 b

HB4600

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One-seventh to the Agricultural Premium Fund to be used for distribution to agricultural home economics extension councils in accordance with "An Act in relation to additional support and finances for the Agricultural and Home Economic Extension Councils in the several counties of this State and making an appropriation therefor", approved July 24, 1967. This subparagraph (C) shall be inoperative and of no force and effect on and after January 1, 2000.

10 (D) Except as provided in paragraph (11) of this 11 subsection (h), with respect to purse allocation from 12 intertrack wagering, the monies so retained shall be 13 divided as follows:

14 (i) If the inter-track wagering licensee, except an intertrack wagering licensee that 15 16 derives its license from an organization licensee 17 located in a county with a population in excess of 230,000 and bounded by the Mississippi River, is 18 19 not conducting its own race meeting during the same 20 dates, then the entire purse allocation shall be to purses at the track where the races wagered on are 21 being conducted. 22

23 (ii) If the inter-track wagering licensee, except an intertrack wagering licensee that 24 25 derives its license from an organization licensee located in a county with a population in excess of 26 27 230,000 and bounded by the Mississippi River, is 28 also conducting its own race meeting during the 29 same dates, then the purse allocation shall be as 30 follows: 50% to purses at the track where the races 31 wagered on are being conducted; 50% to purses at the track where the inter-track wagering licensee 32 is accepting such wagers. 33

34 (iii) If the inter-track wagering is being
35 conducted by an inter-track wagering location
36 licensee, except an intertrack wagering location

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1 licensee that derives its license from an 2 organization licensee located in a county with a population in excess of 230,000 and bounded by the 3 Mississippi River, the entire purse allocation for 5 Illinois races shall be to purses at the track where the race meeting being wagered on is being 6 held.

(12) The Board shall have all powers necessary and 8 proper to fully supervise and control the conduct of 9 10 inter-track wagering and simulcast wagering by inter-track 11 wagering licensees and inter-track wagering location 12 licensees, including, but not limited to the following:

13 (A) The Board is vested with power to promulgate reasonable rules and regulations for the purpose of 14 administering the conduct of this wagering and to 15 16 prescribe reasonable rules, regulations and conditions 17 under which such wagering shall be held and conducted. Such rules and regulations are to provide for the 18 19 prevention of practices detrimental to the public 20 interest and for the best interests of said wagering and to impose penalties for violations thereof. 21

(B) The Board, and any person or persons to whom it 22 23 delegates this power, is vested with the power to enter the facilities of any licensee to determine whether 24 25 there has been compliance with the provisions of this Act and the rules and regulations relating to the 26 27 conduct of such wagering.

28 (C) The Board, and any person or persons to whom it 29 delegates this power, may eject or exclude from any 30 licensee's facilities, any person whose conduct or 31 reputation is such that his presence on such premises 32 may, in the opinion of the Board, call into the question the honesty and integrity of, or interfere 33 with the orderly conduct of such wagering; provided, 34 however, that no person shall be excluded or ejected 35 from such premises solely on the grounds of race, 36

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color, creed, national origin, ancestry, or sex.

(D) (Blank).

3 (E) The Board is vested with the power to appoint 4 delegates to execute any of the powers granted to it 5 under this Section for the purpose of administering 6 this wagering and any rules and regulations 7 promulgated in accordance with this Act.

(F) The Board shall name and appoint a State 8 9 director of this wagering who shall be a representative 10 of the Board and whose duty it shall be to supervise 11 the conduct of inter-track wagering as may be provided 12 for by the rules and regulations of the Board; such rules and regulation shall specify the method of 13 appointment and the Director's powers, authority and 14 duties. 15

16 (G) The Board is vested with the power to impose 17 civil penalties of up to \$5,000 against individuals and up to \$10,000 against licensees for each violation of 18 any provision of this Act relating to the conduct of 19 20 this wagering, any rules adopted by the Board, any order of the Board or any other action which in the 21 Board's discretion, is a detriment or impediment to 22 23 such wagering.

The Department of Agriculture may enter into 24 (13)25 agreements with licensees authorizing such licensees to 26 conduct inter-track wagering on races to be held at the 27 licensed race meetings conducted by the Department of 28 Agriculture. Such agreement shall specify the races of the Department of Agriculture's licensed race meeting upon 29 30 which the licensees will conduct wagering. In the event 31 that a licensee conducts inter-track pari-mutuel wagering 32 on races from the Illinois State Fair or DuQuoin State Fair which are in addition to the licensee's previously approved 33 racing program, those races shall be considered a separate 34 racing day for the purpose of determining the daily handle 35 and computing the privilege or pari-mutuel tax on that 36

- 48 - LRB093 15178 LRD 40774 b

HB4600

1 daily handle as provided in Sections 27 and 27.1. Such 2 agreements shall be approved by the Board before such wagering may be conducted. In determining whether to grant 3 approval, the Board shall give due consideration to the 4 5 best interests of the public and of horse racing. The 6 provisions of paragraphs (1), (8), (8.1), and (8.2) of subsection (h) of this Section which are not specified in 7 this paragraph (13) shall not apply to licensed race 8 9 meetings conducted by the Department of Agriculture at the 10 Illinois State Fair in Sangamon County or the DuQuoin State 11 Fair in Perry County, or to any wagering conducted on those 12 race meetings.

(i) Notwithstanding the other provisions of this Act, the conduct of wagering at wagering facilities is authorized on all days, except as limited by subsection (b) of Section 19 of this Act.

17 (Source: P.A. 91-40, eff. 6-25-99; 92-211, eff. 8-2-01.)

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(230 ILCS 5/26.1) (from Ch. 8, par. 37-26.1)

19 Sec. 26.1. For all pari-mutuel wagering conducted pursuant to this Act, breakage shall be at all times computed on the 20 basis of not to exceed 10¢ on the dollar. If there is a minus 21 22 pool, the breakage shall be computed on the basis of not to 23 exceed 5¢ on the dollar. Breakage shall be calculated only 24 after the amounts retained by licensees pursuant to Sections 26 25 and 26.2 of this Act, and all applicable surcharges, are taken 26 out of winning wagers and winnings from wagers. From Beginning January 1, 2000 until July 1, 2004, all breakage shall be 27 retained by licensees, with 50% of breakage to be used by 28 29 licensees for racetrack improvements at the racetrack from 30 which the wagering facility derives its license. The remaining 31 50% is to be allocated 50% to the purse account for the licensee from which the wagering facility derives its license 32 and 50% to the licensee. Beginning July 1, 2004, all breakage 33 shall be retained by licensees, with 50% of breakage to be used 34 by licensees for racetrack improvements at the racetrack from 35

## - 49 - LRB093 15178 LRD 40774 b

- 1 which the wagering facility derives its license. The remaining 2 50% is to be allocated to the purse account for the licensee 3 from which the wagering facility derives its license.
- 4 (Source: P.A. 91-40, eff. 6-25-99.)

5 (230 ILCS 5/27) (from Ch. 8, par. 37-27)

Sec. 27. (a) In addition to the organization license fee 6 7 provided by this Act, until January 1, 2000, a graduated 8 privilege tax is hereby imposed for conducting the pari-mutuel system of wagering permitted under this Act. Until January 1, 9 10 2000, except as provided in subsection (g) of Section 27 of 11 this Act, all of the breakage of each racing day held by any licensee in the State shall be paid to the State. Until January 12 1, 2000, such daily graduated privilege tax shall be paid by 13 14 the licensee from the amount permitted to be retained under 15 this Act. Until January 1, 2000, each day's graduated privilege 16 tax, breakage, and Horse Racing Tax Allocation funds shall be remitted to the Department of Revenue within 48 hours after the 17 18 close of the racing day upon which it is assessed or within 19 such other time as the Board prescribes. The privilege tax hereby imposed, until January 1, 2000, shall be a flat tax at 20 the rate of 2% of the daily pari-mutuel handle except as 21 22 provided in Section 27.1.

23 In addition, every organization licensee, except as provided in Section 27.1 of this Act, which conducts multiple 24 25 wagering shall pay, until January 1, 2000, as a privilege tax 26 on multiple wagers an amount equal to 1.25% of all moneys 27 wagered each day on such multiple wagers, plus an additional 28 amount equal to 3.5% of the amount wagered each day on any 29 other multiple wager which involves a single betting interest 30 on 3 or more horses. The licensee shall remit the amount of 31 such taxes to the Department of Revenue within 48 hours after the close of the racing day on which it is assessed or within 32 such other time as the Board prescribes. 33

This subsection (a) shall be inoperative and of no force and effect on and after January 1, 2000. 1 (a-5) Beginning on January 1, 2000, a flat pari-mutuel tax 2 at the rate of 1.5% of the daily pari-mutuel handle is imposed 3 at all pari-mutuel wagering facilities, which shall be remitted 4 to the Department of Revenue within 48 hours after the close of 5 the racing day upon which it is assessed or within such other 6 time as the Board prescribes.

7 (b) On or before December 31, 1999, in the event that any 8 organization licensee conducts 2 separate programs of races on 9 any day, each such program shall be considered a separate 10 racing day for purposes of determining the daily handle and 11 computing the privilege tax on such daily handle as provided in 12 subsection (a) of this Section.

13 (c) Licensees shall at all times keep accurate books and 14 records of all monies wagered on each day of a race meeting and 15 of the taxes paid to the Department of Revenue under the 16 provisions of this Section. The Board or its duly authorized 17 representative or representatives shall at all reasonable times have access to such records for the purpose of examining 18 19 and checking the same and ascertaining whether the proper 20 amount of taxes is being paid as provided. The Board shall require verified reports and a statement of the total of all 21 22 monies wagered daily at each wagering facility upon which the 23 taxes are assessed and may prescribe forms upon which such reports and statement shall be made. 24

(d) Any licensee failing or refusing to pay the amount of 25 26 any tax due under this Section shall be guilty of a business 27 offense and upon conviction shall be fined not more than \$5,000 28 in addition to the amount found due as tax under this Section. 29 Each day's violation shall constitute a separate offense. All 30 fines paid into Court by a licensee hereunder shall be transmitted and paid over by the Clerk of the Court to the 31 32 Board.

(e) No other license fee, privilege tax, excise tax, or
racing fee, except as provided in this Act, shall be assessed
or collected from any such licensee by the State.

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(f) No other license fee, privilege tax, excise tax or

1 racing fee shall be assessed or collected from any such 2 licensee by units of local government except as provided in 3 paragraph 10.1 of subsection (h) and subsection (f) of Section 4 26 of this Act. However, any municipality that has a Board 5 licensed horse race meeting at a race track wholly within its 6 corporate boundaries or a township that has a Board licensed 7 a race track wholly within horse race meeting at the 8 unincorporated area of the township may charge a local 9 amusement tax not to exceed 10¢ per admission to such horse 10 race meeting by the enactment of an ordinance. However, any 11 municipality or county that has a Board licensed inter-track 12 wagering location facility wholly within its corporate 13 boundaries may each impose an admission fee not to exceed \$1.00 14 per admission to such inter-track wagering location facility, 15 so that a total of not more than \$2.00 per admission may be 16 imposed. Except as provided in subparagraph (g) of Section 27 17 of this Act, the inter-track wagering location licensee shall collect any and all such fees and within 48 hours remit the 18 19 fees to the Board, which shall, pursuant to rule, cause the 20 fees to be distributed to the county or municipality.

(g) Notwithstanding any provision in this Act to 21 the contrary, if in any calendar year the total taxes and fees from 22 23 wagering on live racing and from inter-track wagering required to be collected from licensees and distributed under this Act 24 to all State and local governmental authorities exceeds the 25 26 amount of such taxes and fees distributed to each State and 27 local governmental authority to which each State and local governmental authority was entitled under this Act for calendar 28 year 1994, then the first \$11 million of that excess amount 29 30 shall be allocated at the earliest possible date for 31 distribution as purse money for the succeeding calendar year. Upon reaching the 1994 level, and until the excess amount of 32 33 taxes and fees exceeds \$11 million, the Board shall direct all licensees to cease paying the subject taxes and fees and the 34 35 Board shall direct all licensees to allocate any such excess 36 amount for purses as follows:

- 52 - LRB093 15178 LRD 40774 b

HB4600

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(i) the excess amount shall be initially divided between thoroughbred and standardbred purses based on the thoroughbred's and standardbred's respective percentages of total Illinois live wagering in calendar year 1994;

5 (ii) each thoroughbred and standardbred organization 6 licensee issued organization licensee an in that succeeding allocation year shall be allocated an amount 7 equal to the product of its percentage of total Illinois 8 live thoroughbred or standardbred wagering in calendar 9 10 year 1994 (the total to be determined based on the sum of 11 1994 on-track wagering for all organization licensees 12 issued organization licenses in both the allocation year and the preceding year) multiplied by the total amount 13 14 allocated for standardbred or thoroughbred purses, provided that the first \$1,500,000 of the amount allocated 15 16 to standardbred purses under item (i) shall be allocated to 17 the Department of Agriculture to be expended with the assistance and advice of the Illinois Standardbred 18 19 Breeders Funds Advisory Board for the purposes listed in 20 subsection (q) of Section 31 of this Act, before the amount standardbred purses under item 21 allocated to (i) is allocated to standardbred organization licensees in the 22 23 succeeding allocation year.

To the extent the excess amount of taxes and fees to be collected and distributed to State and local governmental authorities exceeds \$11 million, that excess amount shall be collected and distributed to State and local authorities as provided for under this Act.

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

30 (230 ILCS 5/28.1)

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Sec. 28.1. Payments.

32 (a) Beginning on January 1, 2000, moneys collected by the
33 Department of Revenue and the Racing Board pursuant to Section
34 26 or Section 27 of this Act shall be deposited into the Horse
35 Racing Fund, which is hereby created as a special fund in the

1 State Treasury.

2 (b) Appropriations, as approved by the General Assembly, may be made from the Horse Racing Fund to the Board to pay the 3 salaries of the Board members, secretary, stewards, directors 4 5 mutuels, veterinarians, representatives, accountants, of 6 clerks, stenographers, inspectors and other employees of the Board, and all expenses of the Board incident to 7 the administration of this Act, including, but not limited to, all 8 9 expenses and salaries incident to the taking of saliva and urine samples in accordance with the rules and regulations of 10 11 the Board.

(c) Appropriations, as approved by the General Assembly, 12 shall be made from the Horse Racing Fund to the Department of 13 Agriculture for the purposes identified in paragraphs (2), 14 (2.5), (4), (4.1), (6), (7), (8), and (9) of subsection (g) of 15 Section 30, subsection (e) of Section 30.5, paragraphs (1), 16 17 (2), (3), (5), and (8) of subsection (g) of Section 31, and for standardbred bonus programs for owners of horses that win 18 multiple stakes races that are limited to Illinois conceived 19 20 and foaled horses. From Beginning on January 1, 2000 until the effective date of this amendatory Act of the 93rd General 21 Assembly, the Board shall transfer the remainder of the funds 22 23 generated pursuant to Sections 26 and 27 from the Horse Racing Fund into the General Revenue Fund. 24

(d) Beginning January 1, 2000, payments to all programs in 25 26 existence on the effective date of this amendatory Act of 1999 27 that are identified in Sections 26(c), 26(f), 26(h)(11)(C), and 28 28, subsections (a), (b), (c), (d), (e), (f), (g), and (h) of Section 30, and subsections (a), (b), (c), (d), (e), (f), (g), 29 30 and (h) of Section 31 shall be made from the General Revenue Fund at the funding levels determined by amounts paid under 31 32 this Act in calendar year 1998.

(e) Notwithstanding any other provision of this Act to the
 contrary, appropriations, as approved by the General Assembly,
 may be made from the Fair and Exposition Fund to the Department
 of Agriculture for distribution to Illinois county fairs to

- 54 - LRB093 15178 LRD 40774 b

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HB4600
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1 <u>supplement premiums offered in junior classes.</u>

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

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(230 ILCS 5/30) (from Ch. 8, par. 37-30)

4 Sec. 30. (a) The General Assembly declares that it is the 5 policy of this State to encourage the breeding of thoroughbred horses in this State and the ownership of such horses by 6 7 residents of this State in order to provide for: sufficient numbers of high quality thoroughbred horses to participate in 8 9 thoroughbred racing meetings in this State, and to establish 10 and preserve the agricultural and commercial benefits of such 11 breeding and racing industries to the State of Illinois. It is the intent of the General Assembly to further this policy by 12 the provisions of this Act. 13

(b) Each organization licensee conducting a thoroughbred 14 15 racing meeting pursuant to this Act shall provide at least two 16 races each day limited to Illinois conceived and foaled horses or Illinois foaled horses or both. A minimum of 6 races shall 17 18 be conducted each week limited to Illinois conceived and foaled 19 or Illinois foaled horses or both. Subject to the daily availability of horses, one of the 6 races scheduled per week 20 that are limited to Illinois conceived and foaled or Illinois 21 22 foaled horses or both shall be limited to Illinois conceived and foaled or Illinois foaled maidens. No horses shall be 23 24 permitted to start in such races unless duly registered under 25 the rules of the Department of Agriculture.

(c) Conditions of races under subsection (b) shall be commensurate with past performance, quality, and class of Illinois conceived and foaled and Illinois foaled horses available. If, however, sufficient competition cannot be had among horses of that class on any day, the races may, with consent of the Board, be eliminated for that day and substitute races provided.

33 (d) There is hereby created a special fund of the State
 34 Treasury to be known as the Illinois Thoroughbred Breeders
 35 Fund.

- 55 - LRB093 15178 LRD 40774 b

HB4600

Except as provided in subsection (g) of Section 27 of this Act, 8.5% of all the monies received by the State as privilege taxes on Thoroughbred racing meetings shall be paid into the Illinois Thoroughbred Breeders Fund.

5 (e) The Illinois Thoroughbred Breeders Fund shall be 6 administered by the Department of Agriculture with the advice 7 and assistance of the Advisory Board created in subsection (f) 8 of this Section.

(f) The Illinois Thoroughbred Breeders Fund Advisory Board 9 10 shall consist of the Director of the Department of Agriculture, 11 who shall serve as Chairman; a member of the Illinois Racing 12 Board, designated by it; 2 representatives of the organization licensees conducting thoroughbred racing meetings, recommended 13 by them; 2 representatives of the Illinois Thoroughbred 14 15 Breeders and Owners Foundation, recommended by it; and 2 16 representatives of the Horsemen's Benevolent Protective 17 Association or any successor organization established in Illinois comprised of the largest number of owners and 18 19 trainers, recommended by it, with one representative of the Horsemen's Benevolent and Protective Association to come from 20 its Illinois Division, and one from its Chicago Division. 21 Advisory Board members shall serve for 2 years commencing 22 23 January 1 of each odd numbered year. If representatives of the 24 organization licensees conducting thoroughbred racing 25 meetings, the Illinois Thoroughbred Breeders and Owners 26 Horsemen's Benevolent Protection Foundation, and the 27 Association have not been recommended by January 1, of each odd 28 numbered year, the Director of the Department of Agriculture 29 shall make an appointment for the organization failing to so 30 recommend a member of the Advisory Board. Advisory Board 31 members shall receive no compensation for their services as 32 members but shall be reimbursed for all actual and necessary expenses and disbursements incurred in the execution of their 33 34 official duties.

35 (g) <u>Moneys</u> No monies shall be expended from the Illinois
 36 Thoroughbred Breeders Fund except as appropriated by the

1 General Assembly pursuant to this Act, the Riverboat Gambling 2 Act, or both. Monies appropriated from the Illinois 3 Thoroughbred Breeders Fund shall be expended by the Department of Agriculture, with the advice and assistance of the Illinois 4 5 Thoroughbred Breeders Fund Advisory Board, for the following 6 purposes only:

(1) To provide purse supplements to owners of horses 7 participating in races limited to Illinois conceived and 8 9 foaled and Illinois foaled horses. Any such purse 10 supplements shall not be included in and shall be paid in 11 addition to any purses, stakes, or breeders' awards offered 12 by each organization licensee as determined by agreement between such organization licensee and an organization 13 representing the horsemen. No monies from the Illinois 14 Thoroughbred Breeders Fund shall be used to provide purse 15 16 supplements for claiming races in which the minimum 17 claiming price is less than \$7,500.

18 (2) To provide stakes and awards to be paid to the
19 owners of the winning horses in certain races limited to
20 Illinois conceived and foaled and Illinois foaled horses
21 designated as stakes races.

(2.5) To provide an award to the owner or owners of an 22 Illinois conceived and foaled or Illinois foaled horse that 23 wins a maiden special weight, an allowance, overnight 24 25 handicap race, or claiming race with claiming price of \$10,000 or more providing the race is not restricted to 26 27 Illinois conceived and foaled or Illinois foaled horses. 28 Awards shall also be provided to the owner or owners of 29 Illinois conceived and foaled and Illinois foaled horses 30 that place second or third in those races. To the extent 31 that additional moneys are required to pay the minimum 32 additional awards of 40% of the purse the horse earns for placing first, second or third in those races for Illinois 33 foaled horses and of 60% of the purse the horse earns for 34 placing first, second or third in those races for Illinois 35 conceived and foaled horses, those moneys shall be provided 36

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from the purse account at the track where earned.

(3) To provide stallion awards to the owner or owners of any stallion that is duly registered with the Illinois Thoroughbred Breeders Fund Program prior to the effective date of this amendatory Act of 1995 whose duly registered Illinois conceived and foaled offspring wins a race conducted at an Illinois thoroughbred racing meeting other than a claiming race. Such award shall not be paid to the owner or owners of an Illinois stallion that served outside this State at any time during the calendar year in which such race was conducted.

12 (4) To provide \$75,000 annually for purses to be distributed to county fairs that provide for the running of 13 races during each county fair exclusively for the 14 thoroughbreds conceived and foaled in Illinois. 15 The 16 conditions of the races shall be developed by the county 17 fair association and reviewed by the Department with the advice and assistance of the Illinois Thoroughbred 18 Breeders Fund Advisory Board. There shall be no wagering of 19 20 any kind on the running of Illinois conceived and foaled races at county fairs. 21

(4.1) <u>(Blank).</u> <del>To provide purse money for an Illinois stallion stakes program.</del>

(5) No less than 80% of all monies appropriated to from
the Illinois Thoroughbred Breeders Fund shall be expended
for the purposes in (1), (2), (2.5), (3), (4), (4.1), and
(5) as shown above.

28 (6) To provide for educational programs regarding the29 thoroughbred breeding industry.

(7) To provide for research programs concerning the health, development and care of the thoroughbred horse.

32 (8) To provide for a scholarship and training program
 33 for students of equine veterinary medicine.

34 (9) To provide for dissemination of public information
 35 designed to promote the breeding of thoroughbred horses in
 36 Illinois.

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administration of the Illinois Thoroughbred Breeders Fund. (h) (Blank). Whenever the Governor finds that the amount in the Illinois Thoroughbred Breeders Fund is more than the total of the outstanding appropriations from such fund, the Governor shall notify the State Comptroller and the State Treasurer such fact. The Comptroller and the State Treasurer, upon

(10) To provide for all expenses incurred in the

receipt of such notification, shall transfer such excess amount 8 from the Illinois Thoroughbred Breeders Fund to the General 9 10 Revenue Fund.

(i) A sum equal to 12 1/2% of the first prize money of 11 12 every purse won by an Illinois foaled or an Illinois conceived and foaled horse in races not limited to Illinois foaled horses 13 or Illinois conceived and foaled horses, or both, shall be paid 14 15 by the organization licensee conducting the horse race meeting. 16 Such sum shall be paid from the organization licensee's share 17 of the money wagered as follows: 11 1/2% to the breeder of the winning horse and 1% to the organization representing 18 19 thoroughbred breeders and owners whose representative serves 20 on the Illinois Thoroughbred Breeders Fund Advisory Board for verifying the amounts of breeders' awards earned, assuring 21 22 their distribution in accordance with this Act, and servicing 23 and promoting the Illinois thoroughbred horse racing industry. 24 The organization representing thoroughbred breeders and owners shall cause all expenditures of monies received under this 25 26 subsection (i) to be audited at least annually by a registered 27 public accountant. The organization shall file copies of each 28 annual audit with the Racing Board, the Clerk of the House of 29 Representatives and the Secretary of the Senate, and shall make 30 copies of each annual audit available to the public upon request and upon payment of the reasonable cost of photocopying 31 32 the requested number of copies. Such payments shall not reduce any award to the owner of the horse or reduce the taxes payable 33 under this Act. Upon completion of its racing meet, each 34 35 organization licensee shall deliver to the organization and 36 representing thoroughbred breeders owners whose

1 representative serves on the Illinois Thoroughbred Breeders 2 Fund Advisory Board a listing of all the Illinois foaled and 3 the Illinois conceived and foaled horses which won breeders' awards and the amount of such breeders' awards under this 4 5 subsection to verify accuracy of payments and assure proper 6 distribution of breeders' awards in accordance with the provisions of this Act. Such payments shall be delivered by the 7 8 organization licensee within 30 days of the end of each race 9 meeting.

(j) A sum equal to 12 1/2% of the first prize money won in 10 11 each race limited to Illinois foaled horses or Illinois 12 conceived and foaled horses, or both, shall be paid in the 13 following manner by the organization licensee conducting the horse race meeting, from the organization licensee's share of 14 15 the money wagered: 11 1/2% to the breeders of the horses in 16 each such race which are the official first, second, third and fourth finishers and 1% to the organization representing 17 thoroughbred breeders and owners whose representative serves 18 19 on the Illinois Thoroughbred Breeders Fund Advisory Board for 20 verifying the amounts of breeders' awards earned, assuring their proper distribution in accordance with this Act, and 21 22 servicing and promoting the Illinois thoroughbred horse racing 23 industry. The organization representing thoroughbred breeders 24 and owners shall cause all expenditures of monies received under this subsection (j) to be audited at least annually by a 25 26 registered public accountant. The organization shall file 27 copies of each annual audit with the Racing Board, the Clerk of 28 the House of Representatives and the Secretary of the Senate, 29 and shall make copies of each annual audit available to the 30 public upon request and upon payment of the reasonable cost of 31 photocopying the requested number of copies.

The 11 1/2% paid to the breeders in accordance with this subsection shall be distributed as follows:

34 (1) 60% of such sum shall be paid to the breeder of the
 35 horse which finishes in the official first position;

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(2) 20% of such sum shall be paid to the breeder of the

- 60 - LRB093 15178 LRD 40774 b

HB4600

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horse which finishes in the official second position;

(3) 15% of such sum shall be paid to the breeder of the horse which finishes in the official third position; and

(4) 5% of such sum shall be paid to the breeder of the horse which finishes in the official fourth position.

6 Such payments shall not reduce any award to the owners of a 7 horse or reduce the taxes payable under this Act. Upon 8 completion of its racing meet, each organization licensee shall deliver to the organization representing thoroughbred breeders 9 10 and owners whose representative serves on the Illinois 11 Thoroughbred Breeders Fund Advisory Board a listing of all the 12 Illinois foaled and the Illinois conceived and foaled horses which won breeders' awards and the amount of such breeders' 13 awards in accordance with the provisions of this Act. Such 14 payments shall be delivered by the organization licensee within 15 16 30 days of the end of each race meeting.

17 (k) The term "breeder", as used herein, means the owner of the mare at the time the foal is dropped. An "Illinois foaled 18 19 horse" is a foal dropped by a mare which enters this State on 20 or before December 1, in the year in which the horse is bred, provided the mare remains continuously in this State until its 21 foal is born. An "Illinois foaled horse" also means a foal born 22 23 of a mare in the same year as the mare enters this State on or before March 1, and remains in this State at least 30 days 24 25 after foaling, is bred back during the season of the foaling to 26 Illinois Registered Stallion (unless a veterinarian an 27 certifies that the mare should not be bred for health reasons), 28 and is not bred to a stallion standing in any other state during the season of foaling. An "Illinois foaled horse" also 29 30 means a foal born in Illinois of a mare purchased at public 31 auction subsequent to the mare entering this State prior to March 1 February 1 of the foaling year providing the mare is 32 owned solely by one or more Illinois residents or an Illinois 33 entity that is entirely owned by one or more 34 Illinois 35 residents.

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(1) The Department of Agriculture shall, by rule, with the

- 61 - LRB093 15178 LRD 40774 b

HB4600

advice and assistance of the Illinois Thoroughbred Breeders
 Fund Advisory Board:

(1) Qualify stallions for Illinois breeding; 3 such stallions to stand for service within the State of Illinois 4 5 at the time of a foal's conception. Such stallion must not 6 stand for service at any place outside the State of Illinois during the calendar year in which the foal is 7 conceived. The Department of Agriculture may assess and 8 fee of \$500 9 application fees collect an for the registration of <u>each</u> Illinois-eligible <u>stallion</u> <del>stallions</del>. 10 11 All fees collected are to be paid into the Illinois 12 Thoroughbred Breeders Fund and used by the Illinois Thoroughbred Breeders Fund Advisory Board for stallion 13 awards. 14

(2) Provide for the registration of Illinois conceived 15 16 and foaled horses and Illinois foaled horses. No such horse shall compete in the races limited to Illinois conceived 17 and foaled horses or Illinois foaled horses or both unless 18 registered with the Department of Agriculture. 19 The 20 Department of Agriculture may prescribe such forms as are necessary to determine the eligibility of such horses. The 21 Agriculture may assess 22 Department of and collect application fees for the registration of Illinois-eligible 23 foals. All fees collected are to be paid into the Illinois 24 25 Thoroughbred Breeders Fund. No person shall knowingly prepare or cause preparation of an application for 26 registration of such foals containing false information. 27

(m) The Department of Agriculture, with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board, shall provide that certain races limited to Illinois conceived and foaled and Illinois foaled horses be stakes races and determine the total amount of stakes and awards to be paid to the owners of the winning horses in such races.

In determining the stakes races and the amount of awards for such races, the Department of Agriculture shall consider factors, including but not limited to, the amount of money

appropriated for the Illinois Thoroughbred Breeders Fund program, organization licensees' contributions, availability of stakes caliber horses as demonstrated by past performances, whether the race can be coordinated into the proposed racing dates within organization licensees' racing dates, opportunity for colts and fillies and various age groups to race, public wagering on such races, and the previous racing schedule.

8 (n) The Board and the organizational licensee shall notify 9 the Department of the conditions and minimum purses for races limited to Illinois conceived and foaled and Illinois foaled 10 horses conducted for each organizational licensee conducting a 11 12 thoroughbred racing meeting. The Department of Agriculture 13 with the advice and assistance of the Illinois Thoroughbred Breeders Fund Advisory Board may allocate monies for purse 14 15 supplements for such races. In determining whether to allocate money and the amount, the Department of Agriculture shall 16 17 consider factors, including but not limited to, the amount of money appropriated for the Illinois Thoroughbred Breeders Fund 18 19 the number of races that may occur, program, and the organizational licensee's purse structure. 20

21 (o) (Blank). In order to improve the breeding quality of thoroughbred horses in the State, the General Assembly 22 23 recognizes that existing provisions of this Section to encourage such quality breeding need to be 24 -revised and strengthened. As such, a Thoroughbred Breeder's Program Task 25 26 Force is to be appointed by the Governor by September 1, 1999 27 to make recommendations to the General Assembly by no later than March 1, 2000. This task force is to be composed 28 of representatives from the Illinois Thoroughbred Breeders 29 and 30 Owners Foundation, 2 from the Illinois Thoroughbred Horsemen's Association, 3 from Illinois race tracks 31 -operating 32 thoroughbred race meets for an average of at least 30 days in 33 the past 3 years, the Director of Agriculture, the Executive Director of the Racing Board, who shall serve as Chairman. 34

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

- 63 - LRB093 15178 LRD 40774 b

HB4600

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(230 ILCS 5/31) (from Ch. 8, par. 37-31)

2 Sec. 31. (a) The General Assembly declares that it is the 3 policy of this State to encourage the breeding of standardbred horses in this State and the ownership of such horses by 4 5 residents of this State in order to provide for: sufficient 6 numbers of high quality standardbred horses to participate in harness racing meetings in this State, and to establish and 7 preserve the agricultural and commercial benefits of such 8 9 breeding and racing industries to the State of Illinois. It is 10 the intent of the General Assembly to further this policy by 11 the provisions of this Section of this Act.

(b) Each organization licensee conducting a harness racing meeting pursuant to this Act shall provide for at least two races each race program limited to Illinois conceived and foaled horses. A minimum of 6 races shall be conducted each week limited to Illinois conceived and foaled horses. No horses shall be permitted to start in such races unless duly registered under the rules of the Department of Agriculture.

19 <u>(b-5) Each organization licensee conducting a harness</u>
20 racing meeting pursuant to this Act shall provide stakes races
21 and early closer races for Illinois conceived and foaled horses
22 so the total purses distributed for such races shall be no less
23 than 17% of the total purses distributed at the meeting.

24 (b-10) Each organization licensee conducting a harness 25 racing meeting pursuant to this Act shall provide an owner 26 award to be paid from the purse account equal to 25% of the 27 amount earned by Illinois conceived and foaled horses in races 28 that are not restricted to Illinois conceived and foaled 29 horses.

30 (c) Conditions of races under subsection (b) shall be 31 commensurate with past performance, quality and class of 32 Illinois conceived and foaled horses available. If, however, 33 sufficient competition cannot be had among horses of that class 34 on any day, the races may, with consent of the Board, be 35 eliminated for that day and substitute races provided.

36 (d) There is hereby created a special fund of the State

- 64 - LRB093 15178 LRD 40774 b

HB4600

Treasury to be known as the Illinois Standardbred Breeders
 Fund.

During the calendar year 1981, and each year thereafter, except as provided in subsection (g) of Section 27 of this Act, eight and one-half per cent of all the monies received by the State as privilege taxes on harness racing meetings shall be paid into the Illinois Standardbred Breeders Fund.

8 (e) The Illinois Standardbred Breeders Fund shall be 9 administered by the Department of Agriculture with the 10 assistance and advice of the Advisory Board created in 11 subsection (f) of this Section.

12 (f) The Illinois Standardbred Breeders Fund Advisory Board 13 is hereby created. The Advisory Board shall consist of the Director of the Department of Agriculture, who shall serve as 14 15 Chairman; the Superintendent of the Illinois State Fair; a 16 member of the Illinois Racing Board, designated by it; a 17 representative of the Illinois Standardbred Owners and Breeders Association, recommended by it; a representative of 18 19 the Illinois Association of Agricultural Fairs, recommended by 20 it, such representative to be from a fair at which Illinois conceived and foaled racing is conducted; a representative of 21 the organization licensees conducting harness racing meetings, 22 23 recommended by them and a representative of the Illinois 24 Harness Horsemen's Association, recommended by it. Advisory Board members shall serve for 2 years commencing January 1, of 25 26 each odd numbered year. If representatives of the Illinois 27 Standardbred Owners and Breeders Associations, the Illinois 28 Association of Agricultural Fairs, the Illinois Harness 29 Horsemen's Association, and the organization licensees 30 conducting harness racing meetings have not been recommended by January 1, of each odd numbered year, the Director of the 31 32 Department of Agriculture shall make an appointment for the organization failing to so recommend a member of the Advisory 33 34 Board. Advisory Board members shall receive no compensation for 35 their services as members but shall be reimbursed for all 36 actual and necessary expenses and disbursements incurred in the

1 execution of their official duties.

2 No monies shall be expended from the Illinois (g) 3 Standardbred Breeders Fund except as appropriated by the Assembly. Monies appropriated from the 4 General Illinois 5 Standardbred Breeders Fund shall be expended by the Department 6 of Agriculture, with the assistance and advice of the Illinois Standardbred Breeders Fund Advisory Board for the following 7 purposes only: 8

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 To provide purses for races limited to Illinois conceived and foaled horses at the State Fair <u>and the</u> <u>DuQuoin State Fair</u>.

 To provide purses for races limited to Illinois conceived and foaled horses at county fairs.

143. To provide purse supplements for races limited to15Illinois conceived and foaled horses conducted by16associations conducting harness racing meetings.

17 4. No less than 75% of all monies in the Illinois
18 Standardbred Breeders Fund shall be expended for purses in
19 1, 2 and 3 as shown above.

5. In the discretion of the Department of Agriculture 20 to provide awards to harness breeders of Illinois conceived 21 and foaled horses which win races conducted by organization 22 23 licensees conducting harness racing meetings. A breeder is the owner of a mare at the time of conception. No more than 24 of 25 10% all monies appropriated from the Illinois Standardbred Breeders Fund shall be expended for such 26 27 harness breeders awards. No more than 25% of the amount expended for harness breeders awards shall be expended for 28 expenses incurred in the administration of such harness 29 30 breeders awards.

31 6. To pay for the improvement of racing facilities
32 located at the State Fair and County fairs.

33337. To pay the expenses incurred in the administration34of the Illinois Standardbred Breeders Fund.

35 8. To promote the sport of harness racing, including
 36 grants up to a maximum of \$7,500 per fair per year for the

1 <u>cost of a totalizer system to be used for conducting</u>
2 <u>pari-mutuel wagering during the advertised dates of a</u>
3 <u>county fair</u>.

(h) Whenever the Governor finds that the amount in the 4 5 Illinois Standardbred Breeders Fund is more than the total of 6 the outstanding appropriations from such fund, the Governor shall notify the State Comptroller and the State Treasurer of 7 such fact. The Comptroller and the State Treasurer, upon 8 9 receipt of such notification, shall transfer such excess amount from the Illinois Standardbred Breeders Fund to the General 10 11 Revenue Fund.

12 (i) A sum equal to 12 1/2% of the first prize money of every purse won by an Illinois conceived and foaled horse shall 13 be paid by the organization licensee conducting the horse race 14 15 meeting to the breeder of such winning horse from the 16 organization licensee's account share of the money wagered. 17 Such payment shall not reduce any award to the owner of the horse or reduce the taxes payable under this Act. Such payment 18 19 shall be delivered by the organization licensee at the end of 20 each month race meeting.

(j) The Department of Agriculture shall, by rule, with the assistance and advice of the Illinois Standardbred Breeders Fund Advisory Board:

1. Qualify stallions for Illinois Standardbred Breeders 24 25 Fund breeding; such stallion shall be owned by a resident of the State of Illinois or by an Illinois corporation all of 26 27 whose shareholders, directors, officers and incorporators are 28 residents of the State of Illinois. Such stallion shall stand for service at and within the State of Illinois at the time of 29 30 a foal's conception, and such stallion must not stand for 31 service at any place, nor may semen from such stallion be 32 transported, outside the State of Illinois during that calendar year in which the foal is conceived and that the owner of the 33 stallion was for the 12 months prior, a resident of Illinois. 34 35 The articles of agreement of any partnership, joint venture, limited partnership, syndicate, association or corporation and 36

1 any bylaws and stock certificates must contain a restriction 2 that provides that the ownership or transfer of interest by any 3 one of the persons a party to the agreement can only be made to a person who qualifies as an Illinois resident. Foals conceived 4 5 outside the State of Illinois from shipped semen from a stallion qualified for breeders' awards under this Section are 6 not eligible to participate in the Illinois conceived and 7 foaled program. 8

2. Provide for the registration of Illinois conceived and 9 foaled horses and no such horse shall compete in the races 10 11 limited to Illinois conceived and foaled horses unless 12 registered with the Department of Agriculture. The Department 13 of Agriculture may prescribe such forms as may be necessary to determine the eligibility of such horses. No person shall 14 15 knowingly prepare or cause preparation of an application for 16 registration of such foals containing false information. A mare 17 (dam) must be in the state at least 30 days prior to foaling or remain in the State at least 30 days at the time of foaling. 18 19 Beginning with the 1996 breeding season and for foals of 1997 20 and thereafter, a foal conceived in the State of Illinois by transported fresh semen may be eligible for Illinois conceived 21 and foaled registration provided all breeding and foaling 22 23 requirements are met. The stallion must be qualified for 24 Illinois Standardbred Breeders Fund breeding at the time of 25 conception and the mare must be inseminated within the State of 26 Illinois. The foal must be dropped in Illinois and properly 27 registered with the Department of Agriculture in accordance 28 with this Act.

3. Provide that at least a 5 day racing program shall be conducted at the State Fair each year, which program shall include at least the following races limited to Illinois conceived and foaled horses: (a) a two year old Trot and Pace, and Filly Division of each; (b) a three year old Trot and Pace, and Filly Division of each; (c) an aged Trot and Pace, and Mare Division of each.

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4. Provide for the payment of nominating, sustaining and

- 68 - LRB093 15178 LRD 40774 b

HB4600

starting fees for races promoting the sport of harness racing 1 2 and for the races to be conducted at the State Fair as provided 3 in subsection (j) 3 of this Section provided that the nominating, sustaining and starting payment required from an 4 5 entrant shall not exceed 2% of the purse of such race. All 6 nominating, sustaining and starting payments shall be held for the benefit of entrants and shall be paid out as part of the 7 8 respective purses for such races. Nominating, sustaining and 9 starting fees shall be held in trust accounts for the purposes as set forth in this Act and in accordance with Section 205-15 10 of the Department of Agriculture Law (20 ILCS 205/205-15). 11

12 5. Provide for the registration with the Department of 13 Agriculture of Colt Associations or county fairs desiring to 14 sponsor races at county fairs.

15 (k) The Department of Agriculture, with the advice and 16 assistance of the Illinois Standardbred Breeders Fund Advisory 17 Board, may allocate monies for purse supplements for such races. In determining whether to allocate money and the amount, 18 19 Department of Agriculture shall consider the factors, 20 including but not limited to, the amount of money appropriated for the Illinois Standardbred Breeders Fund program, the number 21 of races that may occur, and an organizational licensee's purse 22 23 structure. The organizational licensee shall notify the 24 Department of Agriculture of the conditions and minimum purses for races limited to Illinois conceived and foaled horses to be 25 26 conducted by each organizational licensee conducting a harness 27 racing meeting for which purse supplements have been 28 negotiated.

(1) All races held at county fairs and the State Fair which
receive funds from the Illinois Standardbred Breeders Fund
shall be conducted in accordance with the rules of the United
States Trotting Association unless otherwise modified by the
Department of Agriculture.

(m) At all standardbred race meetings held or conducted
 under authority of a license granted by the Board, and at all
 standardbred races held at county fairs which are approved by

- 69 - LRB093 15178 LRD 40774 b

HB4600

1 the Department of Agriculture or at the Illinois or DuQuoin 2 State Fairs, no one shall jog, train, warm up or drive a 3 standardbred horse unless he or she is wearing a protective safety helmet, with the chin strap fastened and in place, which 4 5 meets the standards and requirements as set forth in the 1984 6 Standard for Protective Headgear for Use in Harness Racing and Other Equestrian Sports published by the Snell Memorial 7 8 Foundation, or any standards and requirements for headgear the 9 Illinois Racing Board may approve. Any other standards and requirements so approved by the Board shall equal or exceed 10 11 those published by the Snell Memorial Foundation. Any 12 equestrian helmet bearing the Snell label shall be deemed to 13 have met those standards and requirements.

14 (Source: P.A. 91-239, eff. 1-1-00.)

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(230 ILCS 5/34.2 new)

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Sec. 34.2. Racetrack consolidation.

17 (a) Findings. The General Assembly finds that encouraging 18 organization licensees to consolidate will be beneficial to the 19 horse racing industry. The General Assembly declares it to be 20 the public policy of this State to enhance the viability of the 21 horse racing industry by encouraging organization licensees to 22 consolidate and not be penalized or lose any rights, benefits, 23 or powers by reason of such consolidation.

(b) Consolidation. Notwithstanding any provision of this 24 Act to the contrary, if 2 or more former or existing 25 26 organization licensees consolidate into a single organization licensee or otherwise form a joint venture, corporation, 27 limited liability company, or similar consolidated enterprise 28 (consolidated organization licensee) whereby the consolidated 29 30 organization licensee makes application or joint application, as the case may be, as a single organization licensee, or such 31 existing licensees, after consolidation, make separate 32 applications in the names of such pre-existing licensees, the 33 newly consolidated organization licensee or each such separate 34 pre-existing licensee shall thereafter retain and be entitled 35

1 to all of the rights, benefits, powers, and obligations under 2 this Act that would have otherwise accrued to each such individual pre-consolidation organization licensee but for 3 such consolidation, regardless of whether all or a portion of 4 the facilities of a pre-consolidation licensee are sold, 5 transferred, or otherwise cease to be utilized by the newly 6 consolidated organization licensee or either 7 of the pre-existing licensees. Such multiple rights, benefits, and 8 powers shall include, but not be limited to: 9

10 <u>(1) the authority to make application for and receive,</u> 11 <u>within the discretion of the Board, racing dates, including</u> 12 <u>host track days, in the same manner as the individual</u> 13 <u>pre-consolidation organization licensees and the</u> 14 <u>racetracks from which the organization licensees derive</u> 15 <u>their licenses;</u>

16 (2) the right to retain the existing inter-track 17 wagering licenses and inter-track wagering location 18 licenses of the individual pre-consolidation organization licensees and the racetracks from which the organization 19 20 licensees derive their licenses, and the authority to make application for future inter-track wagering licenses and 21 inter-track wagering location licenses in the same manner 22 23 as each individual pre-consolidation organization licensee 24 and the racetracks from which each pre-consolidation organization licensee derives its license, had or has in 25 26 its own right; and

27 (3) all existing and future rights, benefits, and
 28 powers that the individual pre-consolidation organization
 29 licensees and the racetracks from which the organization
 30 licensees derive their licenses would have had or received
 31 but for the consolidation.

32 <u>The newly consolidated organization licensee shall be</u> 33 <u>subject to such taxation and fees as other similarly situated</u> 34 <u>organization licensees.</u>

35 (230 ILCS 5/36) (from Ch. 8, par. 37-36)

- 71 - LRB093 15178 LRD 40774 b

HB4600

1 Sec. 36. (a) Whoever administers or conspires to administer 2 to any horse a hypnotic, narcotic, stimulant, depressant or any chemical substance which may affect the speed of a horse at any 3 time in any race where the purse or any part of the purse is 4 5 made of money authorized by any Section of this Act, except those chemical substances permitted by ruling of the Board, 6 internally, externally or by hypodermic method in a race or 7 prior thereto, or whoever knowingly enters a horse in any race 8 9 within a period of 24 hours after any hypnotic, narcotic, 10 stimulant, depressant or any other chemical substance which may 11 affect the speed of a horse at any time, except those chemical 12 substances permitted by ruling of the Board, has been 13 administered to such horse either internally or externally or by hypodermic method for the purpose of increasing or retarding 14 15 the speed of such horse shall be guilty of a Class 4 felony. 16 The Board shall suspend or revoke such violator's license.

17 (b) The term "hypnotic" as used in this Section includes18 all barbituric acid preparations and derivatives.

19 (c) The term "narcotic" as used in this Section includes 20 opium and all its alkaloids, salts, preparations and 21 derivatives, cocaine and all its salts, preparations and 22 derivatives and substitutes.

23 (d) The provisions of this Section 36 and the treatment 24 <u>authorized herein apply to horses entered in and competing in</u> 25 <u>race meetings as defined in Section 3.47 of this Act and to</u> 26 <u>horses entered in and competing at any county fair.</u>

27 (Source: P.A. 79-1185.)

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(230 ILCS 5/42) (from Ch. 8, par. 37-42)

Sec. 42. (a) Except as to the distribution of monies provided for by Sections 28, 29, 30, and 31 and the treating of <u>horses as provided in Section 36</u>, nothing whatsoever in this Act shall be held or taken to apply to county fairs and State Fairs or to agricultural and livestock exhibitions where the pari-mutuel system of wagering upon the result of horses is not permitted or conducted. - 72 - LRB093 15178 LRD 40774 b

1 (b) Nothing herein shall be construed to permit the 2 pari-mutuel method of wagering upon any race track unless such 3 race track is licensed under this Act. It is hereby declared to 4 be unlawful for any person to permit, conduct or supervise upon 5 any race track ground the pari-mutuel method of wagering except 6 in accordance with the provisions of this Act.

7 (c) Whoever violates subsection (b) of this Section is 8 guilty of a Class 4 felony.

9 (Source: P.A. 89-16, eff. 5-30-95.)

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(230 ILCS 5/56 new)

HB4600

Sec. 56. Electronic gaming.

12 (a) An organization licensee may apply to the Illinois Gaming Board for an electronic gaming license. An electronic 13 14 gaming license shall authorize its holder to conduct gambling 15 at slot machines on the grounds of the licensee's race track. 16 Each license shall specify the number of slot machines that its holder may operate. An electronic gaming licensee may not 17 permit persons under 21 years of age to be present in its 18 19 electronic gaming facility, but the licensee may accept wagers on live racing and inter-track wagers at its electronic gaming 20 facility. 21

22 (b) The adjusted gross receipts received by an electronic 23 gaming licensee from electronic gaming remaining after the 24 payment of taxes under Section 13 of the Riverboat Gambling Act 25 shall be distributed as follows:

82.5% shall be retained by the licensee;

15% shall be paid to purse equity accounts;

28 <u>1.75% shall be paid to the Illinois Thoroughbred</u>
29 <u>Breeders Fund, and the Illinois Standardbred Breeders</u>
30 <u>Fund, divided pro rata based on the proportion of live</u>
31 <u>thoroughbred racing and live standardbred racing conducted</u>
32 <u>at that licensee's race track;</u>

330.25% shall be paid to the Illinois Quarter Horse34Breeders Fund;

35 0.125% shall be paid to the University of Illinois for

1 equine research; 2 0.125% shall be paid to the Racing Industry Charitable 3 Foundation; 0.25% shall be paid to the licensee's live racing and 4 horse ownership promotional account. 5 Of the moneys paid to purse equity accounts by an 6 electronic gaming licensee, 58% shall be paid to the licensee's 7 thoroughbred purse equity account and 42% shall be paid to the 8

9 <u>licensee's standardbred purse equity account.</u>

Section 80. The Riverboat Gambling Act is amended by changing Sections 3, 4, 5, 7, 8, 9, 11, 11.1, 12, 13, 14, 18, 19, and 20 and adding Sections 7.6 and 13.2 as follows:

13 (230 ILCS 10/3) (from Ch. 120, par. 2403)

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Sec. 3. Riverboat Gambling Authorized.

(a) Riverboat gambling operations <u>and electronic gaming</u>
<u>operations</u> and the system of wagering incorporated therein, as
defined in this Act, are hereby authorized to the extent that
they are carried out in accordance with the provisions of this
Act.

(b) This Act does not apply to the pari-mutuel system of 20 21 wagering used or intended to be used in connection with the horse-race meetings as authorized under the Illinois Horse 22 Racing Act of 1975, lottery games authorized under the Illinois 23 24 Lottery Law, bingo authorized under the Bingo License and Tax 25 Act, charitable games authorized under the Charitable Games Act 26 or pull tabs and jar games conducted under the Illinois Pull Tabs and Jar Games Act. This Act does apply to electronic 27 gaming authorized under the Illinois Horse Racing Act of 1975 28 29 to the extent provided in that Act and in this Act.

30 (c) Riverboat gambling conducted pursuant to this Act may 31 be authorized upon any water within the State of Illinois or 32 any water other than Lake Michigan which constitutes a boundary 33 of the State of Illinois. A licensee may conduct riverboat 34 gambling authorized under this Act regardless of whether it HB4600 - 74 - LRB093 15178 LRD 40774 b

1 conducts excursion cruises. A licensee may permit the 2 continuous ingress and egress of passengers for the purpose of 3 gambling.

4 (d) Gambling that is conducted in accordance with this Act
5 using slot machines shall be authorized at electronic gaming
6 facilities as provided in this Act.

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

8 (230 ILCS 10/4) (from Ch. 120, par. 2404)

Sec. 4. Definitions. As used in this Act:

<del>(a)</del> "Board" means the Illinois Gaming Board.

11 (b) "Occupational license" means a license issued by the 12 Board to a person or entity to perform an occupation which the 13 Board has identified as requiring a license to engage in 14 riverboat gambling in Illinois.

15 (c) "Gambling game" includes, but is not limited to, 16 baccarat, twenty-one, poker, craps, slot machine, video game of 17 chance, roulette wheel, klondike table, punchboard, faro 18 layout, keno layout, numbers ticket, push card, jar ticket, or 19 pull tab which is authorized by the Board as a wagering device 20 under this Act.

21 (d) "Riverboat" means a self-propelled excursion boat, a 22 permanently moored barge, or permanently moored barges that are 23 permanently fixed together to operate as one vessel, on which 24 lawful gambling is authorized and licensed as provided in this 25 Act.

(e) "Managers license" means a license issued by the Board
 to a person or entity to manage gambling operations conducted
 by the State pursuant to Section 7.2.

29 (f) "Dock" means the location where a riverboat moors for 30 the purpose of embarking passengers for and disembarking 31 passengers from the riverboat.

32 (g) "Gross receipts" means the total amount of money
 33 exchanged for the purchase of chips, tokens or electronic cards
 34 by riverboat patrons <u>or electronic gaming operation patrons</u>.

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(h) "Adjusted gross receipts" means the gross receipts less

- 75 - LRB093 15178 LRD 40774 b

HB4600

1 winnings paid to wagerers.

2 (i) "Cheat" means to alter the selection of criteria which 3 determine the result of a gambling game or the amount or 4 frequency of payment in a gambling game.

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

(k) "Gambling operation" means the conduct of authorized
gambling games <u>authorized under this Act on upon</u> a riverboat <u>or</u>
<u>authorized under this Act and the Illinois Horse Racing Act of</u>
<u>1975 at an electronic gaming facility.</u>.

10 (1) "License bid" means the lump sum amount of money that 11 an applicant bids and agrees to pay the State in return for an 12 owners license that is re-issued on or after July 1, 2003.

13 (m) The terms "minority person" and "female" shall have the 14 same meaning as defined in Section 2 of the Business Enterprise 15 for Minorities, Females, and Persons with Disabilities Act.

16 <u>"Owners license" means a license to conduct riverboat</u>
17 gambling operations, but does not include an electronic gaming
18 <u>license.</u>

19"Licensed owner" means a person who holds an owners20license.

21 <u>"Electronic gaming license" means a license issued by the</u>
22 <u>Board under Section 7.6 of this Act authorizing electronic</u>
23 gaming at an electronic gaming facility.

24 <u>"Electronic gaming" means the conduct of gambling using</u> 25 <u>slot machines at a race track licensed under the Illinois Horse</u> 26 <u>Racing Act of 1975 pursuant to the Illinois Horse Racing Act of</u> 27 <u>1975 and this Act.</u> 28 <u>"Electronic gaming facility" means the area where the Board</u>

29 <u>has authorized electronic gaming at a race track of an</u> 30 <u>organization licensee under the Illinois Horse Racing Act of</u> 31 <u>1975 that holds an electronic gaming license.</u>

32 <u>"Organization licensee" means an entity authorized by the</u> 33 <u>Illinois Racing Board to conduct pari-mutuel wagering in</u> 34 <u>accordance with the Illinois Horse Racing Act of 1975.</u> 35 (Source: P.A. 92-600, eff. 6-28-02; 93-28, eff. 6-20-03.)

1 2 (230 ILCS 10/5) (from Ch. 120, par. 2405)

Sec. 5. Gaming Board.

(a) (1) There is hereby established within the Department 3 4 of Revenue an Illinois Gaming Board which shall have the powers 5 and duties specified in this Act, and all other powers necessary and proper to fully and effectively execute this Act 6 for the purpose of administering, regulating, and enforcing the 7 8 system of riverboat gambling established by this Act. Its 9 jurisdiction shall extend under this Act to every person, association, corporation, partnership and trust involved in 10 riverboat gambling operations in the State of Illinois. 11

12 (2) The Board shall consist of 5 members to be appointed by 13 the Governor with the advice and consent of the Senate, one of whom shall be designated by the Governor to be chairman. Each 14 15 member shall have a reasonable knowledge of the practice, 16 procedure and principles of gambling operations. Each member 17 shall either be a resident of Illinois or shall certify that he will become a resident of Illinois before taking office. At 18 19 least one member shall be experienced in law enforcement and 20 criminal investigation, at least one member shall be a certified public accountant experienced in accounting and 21 22 auditing, and at least one member shall be a lawyer licensed to 23 practice law in Illinois.

(3) The terms of office of the Board members shall be 3 24 years, except that the terms of office of the initial Board 25 members appointed pursuant to this Act will commence from the 26 27 effective date of this Act and run as follows: one for a term ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for 28 29 a term ending July 1, 1993. Upon the expiration of the foregoing terms, the successors of such members shall serve a 30 term for 3 years and until their successors are appointed and 31 qualified for like terms. Vacancies in the Board shall be 32 filled for the unexpired term in like manner as original 33 appointments. Each member of the Board shall be eligible for 34 reappointment at the discretion of the Governor with the advice 35 and consent of the Senate. 36

1 (4) Each member of the Board shall receive \$300 for each 2 day the Board meets and for each day the member conducts any 3 hearing pursuant to this Act. Each member of the Board shall 4 also be reimbursed for all actual and necessary expenses and 5 disbursements incurred in the execution of official duties.

6 (5) No person shall be appointed a member of the Board or 7 continue to be a member of the Board who is, or whose spouse, 8 child or parent is, a member of the board of directors of, or a 9 person financially interested in, any gambling operation subject to the jurisdiction of this Board, or any race track, 10 11 race meeting, racing association or the operations thereof 12 subject to the jurisdiction of the Illinois Racing Board. No 13 Board member shall hold any other public office for which he shall receive compensation other than necessary travel or other 14 15 incidental expenses. No person shall be a member of the Board 16 who is not of good moral character or who has been convicted 17 of, or is under indictment for, a felony under the laws of Illinois or any other state, or the United States. 18

19 (6) Any member of the Board may be removed by the Governor 20 for neglect of duty, misfeasance, malfeasance, or nonfeasance 21 in office.

(7) Before entering upon the discharge of the duties of his 22 23 office, each member of the Board shall take an oath that he 24 will faithfully execute the duties of his office according to the laws of the State and the rules and regulations adopted 25 26 therewith and shall give bond to the State of Illinois, 27 approved by the Governor, in the sum of \$25,000. Every such bond, when duly executed and approved, shall be recorded in the 28 29 office of the Secretary of State. Whenever the Governor 30 determines that the bond of any member of the Board has become or is likely to become invalid or insufficient, he shall 31 32 require such member forthwith to renew his bond, which is to be 33 approved by the Governor. Any member of the Board who fails to take oath and give bond within 30 days from the date of his 34 35 appointment, or who fails to renew his bond within 30 days after it is demanded by the Governor, shall be guilty of 36

- 78 - LRB093 15178 LRD 40774 b

HB4600

neglect of duty and may be removed by the Governor. The cost of any bond given by any member of the Board under this Section shall be taken to be a part of the necessary expenses of the Board.

5 (8) Upon the request of the Board, the Department shall 6 employ such personnel as may be necessary to carry out the functions of the Board. No person shall be employed to serve 7 the Board who is, or whose spouse, parent or child is, an 8 9 official of, or has a financial interest in or financial 10 relation with, any operator engaged in gambling operations 11 within this State or any organization engaged in conducting 12 horse racing within this State. Any employee violating these prohibitions shall be subject to termination of employment. 13

(9) An Administrator shall perform any and all duties that 14 15 the Board shall assign him. The salary of the Administrator 16 shall be determined by the Board and approved by the Director 17 of the Department and, in addition, he shall be reimbursed for all actual and necessary expenses incurred by him in discharge 18 19 of his official duties. The Administrator shall keep records of 20 all proceedings of the Board and shall preserve all records, books, documents and other papers belonging to the Board or 21 entrusted to its care. The Administrator shall devote his full 22 23 time to the duties of the office and shall not hold any other 24 office or employment.

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

28 (1) To decide promptly and in reasonable order all 29 license applications. Any party aggrieved by an action of 30 the Board denying, suspending, revoking, restricting or refusing to renew a license may request a hearing before 31 32 the Board. A request for a hearing must be made to the Board in writing within 5 days after service of notice of 33 the action of the Board. Notice of the action of the Board 34 shall be served either by personal delivery or by certified 35 mail, postage prepaid, to the aggrieved party. Notice 36

served by certified mail shall be deemed complete on the business day following the date of such mailing. The Board shall conduct all requested hearings promptly and in reasonable order;

5 (2) To conduct all hearings pertaining to civil 6 violations of this Act or rules and regulations promulgated 7 hereunder;

8 (3) To promulgate such rules and regulations as in its 9 judgment may be necessary to protect or enhance the 10 credibility and integrity of gambling operations 11 authorized by this Act and the regulatory process 12 hereunder;

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

18 (5) To provide for the levy and collection of penalties
19 and fines for the violation of provisions of this Act and
20 the rules and regulations promulgated hereunder. All such
21 fines and penalties shall be deposited into the Education
22 Assistance Fund, created by Public Act 86-0018, of the
23 State of Illinois;

(6) To be present through its inspectors and agents any 24 time gambling operations are conducted on any riverboat or 25 at any electronic gaming facility for the purpose of 26 27 certifying the revenue thereof, receiving complaints from 28 the public, and conducting such other investigations into 29 the conduct of the gambling games and the maintenance of 30 the equipment as from time to time the Board may deem 31 necessary and proper;

(7) To review and rule upon any complaint by a licensee
 regarding any investigative procedures of the State which
 are unnecessarily disruptive of gambling operations. The
 need to inspect and investigate shall be presumed at all
 times. The disruption of a licensee's operations shall be

## - 80 - LRB093 15178 LRD 40774 b

HB4600

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1 proved by clear and convincing evidence, and establish 2 that: (A) the procedures had no reasonable law enforcement 3 purposes, and (B) the procedures were so disruptive as to 4 unreasonably inhibit gambling operations;

5 (8) To hold at least one meeting each quarter of the 6 fiscal year. In addition, special meetings may be called by the Chairman or any 2 Board members upon 72 hours written 7 notice to each member. All Board meetings shall be subject 8 9 to the Open Meetings Act. Three members of the Board shall 10 constitute a quorum, and 3 votes shall be required for any 11 final determination by the Board. The Board shall keep a 12 complete and accurate record of all its meetings. A majority of the members of the Board shall constitute a 13 quorum for the transaction of any business, for the 14 performance of any duty, or for the exercise of any power 15 16 which this Act requires the Board members to transact, 17 perform or exercise en banc, except that, upon order of the Board, one of the Board members or an administrative law 18 judge designated by the Board may conduct any hearing 19 20 provided for under this Act or by Board rule and may recommend findings and decisions to the Board. The Board 21 member or administrative law judge conducting such hearing 22 23 shall have all powers and rights granted to the Board in this Act. The record made at the time of the hearing shall 24 be reviewed by the Board, or a majority thereof, and the 25 findings and decision of the majority of the Board shall 26 27 constitute the order of the Board in such case;

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

(10) To file a written annual report with the Governor on or before March 1 each year and such additional reports as the Governor may request. The annual report shall include a statement of receipts and disbursements by the Board, actions taken by the Board, and any additional - 81 - LRB093 15178 LRD 40774 b

HB4600

information and recommendations which the Board may deem
 valuable or which the Governor may request;

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(11) (Blank); and

4 (12) To assume responsibility for the administration
5 and enforcement of the Bingo License and Tax Act, the
6 Charitable Games Act, and the Pull Tabs and Jar Games Act
7 if such responsibility is delegated to it by the Director
8 of Revenue; and.

9 <u>(13) To assume responsibility for the administration</u> 10 <u>and enforcement of operations at electronic gaming</u> 11 <u>facilities pursuant to this Act and the Illinois Horse</u> 12 <u>Racing Act of 1975.</u>

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

18 (1) To investigate applicants and determine the 19 eligibility of applicants for licenses and to select among 20 competing applicants the applicants which best serve the 21 interests of the citizens of Illinois.

(2) To have jurisdiction and supervision over all
 riverboat gambling operations <u>authorized under this Act</u> in
 this State and all persons <u>in places</u> on riverboats where
 gambling operations are conducted.

26 (3) To promulgate rules and regulations for the purpose 27 of administering the provisions of this Act and to 28 prescribe rules, regulations and conditions under which all riverboat gambling operations subject to this Act in 29 30 the State shall be conducted. Such rules and regulations 31 are to provide for the prevention of practices detrimental 32 to the public interest and for the best interests of riverboat gambling, including rules and regulations 33 regarding the inspection of <u>electronic gaming facilities</u> 34 and such riverboats and the review of any permits or 35 36 licenses necessary to operate a riverboat under any laws or

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regulations applicable to riverboats, and to impose
 penalties for violations thereof.

(4) To enter the office, riverboats, <u>electronic gaming</u>
<u>facilities</u>, <u>and other</u> facilities, <u>or</u> other places of
business of a licensee, where evidence of the compliance or
noncompliance with the provisions of this Act is likely to
be found.

8 (5) To investigate alleged violations of this Act or 9 the rules of the Board and to take appropriate disciplinary 10 action against a licensee or a holder of an occupational 11 license for a violation, or institute appropriate legal 12 action for enforcement, or both.

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

(7) To adopt appropriate standards for all <u>electronic</u>
 <u>qaming facilities</u>, riverboats, and <u>other</u> facilities
 <u>authorized under this Act</u>.

(8) To require that the records, including financial or 19 20 other statements of any licensee under this Act, shall be kept in such manner as prescribed by the Board and that any 21 such licensee involved in the ownership or management of 22 23 gambling operations submit to the Board an annual balance and profit and loss statement, list of 24 sheet the 25 stockholders or other persons having a 1% or greater 26 beneficial interest in the gambling activities of each 27 licensee, and any other information the Board deems 28 necessary in order to effectively administer this Act and 29 rules, regulations, orders and final decisions all 30 promulgated under this Act.

(9) To conduct hearings, issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records and other pertinent documents in accordance with the Illinois Administrative Procedure Act, and to administer oaths and affirmations to the witnesses, when, in the judgment of the Board, it is

1 necessary to administer or enforce this Act or the Board 2 rules.

3 (10) To prescribe a form to be used by any licensee 4 involved in the ownership or management of gambling 5 operations as an application for employment for their 6 employees.

(11) To revoke or suspend licenses, as the Board may 7 see fit and in compliance with applicable laws of the State 8 regarding administrative procedures, and to review 9 10 applications for the renewal of licenses. The Board may 11 suspend an owners license or electronic gaming license, 12 without notice or hearing, upon a determination that the safety or health of patrons or employees is jeopardized by 13 continuing a gambling operation conducted under that 14 license a riverboat's operation. The suspension may remain 15 16 in effect until the Board determines that the cause for 17 suspension has been abated. The Board may revoke the owners license or electronic gaming license upon a determination 18 that the licensee owner has not made satisfactory progress 19 20 toward abating the hazard.

(12) To eject or exclude or authorize the ejection or 21 any person 22 exclusion of, from <del>riverboat</del> gambling facilities where that such person is in violation of this 23 Act, rules and regulations thereunder, or final orders of 24 25 the Board, or where such person's conduct or reputation is such that his or her presence within the riverboat gambling 26 27 facilities may, in the opinion of the Board, call into 28 question the honesty and integrity of the gambling operations or interfere with the orderly conduct thereof; 29 30 provided that the propriety of such ejection or exclusion 31 is subject to subsequent hearing by the Board.

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

- 84 - LRB093 15178 LRD 40774 b

HB4600

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(14) (Blank).

(15) To suspend, revoke or restrict licenses, to 2 3 require the removal of a licensee or an employee of a licensee for a violation of this Act or a Board rule or for 4 5 engaging in a fraudulent practice, and to impose civil 6 penalties of up to \$5,000 against individuals and up to \$10,000 or an amount equal to the daily gross receipts, 7 whichever is larger, against licensees for each violation 8 9 of any provision of the Act, any rules adopted by the 10 Board, any order of the Board or any other action which, in 11 the Board's discretion, is a detriment or impediment to 12 riverboat gambling operations.

13 (16) To hire employees to gather information, conduct 14 investigations and carry out any other tasks contemplated 15 under this Act.

16 (17) To establish minimum levels of insurance to be17 maintained by licensees.

(18) To authorize a licensee to sell or serve alcoholic 18 liquors, wine or beer as defined in the Liquor Control Act 19 20 1934 on board a riverboat and to have exclusive of authority to establish the hours for sale and consumption 21 of alcoholic liquor on board a riverboat, notwithstanding 22 any provision of the Liquor Control Act of 1934 or any 23 local ordinance, and regardless of whether the riverboat 24 makes excursions. The establishment of the hours for sale 25 and consumption of alcoholic liquor on board a riverboat is 26 27 an exclusive power and function of the State. A home rule 28 unit may not establish the hours for sale and consumption of alcoholic liquor on board a riverboat. This subdivision 29 30 (18) amendatory Act of 1991 is a denial and limitation of 31 home rule powers and functions under subsection (h) of Section 6 of Article VII of the Illinois Constitution. 32

33 (19) After consultation with the U.S. Army Corps of 34 Engineers, to establish binding emergency orders upon the 35 concurrence of a majority of the members of the Board 36 regarding the navigability of water, relative to - 85 - LRB093 15178 LRD 40774 b

HB4600

1 2 excursions, in the event of extreme weather conditions, acts of God or other extreme circumstances.

3 (20) To delegate the execution of any of its powers 4 under this Act for the purpose of administering and 5 enforcing this Act and its rules and regulations hereunder.

6 <u>(21) To make rules concerning the conduct of</u> 7 <u>electronic gaming.</u>

8 <u>(22)</u> <del>(21)</del> To take any other action as may be reasonable 9 or appropriate to enforce this Act and rules and 10 regulations hereunder.

11 (d) The Board may seek and shall receive the cooperation of 12 the Department of State Police in conducting background of 13 investigations applicants and fulfilling in its responsibilities under this Section. Costs incurred by the 14 15 Department of State Police as a result of such cooperation 16 shall be paid by the Board in conformance with the requirements 17 of Section 2605-400 of the Department of State Police Law (20 ILCS 2605/2605-400). 18

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

25 (Source: P.A. 91-40, eff. 1-1-00; 91-239, eff. 1-1-00; 91-883, 26 eff. 1-1-01.)

27 (230 ILCS 10/7) (from Ch. 120, par. 2407)

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Sec. 7. Owners licenses.

(a) The Board shall issue owners licenses to persons, firms or corporations which apply for such licenses upon payment to the Board of the non-refundable license fee set by the Board, upon payment of a \$25,000 license fee for the first year of operation and a \$5,000 license fee for each succeeding year and upon a determination by the Board that the applicant is eligible for an owners license pursuant to this Act and the

- 86 - LRB093 15178 LRD 40774 b

1 rules of the Board. A person, firm or corporation is ineligible
2 to receive an owners license if:
3 (1) the person has been convicted of a felony under the
4 laws of this State, any other state, or the United States;

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

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

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

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

14 (6) the firm or corporation employs a person defined in 15 (1), (2), (3) or (4) who participates in the management or 16 operation of gambling operations authorized under this 17 Act;

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## (7) (blank); or

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

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

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

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

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

32 (2) the facilities or proposed facilities for the33 conduct of riverboat gambling;

34 (3) the highest prospective total revenue to be derived
35 by the State from the conduct of riverboat gambling;

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(4) the extent to which the ownership of the applicant

reflects the diversity of the State by including minority persons and females and the good faith affirmative action plan of each applicant to recruit, train and upgrade minority persons and females in all employment classifications;

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

8 (6) whether the applicant has adequate capitalization 9 to provide and maintain, for the duration of a license, a 10 riverboat;

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

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(8) The amount of the applicant's license bid.

15 (c) Each owners license shall specify the place where 16 riverboats shall operate and dock.

17 (d) Each applicant shall submit with his application, on18 forms provided by the Board, 2 sets of his fingerprints.

19 (e) The Board may issue up to 10 licenses authorizing the 20 holders of such licenses to own riverboats. In the application for an owners license, the applicant shall state the dock at 21 which the riverboat is based and the water on which the 22 23 riverboat will be located. The Board shall issue 5 licenses to become effective not earlier than January 1, 1991. Three of 24 25 such licenses shall authorize riverboat gambling on the 26 Mississippi River, or, with approval by the municipality in 27 which the riverboat is docked on the effective date of this 28 amendatory Act of the 93rd Assembly, in a municipality that (1) borders on the Mississippi River or is within 5 miles of the 29 30 city limits of a municipality that borders on the Mississippi River and (2), on the effective date of this amendatory Act of 31 32 the 93rd General Assembly, has a riverboat conducting riverboat gambling operations pursuant to a license issued under this 33 Act, + one of which shall authorize riverboat gambling from a 34 home dock in the city of East St. Louis. One other license 35 36 shall authorize riverboat gambling on the Illinois River south

1 of Marshall County. The Board shall issue one additional 2 license to become effective not earlier than March 1, 1992, which shall authorize riverboat gambling on the Des Plaines 3 River in Will County. The Board may issue 4 additional licenses 4 5 to become effective not earlier than March 1, 1992. In 6 determining the water upon which riverboats will operate, the Board shall consider the economic benefit which riverboat 7 8 gambling confers on the State, and shall seek to assure that 9 all regions of the State share in the economic benefits of 10 riverboat gambling.

11 In granting all licenses, the Board may give favorable 12 consideration to economically depressed areas of the State, to applicants presenting plans which provide for significant 13 economic development over a large geographic area, and to 14 15 applicants who currently operate non-gambling riverboats in 16 Illinois. The Board shall review all applications for owners 17 licenses, and shall inform each applicant of the Board's decision. The Board may grant an owners license to an applicant 18 19 that has not submitted the highest license bid, but if it does 20 not select the highest bidder, the Board shall issue a written decision explaining why another applicant was selected and 21 identifying the factors set forth in this Section that favored 22 23 the winning bidder.

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

30 (f) The first 10 owners licenses issued under this Act 31 shall permit the holder to own up to 2 riverboats and equipment 32 thereon for a period of 3 years after the effective date of the 33 license. Holders of the first 10 owners licenses must pay the 34 annual license fee for each of the 3 years during which they 35 are authorized to own riverboats.

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(g) Upon the termination, expiration, or revocation of each

of the first 10 licenses, which shall be issued for a 3 year period, all licenses are renewable annually upon payment of the fee and a determination by the Board that the licensee continues to meet all of the requirements of this Act and the Board's rules. However, for licenses renewed on or after May 1, 1998, renewal shall be for a period of 4 years, unless the Board sets a shorter period.

(h) An owners license shall entitle the licensee to own up 8 9 to 2 riverboats and operate up to 2,000 gaming positions. In addition to the 2,000 gaming positions authorized by a 10 11 licensee's owners license, a licensee may operate gaming 12 positions that it acquires pursuant to the competitive bidding process established under this subsection (h). A licensee may 13 operate both of its riverboats concurrently, provided that the 14 total number of gaming positions on both riverboats does not 15 16 exceed 2,000 plus the number of gaming positions it receives 17 under the competitive bidding process. For each 4-year license period, a licensee shall certify to the Board the total number 18 19 of gaming positions it will use during the license period. If a 20 licensee certifies that it will use a given number of gaming positions during its <u>license period</u> and, in the Board's 21 determination, fails to use some or all of those gaming 22 23 positions, then the unused gaming positions shall become the property of the Board. If a licensee certifies that it will use 24 fewer than 2,000 gaming positions, then the authorized but 25 unused gaming positions shall become the property of the Board. 26 27 The Board shall establish, by rule, a method for licensees to competitively bid for the right to use gaming positions that 28 become the property of the Board under this subsection (h). A 29 30 licensee may not bid for additional gaming positions under this subsection (h) unless it uses all 2,000 gaming positions 31 authorized by its license. 32

An owners licensee that is authorized to admit in excess of 1,200 participants under this subsection (h) may conduct riverboat gambling operations from a temporary facility pending the construction of a permanent facility or the

1 remodeling of an existing facility to accommodate those 2 additional participants for up to 12 months after receiving the authority to admit additional participants. The number of 3 participants who may be present at such a temporary facility at 4 5 one time may not exceed the number of participants the licensee is authorized to admit in excess of 1,200. The Board shall make 6 rules concerning the conduct of gambling from temporary 7 facilities. A licensee shall limit the number of gambling 8 participants to 1,200 for any such owners license. A licensee 9 10 may operate both of its riverboats concurrently, provided that 11 the total number of gambling participants on both riverboats does not exceed 1,200. Riverboats licensed to operate on the 12 Mississippi River and the Illinois River south of Marshall 13 County shall have an authorized capacity of at least 500 14 persons. Any other riverboat licensed under this Act shall have 15 16 an authorized capacity of at least 400 persons.

17 (i) A licensed owner is authorized to apply to the Board for and, if approved therefor, to receive all licenses from the 18 19 Board necessary for the operation of a riverboat, including a 20 liquor license, a license to prepare and serve food for human consumption, and other necessary licenses. All use, occupation 21 and excise taxes which apply to the sale of food and beverages 22 23 in this State and all taxes imposed on the sale or use of tangible personal property apply to such sales aboard the 24 25 riverboat.

26 (j) The Board may issue or re-issue a license authorizing a 27 riverboat to dock in a municipality or approve a relocation 28 under Section 11.2 only if, prior to the issuance or 29 re-issuance of the license or approval, the governing body of 30 the municipality in which the riverboat will dock has by a 31 majority vote approved the docking of riverboats in the 32 municipality. The Board may issue or re-issue a license authorizing a riverboat to dock in areas of a county outside 33 any municipality or approve a relocation under Section 11.2 34 35 only if, prior to the issuance or re-issuance of the license or approval, the governing body of the county has by a majority 36

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vote approved of the docking of riverboats within such areas.
 (Source: P.A. 92-600, eff. 6-28-02; 93-28, eff. 6-20-03;
 93-453, eff. 8-7-03; revised 9-12-03.)

4 (230 ILCS 10/7.6 new)

Sec. 7.6. Electronic gaming.

6 <u>(a) The General Assembly finds that the horse racing and</u> 7 <u>riverboat gambling industries share many similarities and</u> 8 <u>collectively comprise the bulk of the State's gaming industry.</u> 9 <u>One feature in common to both industries is that each is highly</u> 10 <u>regulated by the State of Illinois.</u>

11 <u>The General Assembly further finds, however, that despite</u> 12 <u>their shared features each industry is distinct from the other</u> 13 <u>in that horse racing is and continues to be intimately tied to</u> 14 <u>Illinois' agricultural economy and is, at its core, a spectator</u> 15 <u>sport. This distinction requires the General Assembly to</u> 16 <u>utilize different methods to requlate and promote the horse</u> 17 <u>racing industry throughout the State.</u>

The General Assembly finds that in order to promote live horse racing as a spectator sport in Illinois and the agricultural economy of this State, it is necessary to allow electronic gaming at Illinois race tracks given the success of other states in increasing live racing purse accounts and improving the quality of horses participating in horse race meetings.

25 The General Assembly finds, however, that even though the 26 authority to conduct electronic gaming is a uniform means to 27 improve live horse racing in this State, electronic gaming must be regulated and implemented differently in southern Illinois 28 versus the Chicago area. The General Assembly finds that 29 30 Fairmount Park is the only race track operating on a year round basis in southern Illinois that offers live racing and for that 31 matter only conducts live thoroughbred racing. The General 32 Assembly finds that the current state of affairs deprives 33 spectators and standardbred horsemen residing in southern 34 35 Illinois of the opportunity to participate in live standardbred

1	racing in a manner similar to spectators, thoroughbred
2	horsemen, and standardbred horsemen residing in the Chicago
3	area. The General Assembly declares that southern Illinois
4	spectators and standardbred horsemen are entitled to have a
5	similar opportunity to participate in live standardbred racing
6	as spectators in the Chicago area. The General Assembly
7	declares that in order to remove the disparity between southern
8	Illinois and the Chicago area, it is necessary for the State to
9	regulate Fairmount Park differently from horse race tracks
10	found in the Chicago area and tie Fairmount Park's
11	authorization to conduct electronic gaming to a commitment to
12	conduct at least 100 days of standardbred racing as set forth
13	in subsection (d) of this Section.
14	(b) The Illinois Gaming Board shall award one electronic
15	gaming license to become effective on or after July 1, 2004 to
16	each organization licensee under the Illinois Horse Racing Act
17	of 1975, subject to application and eligibility requirements of
18	this Section. An electronic gaming license shall authorize its
19	holder to conduct electronic gaming at its race track at the
20	following times:
21	(1) on days when it conducts live racing at the track
22	where its electronic gaming facility is located from the
23	time the first race of the day at that track begins until
24	the end of the final race of the day at that race track;
25	and
26	(2) on days when it conducts simulcast wagering on
27	races run in the United States from the time it first
28	receives the simulcast signal until one hour after it stops
29	receiving the simulcast signal. A license to conduct
30	limited gaming and any renewal of a limited owners license
31	shall authorize limited gaming for a period of 4 years.
32	(c) To be eligible to conduct electronic gaming, an
33	organization licensee must (i) obtain an electronic gaming
	organization reensee must (r) obtain an erectionic gaming
34	license, (ii) hold an organization license under the Illinois
34 35	

1 Fairmount Race Track and Balmoral Race Track) for each person 2 it is authorized to admit before beginning to conduct electronic gambling and an additional fee of \$25,000 (\$12,500 3 in the case of Fairmount Race Track and Balmoral Race Track) 4 5 for each person it is authorized to admit no later than 12 months after the date it first conducts electronic gaming, (v) 6 apply for at least the same number of days of thoroughbred 7 8 racing or standardbred racing or both, as the case may be, as it was awarded in calendar year 2003, and (vi) meet all other 9 requirements of this Act that apply to owners licensees. 10

11 With respect to the live racing requirement described in 12 this subsection, an organization licensee must conduct the same number of days of thoroughbred or standardbred racing or both, 13 as the case may be, as it was awarded by the Racing Board, 14 unless a lesser schedule of live racing is the result of (A) 15 16 weather or unsafe track conditions due to acts of God or (B) a strike between the organization licensee and the associations 17 representing the largest number of owners, trainers, jockeys, 18 or standardbred drivers who race horse at that organization 19 20 licensee's racing meeting.

(d) In addition to the other eligibility requirements of 21 subsection (c), an organization licensee that holds an 22 electronic gaming license authorizing it to conduct electronic 23 gaming at Fairmount Park must apply for and conduct at least 24 100 days of standardbred racing in calendar year 2005 and 25 thereafter, unless a lesser schedule of live racing is the 26 27 result of (A) weather or unsafe track conditions due to acts of God or (B) a strike between the organization licensee and the 28 associations representing the largest number of owners, 29 30 trainers, jockeys, or standardbred drivers who race horses at 31 that organization licensee's racing meeting.

32 <u>(e) The Board may approve electronic gaming licenses</u> 33 <u>authorizing the conduct of electronic gaming by eligible</u> 34 <u>organization licensees.</u>

35 (f) In calendar year 2004, the Board may approve up to
 36 3,200 aggregate gambling participants statewide as provided in

thi	s Section. The authority to admit participants under this
Sec	tion in calendar year 2004 shall be allocated as follows:
	(1) The organization licensee operating at Arlington
	Park Race Course may admit up to 1,000 gaming participants
	at a time;
	(2) The organization licensees operating at Hawthorne
	Race Course, including the organization licensee formerly
	operating at Sportsman's Park, may collectively admit up to
	900 gaming participants at a time;
	(3) The organization licensee operating at Balmoral
	Park may admit up to 300 gaming participants at a time;
	(4) The organization licensee operating at Maywood
	Park may admit up to 700 gaming participants at a time; and
	(5) The organization licensee operating at Fairmount
	Park may admit up to 300 gaming participants at a time.
	(g) For each calendar year after 2004 in which an
ele	ctronic gaming licensee requests a number of racing days
und	er its organization license that is less than 90% of the
num	ber of days of live racing it was awarded in 2004, the
ele	ctronic gaming licensee may not conduct electronic gaming.
	(h) Upon renewal of an electronic gaming license, if an
<u>ele</u>	ctronic gaming licensee had a higher average daily live
han	dle in the term of its previous electronic gaming license
tha	n in 2003, then the number of participants that the
<u>ele</u>	ctronic gaming licensee may admit after its license is
ren	ewed shall be increased by a percentage equal to the
<u>per</u>	centage increase in average daily live handle during that
<u>pre</u>	vious license term over calendar year 2003, but in no event
by	more than 10%. If an electronic gaming license is authorized
to	admit additional participants under this subsection (b), it
mus	t pay the fee imposed under item (iv) of subsection (c) for
eac	h additional participant.
	(i) An electronic gaming licensee may conduct electronic
gam	ing at a temporary facility pending the construction of a
per	manent facility or the remodeling of an existing facility to
acc	ommodate electronic gaming participants for up to 12 months

<u>after receiving an electronic gaming license. The Board shall</u>
 <u>make rules concerning the conduct of electronic gaming from</u>
 <u>temporary facilities.</u>

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(230 ILCS 10/8) (from Ch. 120, par. 2408)

Sec. 8. Suppliers licenses.

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6 (a) The Board may issue a suppliers license to such 7 persons, firms or corporations which apply therefor upon the 8 payment of a non-refundable application fee set by the Board, 9 upon a determination by the Board that the applicant is 10 eligible for a suppliers license and upon payment of a \$5,000 11 annual license fee.

12 (b) The holder of a suppliers license is authorized to sell 13 or lease, and to contract to sell or lease, gambling equipment 14 and supplies to any <u>owners</u> licensee involved in the ownership 15 or management of <u>riverboat</u> gambling operations <u>and to any</u> 16 <u>electronic gaming licensee involved in the ownership or</u> 17 <u>management of an electronic gaming facility</u>.

(c) <u>Riverboat</u> gambling <u>and electronic gaming</u> supplies and
 equipment may not be distributed unless supplies and equipment
 conform to standards adopted by rules of the Board.

21 (d) A person, firm or corporation is ineligible to receive22 a suppliers license if:

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

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

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

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

31 (5) the firm or corporation is one in which a person 32 defined in (1), (2), (3) or (4), is an officer, director or 33 managerial employee;

34 (6) the firm or corporation employs a person who35 participates in the management or operation of riverboat

1 2 gambling or in the management or operation of electronic gaming authorized under this Act;

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

7 (e) Any person that supplies any equipment, devices, or 8 supplies to a licensed riverboat gambling operation or electronic gaming operation must first obtain a suppliers 9 license. A supplier shall furnish to the Board a list of all 10 equipment, devices and supplies offered for sale or lease in 11 12 connection with gambling games authorized under this Act. A 13 supplier shall keep books and records for the furnishing of equipment, devices and supplies to riverboat gambling and 14 15 electronic gaming operations separate and distinct from any 16 other business that the supplier might operate. A supplier 17 shall file a quarterly return with the Board listing all sales and leases. A supplier shall permanently affix its name to all 18 19 its equipment, devices, and supplies for riverboat gambling and 20 electronic gaming operations. Any supplier's equipment, 21 devices or supplies which are used by any person in an unauthorized riverboat gambling or electronic gaming operation 22 23 shall be forfeited to the State. A holder of an owners license 24 or an electronic gaming license licensed owner may own its own 25 equipment, devices and supplies. Each holder of an owners license or an electronic gaming license under the Act shall 26 27 file an annual report listing its inventories of gambling 28 equipment, devices and supplies.

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(f) Any person who knowingly makes a false statement on an 30 application is guilty of a Class A misdemeanor.

31 (g) Any gambling equipment, devices and supplies provided 32 by any licensed supplier may either be repaired on the 33 riverboat or electronic gaming facility or removed from the riverboat or electronic gaming facility to a an on-shore 34 35 facility owned by the holder of an owners license or electronic 36 gaming license for repair.

- 97 - LRB093 15178 LRD 40774 b

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HB4600
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1 (Source: P.A. 86-1029; 87-826.)
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(230 ILCS 10/9) (from Ch. 120, par. 2409)

Sec. 9. Occupational licenses.

4 (a) The Board may issue an occupational license to an 5 applicant upon the payment of a non-refundable fee set by the 6 Board, upon a determination by the Board that the applicant is 7 eligible for an occupational license and upon payment of an 8 annual license fee in an amount to be established. To be 9 eligible for an occupational license, an applicant must:

(1) be at least 21 years of age if the applicant will
perform any function involved in gaming by patrons. Any
applicant seeking an occupational license for a non-gaming
function shall be at least 18 years of age;

14 (2) not have been convicted of a felony offense, a 15 violation of Article 28 of the Criminal Code of 1961, or a 16 similar statute of any other jurisdiction, or a crime 17 involving dishonesty or moral turpitude;

(3) have demonstrated a level of skill or knowledge
which the Board determines to be necessary in order to
operate gambling aboard a riverboat <u>or at an electronic</u>
<u>gaming facility;</u> and

22 (4) have met standards for the holding of an occupational license as adopted by rules of the Board. Such 23 24 rules shall provide that any person or entity seeking an gambling 25 occupational license to manage operations 26 hereunder shall be subject to background inquiries and 27 further requirements similar to those required of applicants for an owners license. Furthermore, such rules 28 29 shall provide that each such entity shall be permitted to 30 manage gambling operations for only one licensed owner or an electronic gaming licensee. 31

32 (b) Each application for an occupational license shall be 33 on forms prescribed by the Board and shall contain all 34 information required by the Board. The applicant shall set 35 forth in the application: whether he has been issued prior

1 gambling related licenses; whether he has been licensed in any 2 other state under any other name, and, if so, such name and his age; and whether or not a permit or license issued to him in 3 any other state has been suspended, restricted or revoked, and, 4 5 if so, for what period of time.

(c) Each applicant shall submit with his application, on 6 forms provided by the Board, 2 sets of his fingerprints. The 7 Board shall charge each applicant a fee set by the Department 8 9 of State Police to defray the costs associated with the search 10 and classification of fingerprints obtained by the Board with 11 respect to the applicant's application. These fees shall be 12 paid into the State Police Services Fund.

13 (d) The Board may in its discretion refuse an occupational 14 license to any person: (1) who is unqualified to perform the 15 duties required of such applicant; (2) who fails to disclose or 16 states falsely any information called for in the application; 17 (3) who has been found guilty of a violation of this Act or whose prior gambling related license or application therefor 18 19 has been suspended, restricted, revoked or denied for just 20 cause in any other state; or (4) for any other just cause.

Board may suspend, revoke or any 21 (e) The restrict occupational licensee: (1) for violation of any provision of 22 23 this Act; (2) for violation of any of the rules and regulations of the Board; (3) for any cause which, if known to the Board, 24 25 would have disqualified the applicant from receiving such 26 license; or (4) for default in the payment of any obligation or 27 debt due to the State of Illinois; or (5) for any other just 28 cause.

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(f) A person who knowingly makes a false statement on an 30 application is guilty of a Class A misdemeanor.

31 (g) Any license issued pursuant to this Section shall be 32 valid for a period of one year from the date of issuance.

(h) Nothing in this Act shall be interpreted to prohibit a 33 licensed owner or electronic gaming licensee from entering into 34 35 an agreement with a school approved under the Private Business 36 and Vocational Schools Act for the training of any occupational - 99 - LRB093 15178 LRD 40774 b

HB4600

1 licensee. Any training offered by such a school shall be in 2 accordance with a written agreement between the licensed owner 3 or electronic gaming licensee and the school.

(i) Any training provided for occupational licensees may be 4 5 conducted either at the site of the gambling facility on the 6 riverboat or at a school with which a licensed owner or electronic gaming licensee has entered into an agreement 7 pursuant to subsection (h). 8

(Source: P.A. 86-1029; 87-826.) 9

(230 ILCS 10/11) (from Ch. 120, par. 2411) 10

11 Sec. 11. Conduct of gambling. Gambling may be conducted by licensed owners or licensed managers on behalf of the State 12 aboard riverboats. Notwithstanding any provision in subsection 13 (c) of Section 3 to the contrary, if authorized by the Board by 14 15 rule, an owners licensee may move up to 15% of its slot 16 machines from its riverboats to its home dock facility and use those slot machines to conduct gambling, provided that the slot 17 machines are located in an area that is accessible only to 18 19 persons who are at least 21 years of age and provided that the admission tax imposed under Section 12 has been paid for all 20 persons who use those slot machines. Gambling may be conducted 21 22 by electronic gaming licensees at limited gaming facilities. Gambling authorized under this Section shall be  $\overline{r}$  subject to the 23 24 following standards:

25 (1)Α licensee may conduct riverboat gambling 26 authorized under this Act regardless of whether it conducts 27 excursion cruises. A licensee may permit the continuous 28 ingress and egress of passengers for the purpose of 29 gambling.

(2) (Blank).

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31 (3) Minimum and maximum wagers on games shall be set by the licensee. 32

(4) Agents of the Board and the Department of State 33 34 Police may board and inspect any riverboat or enter and inspect any portion of an electronic gaming facility where 35

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electronic gaming is conducted at any time for the purpose of determining whether this Act is being complied with. Every riverboat, if under way and being hailed by a law enforcement officer or agent of the Board, must stop immediately and lay to.

(5) Employees of the Board shall have the right to be present on the riverboat or on adjacent facilities under the control of the licensee <u>and at the electronic gaming</u> <u>facility under the control of the electronic gaming</u> <u>licensee</u>.

11 (6) Gambling equipment and supplies customarily used 12 in conducting riverboat gambling <u>or electronic gaming</u> must 13 be purchased or leased only from suppliers licensed for 14 such purpose under this Act.

(7) Persons licensed under this Act shall permit no
form of wagering on gambling games except as permitted by
this Act.

(8) Wagers may be received only from a person present
on a licensed riverboat <u>or at an electronic gaming</u>
<u>facility</u>. No person present on a licensed riverboat <u>or at</u>
<u>an electronic gaming facility</u> shall place or attempt to
place a wager on behalf of another person who is not
present on the riverboat <u>or at the electronic gaming</u>
<u>facility</u>.

(9) Wagering, including electronic gaming, shall not
 be conducted with money or other negotiable currency.

27 (10) A person under age 21 shall not be permitted on an area of a riverboat where gambling is being conducted or at 28 an electronic gaming facility where gambling is being 29 30 conducted, except for a person at least 18 years of age who 31 is an employee of the riverboat gambling operation or 32 electronic gaming operation. No employee under age 21 shall perform any function involved in gambling by the patrons. 33 No person under age 21 shall be permitted to make a wager 34 35 under this Act.

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(11) Gambling excursion cruises are permitted only

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when the waterway for which the riverboat is licensed is navigable, as determined by the Board in consultation with the U.S. Army Corps of Engineers. This paragraph (11) does not limit the ability of a licensee to conduct gambling authorized under this Act when gambling excursion cruises are not permitted.

(12) All tokens, chips or electronic cards used to make 7 wagers must be purchased (i) from a licensed owner or 8 manager, in the case of a riverboat, either aboard the a 9 10 riverboat or at an onshore facility which has been approved 11 by the Board and which is located where the riverboat docks 12 or (ii) from an electronic gaming licensee at the electronic gaming facility. 13 The tokens, chips or electronic cards may be purchased by means of an agreement 14 15 under which the owner or manager extends credit to the 16 patron. Such tokens, chips or electronic cards may be used 17 while aboard the riverboat or at the electronic gaming facility only for the purpose of making wagers on gambling 18 19 games.

20 (13) Notwithstanding any other Section of this Act, in addition to the other licenses authorized under this Act, 21 the Board may issue special event licenses allowing persons 22 who are not otherwise licensed to conduct riverboat 23 gambling to conduct such gambling on a specified date or 24 25 series of dates. Riverboat gambling under such a license 26 may take place on a riverboat not normally used for 27 riverboat gambling. The Board shall establish standards, 28 fees and fines for, and limitations upon, such licenses, which may differ from the standards, fees, fines and 29 30 limitations otherwise applicable under this Act. All such 31 fees shall be deposited into the State Gaming Fund. All 32 such fines shall be deposited into the Education Assistance Fund, created by Public Act 86-0018, of the State of 33 Illinois. 34

35 (14) In addition to the above, gambling must be36 conducted in accordance with all rules adopted by the

- 102 - LRB093 15178 LRD 40774 b

HB4600

Board.
 (Source: P.A. 93-28, eff. 6-20-03.)

3 (230 ILCS 10/11.1) (from Ch. 120, par. 2411.1) 4 Sec. 11.1. Collection of amounts owing under credit 5 agreements. Notwithstanding any applicable statutory provision to the contrary, a licensed owner or electronic gaming licensee 6 7 or manager who extends credit to a riverboat gambling patron pursuant to Section 11 (a) (12) of this Act is expressly 8 authorized to institute a cause of action to collect any 9 10 amounts due and owing under the extension of credit, as well as 11 the owner's or manager's costs, expenses and reasonable 12 attorney's fees incurred in collection.

13 (Source: P.A. 93-28, eff. 6-20-03.)

14 (230 ILCS 10/12) (from Ch. 120, par. 2412)

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Sec. 12. Admission tax; fees.

(a) A tax is hereby imposed upon admissions to riverboats 16 17 operated by licensed owners authorized pursuant to this Act. 18 Until July 1, 2002, the rate is \$2 per person admitted. From July 1, 2002 and until July 1, 2003, the rate is \$3 per person 19 admitted. From Beginning July 1, 2003 until the effective date 20 of this amendatory Act of the 93rd General Assembly, for a 21 22 licensee that admitted 1,000,000 persons or fewer in the 23 previous calendar year, the rate is \$3 per person admitted; for 24 a licensee that admitted more than 1,000,000 but no more than 25 2,300,000 persons in the previous calendar year, the rate is \$4 26 per person admitted; and for a licensee that admitted more than 2,300,000 persons in the previous calendar year, the rate is \$5 27 28 per person admitted. Beginning on the effective date of this 29 amendatory Act of the 93rd General Assembly, the rate is \$2 per person for the first 1,500,000 persons admitted by a licensee 30 per year and \$3 per person for all persons admitted by that 31 licensee in excess of 1,500,00 per year. Beginning July 1, 32 2003, for a licensee that admitted 2,300,000 persons or fewer 33 34 in the previous calendar year, the rate is \$4 per person

- 103 - LRB093 15178 LRD 40774 b

HB4600

1 admitted and for a licensee that admitted more than 2,300,000
2 persons in the previous calendar year, the rate is \$5 per
3 person admitted. This admission tax is imposed upon the
4 licensed owner conducting gambling.

5 (1) The admission tax shall be paid for each admission, 6 <u>except that a person who exits a riverboat gambling</u> 7 <u>facility and reenters that riverboat gambling facility</u> 8 <u>within a reasonable time, as determined by the Board by</u> 9 <u>rule, shall be subject only to the initial admission tax</u>.

(2) (Blank).

11 (3) The riverboat licensee may issue tax-free passes to 12 actual and necessary officials and employees of the 13 licensee or other persons actually working on the 14 riverboat.

15 (4) The number and issuance of tax-free passes is 16 subject to the rules of the Board, and a list of all 17 persons to whom the tax-free passes are issued shall be 18 filed with the Board.

(a-5) A fee is hereby imposed upon admissions operated by 19 20 licensed managers on behalf of the State pursuant to Section 7.3 at the rates provided in this subsection (a-5). For a 21 licensee that admitted 1,000,000 persons or fewer in the 22 23 previous calendar year, the rate is \$3 per person admitted; for a licensee that admitted more than 1,000,000 but no more than 24 25 2,300,000 persons in the previous calendar year, the rate is \$4 per person admitted; and for a licensee that admitted more than 26 27 2,300,000 persons in the previous calendar year, the rate is \$5 28 per person admitted.

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(1) The admission fee shall be paid for each admission.

(2) (Blank).

(3) The licensed manager may issue fee-free passes to
 actual and necessary officials and employees of the manager
 or other persons actually working on the riverboat.

34 (4) The number and issuance of fee-free passes is
35 subject to the rules of the Board, and a list of all
36 persons to whom the fee-free passes are issued shall be

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filed with the Board.

2 (b) From the tax imposed under subsection (a) and the fee imposed under subsection (a-5), a municipality shall receive 3 4 from the State \$1 for each person embarking on a riverboat 5 docked within the municipality, and a county shall receive \$1 6 for each person embarking on a riverboat docked within the county but outside the boundaries of any municipality. The 7 8 municipality's or county's share shall be collected by the Board on behalf of the State and remitted quarterly by the 9 State, subject to appropriation, to the treasurer of the unit 10 11 of local government for deposit in the general fund.

12 (c) The licensed owner shall pay the entire admission tax 13 to the Board and the licensed manager shall pay the entire admission fee to the Board. Such payments shall be made daily. 14 15 Accompanying each payment shall be a return on forms provided by the Board which shall include other information regarding 16 17 admissions as the Board may require. Failure to submit either the payment or the return within the specified time may result 18 19 in suspension or revocation of the owners or managers license.

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

26 (Source: P.A. 92-595, eff. 6-28-02; 93-27, eff. 6-20-03; 93-28, 27 eff. 6-20-03; revised 8-1-03.)

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29

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

Sec. 13. Wagering tax; rate; distribution.

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

(a-1) From January 1, 1998 until July 1, 2002, a privilege
 tax is imposed on persons engaged in the business of conducting
 riverboat gambling operations, based on the adjusted gross

- 105 - LRB093 15178 LRD 40774 b

HB4600

1 receipts received by a licensed owner from gambling games 2 authorized under this Act at the following rates: 15% of annual adjusted gross receipts up to and 3 including \$25,000,000; 4 5 20% of annual adjusted gross receipts in excess of \$25,000,000 but not exceeding \$50,000,000; 6 25% of annual adjusted gross receipts in excess of 7 \$50,000,000 but not exceeding \$75,000,000; 8 9 30% of annual adjusted gross receipts in excess of \$75,000,000 but not exceeding \$100,000,000; 10 11 35% of annual adjusted gross receipts in excess of 12 \$100,000,000. (a-2) From July 1, 2002 until July 1, 2003, a privilege tax 13 is imposed on persons engaged in the business of conducting 14 15 riverboat gambling operations, other than licensed managers 16 conducting riverboat gambling operations on behalf of the 17 State, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at 18 19 the following rates: 20 15% of annual adjusted gross receipts up to and including \$25,000,000; 21 22.5% of annual adjusted gross receipts in excess of 22 \$25,000,000 but not exceeding \$50,000,000; 23 27.5% of annual adjusted gross receipts in excess of 24 \$50,000,000 but not exceeding \$75,000,000; 25 32.5% of annual adjusted gross receipts in excess of 26 27 \$75,000,000 but not exceeding \$100,000,000; 28 37.5% of annual adjusted gross receipts in excess of \$100,000,000 but not exceeding \$150,000,000; 29 30 45% of annual adjusted gross receipts in excess of \$150,000,000 but not exceeding \$200,000,000; 31 32 50% of annual adjusted gross receipts in excess of \$200,000,000. 33 (a-3) Beginning July 1, 2003, a privilege tax is imposed on 34 in the business of conducting riverboat 35 persons engaged gambling operations, other than licensed managers conducting 36

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

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

7 27.5% of annual adjusted gross receipts in excess of
8 \$25,000,000 but not exceeding \$37,500,000;

9 32.5% of annual adjusted gross receipts in excess of
10 \$37,500,000 but not exceeding \$50,000,000;

11 37.5% of annual adjusted gross receipts in excess of 12 \$50,000,000 but not exceeding \$75,000,000;

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

15 50% of annual adjusted gross receipts in excess of 16 \$100,000,000 but not exceeding \$250,000,000;

17 70% of annual adjusted gross receipts in excess of18 \$250,000,000.

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

The privilege tax imposed under this subsection (a-3) shall 24 25 no longer be imposed beginning on the earlier of (i) July 1, 26 2005; (ii) the first date after June 20, 2003 the effective 27 date of this amendatory Act of the 93rd General Assembly that 28 riverboat gambling operations are conducted pursuant to a dormant license; or (iii) the first day that riverboat gambling 29 30 operations are conducted under the authority of an owners license that is in addition to the 10 owners licenses initially 31 32 authorized under this Act. For the purposes of this subsection (a-3), the term "dormant license" means an owners license that 33 is authorized by this Act under which no riverboat gambling 34 35 operations are being conducted on June 20, 2003 the effective date of this amendatory Act of the 93rd General Assembly. 36

- 107 - LRB093 15178 LRD 40774 b

HB4600

1 (a-4) Beginning on the first day on which the tax imposed 2 under subsection (a-3) is no longer imposed, a privilege tax is 3 imposed on persons engaged in the business of conducting 4 riverboat gambling operations, other than licensed managers 5 conducting riverboat gambling operations on behalf of the 6 State, based on the adjusted gross receipts received by a licensed owner from gambling games authorized under this Act at 7 the following rates: 8 9 15% of annual adjusted gross receipts up to and including \$25,000,000; 10 11 20% of annual adjusted gross receipts in excess of 12 \$25,000,000 but not exceeding \$50,000,000; 25% of annual adjusted gross receipts in excess of 13 14 \$50,000,000 but not exceeding \$75,000,000; 30% of annual adjusted gross receipts in excess of 15 16 \$75,000,000 but not exceeding \$100,000,000; 35% of annual adjusted gross receipts in excess of 17 \$100,000,000 but not exceeding \$400,000,000; 18 40% of annual adjusted gross receipts in excess of 19 20 \$400,000,000 but not exceeding \$450,000,000; 45% of annual adjusted gross receipts in excess of 21 \$450,000,000 but not exceeding \$500,000,000; 22 23 50% of annual adjusted gross receipts in excess of \$500,<u>000,000.</u> 24 15% of annual adjusted gross receipts 25 up 26 including \$25,000,000; 27 22.5% of annual adjusted gross receipts in excess 28 \$25,000,000 but not exceeding \$50,000,000; 29 27.5% of annual adjusted gross receipts in excess 30 \$50,000,000 but not exceeding \$75,000,000; 31 32.5% of annual adjusted gross receipts in excess 32 \$75,000,000 but not exceeding \$100,000,000; 37.5% of annual adjusted gross receipts in excess of 33 \$100,000,000 but not exceeding \$150,000,000; 34 annual adjusted 35 ofaross 36 \$150,000,000 but not exceeding \$200,000,000;

1 2

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

3 <u>(a-8)</u> Riverboat gambling operations conducted by a 4 licensed manager on behalf of the State are not subject to the 5 tax imposed under this Section.

6 (a-10) The taxes imposed by this Section shall be paid by 7 the licensed owner <u>or electronic gaming licensee</u> to the Board 8 not later than 3:00 o'clock p.m. of the day after the day when 9 the wagers were made.

(b) Until January 1, 1998, 25% of the tax revenue deposited 10 11 in the State Gaming Fund under this Section shall be paid, 12 subject to appropriation by the General Assembly, to the unit of local government which is designated as the home dock of the 13 riverboat. Except as otherwise provided in this subsection (b), 14 beginning January 1, 1998, from the tax revenue from riverboat 15 16 gambling deposited in the State Gaming Fund under this Section, 17 an amount equal to 5% of adjusted gross receipts generated by a riverboat shall be paid monthly, subject to appropriation by 18 19 the General Assembly, to the unit of local government that is 20 designated as the home dock of the riverboat.

For calendar year 2004 and each year thereafter, if the 21 adjusted gross receipts of a riverboat from riverboat gambling 22 23 are greater than they were in calendar year 2002, the amount paid to the unit of local government under this subsection (b) 24 shall not exceed that amount paid in calendar year 2002. In the 25 case of an owners licensee that first begins conducting 26 27 riverboat gambling operations on or after the effective date of this amendatory Act of the 93rd General Assembly, the term 28 "calendar year 2002" as used in this subsection (b) means the 29 owners licensee's first full year of conducting riverboat 30 31 gambling operations.

32 <u>(b-5) Beginning on the effective date of this amendatory</u> 33 Act of the 93rd General Assembly, after the payments required 34 <u>under subsection (b) have been made, from the tax revenue from</u> 35 <u>electronic gaming deposited into the State Gaming Fund under</u> 36 <u>this Section, an amount equal to 1% of the adjusted gross</u> - 109 - LRB093 15178 LRD 40774 b

HB4600

1 receipts generated by each electronic gaming licensee shall be 2 paid monthly, subject to appropriation, to the municipality in which the electronic gaming facility is located. If an 3 electronic gaming facility is not located within a 4 5 municipality, then an amount equal to 1% of the adjusted gross receipts generated by the electronic gaming licensee shall be 6 paid monthly, subject to appropriation, to the county in which 7 the electronic gaming facility is located. 8

(b-10) Beginning on the effective date of this amendatory 9 Act of the 93rd General Assembly, after the payments required 10 under subsections (b) and (b-5) have been made, from the tax 11 12 revenue from electronic gaming deposited into the State Gaming 13 Fund under this Section, an amount equal to 1% of the adjusted gross receipts generated by an electronic gaming licensee, but 14 in no event more than \$25,000,000 in any year, shall be paid 15 16 monthly, subject to appropriation, into the Intercity 17 Development Fund.

18 (b-15) Beginning on the effective date of this amendatory 19 Act of the 93rd General Assembly, after the payments required 20 under subsections (b), (b-5), and (b-10) have been made, the 21 first \$5,000,000 of tax revenue derived from electronic gaming 22 shall be paid to the Department of Human Services to be used 23 for compulsive gambling programs.

(b-20) From the tax revenue deposited in the State Gaming 24 25 Fund pursuant to riverboat gambling operations conducted by a 26 licensed manager on behalf of the State, an amount equal to 5% 27 of adjusted gross receipts generated pursuant to those 28 riverboat gambling operations shall be paid monthly, subject to appropriation by the General Assembly, to the unit of local 29 30 government that is designated as the home dock of the riverboat 31 upon which those riverboat gambling operations are conducted.

32 (c) Appropriations, as approved by the General Assembly, may be made from the State Gaming Fund to the Department of 33 Department of 34 and the State Police for Revenue the 35 administration and enforcement of this Act, or to the 36 Department of Human Services for the administration of programs

1 to treat problem gambling.

2 After the payments required (c-5) (Blank). under 3 subsections (b) and (c) have been made, an amount equal to 15% of the adjusted gross receipts of (1) an owners licensee that 4 5 relocates pursuant to Section 11.2, (2) an owners license 6 conducting riverboat gambling operations pursuant to an owners license that is initially issued after June 25, 1999, or (3) 7 the first riverboat gambling operations conducted by a licensed 8 manager on behalf of the State under Section 7.2, whichever 9 10 comes first, shall be paid from the State Gaming Fund into the 11 Horse Racing Equity Fund.

12 (c-10) <u>(Blank)</u>. Each year the General Assembly shall 13 appropriate from the General Revenue Fund to the Education 14 Assistance Fund an amount equal to the amount paid into the 15 Horse Racing Equity Fund pursuant to subsection (c-5) in the 16 prior calendar year.

17 (c-15) After the payments required under subsections (b), (b-5), (b-10), (b-15), and (c), and (c 5) have been made, an 18 19 amount equal to 2% of the adjusted gross receipts of (1) an owners licensee that relocates pursuant to Section 11.2, (2) an 20 owners licensee conducting riverboat gambling operations 21 pursuant to an owners license that is initially issued after 22 23 June 25, 1999, or (3) the first riverboat gambling operations conducted by a licensed manager on behalf of the State under 24 Section 7.2, whichever comes first, shall be paid, subject to 25 26 appropriation from the General Assembly, from the State Gaming 27 Fund to each home rule county with a population of over 3,000,000 inhabitants for the purpose of enhancing the county's 28 criminal justice system. 29

30 (c-20) Each year the General Assembly shall appropriate 31 from the General Revenue Fund to the Education Assistance Fund 32 an amount equal to the amount paid to each home rule county 33 with a population of over 3,000,000 inhabitants pursuant to 34 subsection (c-15) in the prior calendar year.

35 (c-25) After the payments required under subsections (b), 36 (b-5), (b-10), (b-15), (c), (c-5) and (c-15) have been made, an

1 amount equal to 2% of the adjusted gross receipts of (1) an 2 owners licensee license that relocates pursuant to Section 11.2, (2) an owners licensee license conducting riverboat 3 gambling operations pursuant to an owners license that is 4 5 initially issued after June 25, 1999, or (3) the first 6 riverboat gambling operations conducted by a licensed manager on behalf of the State under Section 7.2, whichever comes 7 first, shall be paid from the State Gaming Fund to Chicago 8 9 State University.

10 (d) From time to time, the Board shall transfer the 11 remainder of the funds generated by this Act into the Education 12 Assistance Fund, created by Public Act 86-0018, of the State of 13 Illinois.

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

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

25 (Source: P.A. 92-595, eff. 6-28-02; 93-27, eff. 6-20-03; 93-28, 26 eff. 6-20-03; revised 10-3-03.)

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## (230 ILCS 10/13.2 new)

Sec. 13.2. Licensee assessment. All owners licensees 28 licensed to conduct riverboat gambling operations on the 29 30 effective date of this amendatory Act of the 93rd General Assembly shall be required to pay an aggregate amount of 31 \$130,000,000 to the Gaming Board by July 1, 2004. The Board 32 shall deposit all moneys received under this Section into the 33 State Gaming Fund. Each owners licensee shall pay a pro rata 34 share based on its adjusted gross receipts from calendar year 35

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- 112 - LRB093 15178 LRD 40774 b
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HB4600
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1 <u>2002 as determined by the Board.</u>

2 (230 ILCS 10/14) (from Ch. 120, par. 2414)

3 Sec. 14. Licensees - Records - Reports - Supervision.

4 (a) A Licensed <u>owners and electronic gaming licensees</u> <del>owner</del>
5 shall keep <u>their</u> <del>his</del> books and records so as to clearly show
6 the following:

7 8 (1) The amount received daily from admission fees.

(2) The total amount of gross receipts.

9

(3) The total amount of the adjusted gross receipts.

10 (b) The Licensed <u>owners and electronic gaming licensees</u> 11 <del>owner</del> shall furnish to the Board reports and information as the 12 Board may require with respect to its activities on forms 13 designed and supplied for such purpose by the Board.

(c) The books and records kept by a licensed owner or 14 15 electronic gaming licensee as provided by this Section are 16 public records and the examination, publication, and dissemination of the books and records are governed by the 17 provisions of The Freedom of Information Act. 18 (Source: P.A. 86-1029.) 19

20 (230 ILCS 10/18) (from Ch. 120, par. 2418)

21 Sec. 18. Prohibited Activities - Penalty.

(a) A person is guilty of a Class A misdemeanor for doingany of the following:

(1) Conducting gambling where wagering is used or to beused without a license issued by the Board.

26 (2) Conducting gambling where wagering is permitted27 other than in the manner specified by Section 11.

(b) A person is guilty of a Class B misdemeanor for doingany of the following:

30 (1) permitting a person under 21 years to make a wager;31 or

32 (2) violating paragraph (12) of subsection (a) of33 Section 11 of this Act.

34 (c) A person wagering or accepting a wager at any location

- 113 - LRB093 15178 LRD 40774 b

HB4600

1 outside the riverboat <u>or electronic gaming facility in</u> 2 <u>violation of paragraph</u> <del>is subject to the penalties in</del> 3 <del>paragraphs</del> (1) or (2) of subsection (a) of Section 28-1 of the 4 Criminal Code of 1961 <u>is subject to the penalties provided in</u> 5 <u>that Section</u>.

(d) A person commits a Class 4 felony and, in addition,
shall be barred for life from <u>gambling operations</u> riverboats
under the jurisdiction of the Board, if the person does any of
the following:

10 (1) Offers, promises, or gives anything of value or 11 benefit to a person who is connected with a riverboat owner 12 or electronic gaming licensee including, but not limited 13 to, an officer or employee of a licensed owner or electronic gaming licensee or holder of an occupational 14 license pursuant to an agreement or arrangement or with the 15 16 intent that the promise or thing of value or benefit will 17 influence the actions of the person to whom the offer, promise, or gift was made in order to affect or attempt to 18 affect the outcome of a gambling game, or to influence 19 20 official action of a member of the Board.

21 (2) Solicits or knowingly accepts or receives a promise of anything of value or benefit while the person is 22 connected with a riverboat or electronic gaming facility, 23 including, but not limited to, an officer or employee of a 24 licensed owner or electronic gaming licensee, or the holder 25 26 of an occupational license, pursuant to an understanding or 27 arrangement or with the intent that the promise or thing of 28 value or benefit will influence the actions of the person to affect or attempt to affect the outcome of a gambling 29 30 game, or to influence official action of a member of the 31 Board.

32 (3) Uses or possesses with the intent to use a device33 to assist:

34 (i) In projecting the outcome of the game.
35 (ii) In keeping track of the cards played.
36 (iii) In analyzing the probability of the

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occurrence of an event relating to the gambling game.

2 (iv) In analyzing the strategy for playing or 3 betting to be used in the game except as permitted by 4 the Board.

5

(4) Cheats at a gambling game.

6 (5) Manufactures, sells, or distributes any cards, 7 chips, dice, game or device which is intended to be used to 8 violate any provision of this Act.

9 (6) Alters or misrepresents the outcome of a gambling 10 game on which wagers have been made after the outcome is 11 made sure but before it is revealed to the players.

12 (7) Places a bet after acquiring knowledge, not 13 available to all players, of the outcome of the gambling 14 game which is subject of the bet or to aid a person in 15 acquiring the knowledge for the purpose of placing a bet 16 contingent on that outcome.

(8) Claims, collects, or takes, or attempts to claim, collect, or take, money or anything of value in or from the gambling games, with intent to defraud, without having made a wager contingent on winning a gambling game, or claims, collects, or takes an amount of money or thing of value of greater value than the amount won.

23 (9) Uses counterfeit chips or tokens in a gambling24 game.

(10) Possesses any key or device designed for the 25 purpose of opening, entering, or affecting the operation of 26 27 a gambling game, drop box, or an electronic or mechanical 28 device connected with the gambling game or for removing 29 coins, tokens, chips or other contents of a gambling game. 30 This paragraph (10) does not apply to a gambling licensee 31 or employee of a gambling licensee acting in furtherance of 32 the employee's employment.

33 (e) The possession of more than one of the devices 34 described in subsection (d), paragraphs (3), (5) or (10) 35 permits a rebuttable presumption that the possessor intended to 36 use the devices for cheating.

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#### - 115 - LRB093 15178 LRD 40774 b

1 An action to prosecute any crime occurring on a riverboat 2 shall be tried in the county of the dock at which the riverboat 3 is based.

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

(230 ILCS 10/19) (from Ch. 120, par. 2419)

6 Sec. 19. Forfeiture of property. (a) Except as provided in 7 subsection (b), any riverboat or electronic gaming facility used for the conduct of gambling games in violation of this Act 8 9 shall be considered a gambling place in violation of Section 10 28-3 of the Criminal Code of 1961, as now or hereafter amended. 11 Every gambling device found on a riverboat or at an electronic gaming facility operating gambling games in violation of this 12 Act and every slot machine found at an electronic gaming 13 facility operating gambling games in violation of this Act 14 15 shall be subject to seizure, confiscation and destruction as 16 provided in Section 28-5 of the Criminal Code of 1961, as now or hereafter amended. 17

18 (b) It is not a violation of this Act for a riverboat or 19 other watercraft which is licensed for gaming by a contiguous state to dock on the shores of this State if the municipality 20 having jurisdiction of the shores, or the county in the case of 21 22 unincorporated areas, has granted permission for docking and no 23 gaming is conducted on the riverboat or other watercraft while it is docked on the shores of this State. No gambling device 24 25 shall be subject to seizure, confiscation or destruction if the 26 gambling device is located on a riverboat or other watercraft 27 which is licensed for gaming by a contiguous state and which is 28 docked on the shores of this State if the municipality having 29 jurisdiction of the shores, or the county in the case of unincorporated areas, has granted permission for docking and no 30 31 gaming is conducted on the riverboat or other watercraft while it is docked on the shores of this State. 32

33 (Source: P.A. 86-1029.)

- 116 - LRB093 15178 LRD 40774 b

HB4600

1 Sec. 20. Prohibited activities - civil penalties. Any 2 person who conducts a gambling operation without first obtaining a license to do so, or who continues to conduct such 3 4 games after revocation of his license, or any licensee who 5 conducts or allows to be conducted any unauthorized gambling games on a riverboat or at an electronic gaming facility where 6 it is authorized to conduct its riverboat gambling operation, 7 in addition to other penalties provided, shall be subject to a 8 9 civil penalty equal to the amount of gross receipts derived from wagering on the gambling games, whether unauthorized or 10 11 authorized, conducted on that day as well as confiscation and 12 forfeiture of all gambling game equipment used in the conduct of unauthorized gambling games. 13

14 (Source: P.A. 86-1029.)

Section 85. The Illinois Pull Tabs and Jar Games Act is amended by changing Sections 1.1, 4, and 5 as follows:

17 (230 ILCS 20/1.1) (from Ch. 120, par. 1051.1)

18 Sec. 1.1. Definitions. As used in this Act:

tabs" and "jar games" means game 19 "P11]] а using single-folded or banded tickets or a card, the face of which is 20 21 initially covered or otherwise hidden from view in order to conceal a number, symbol or set of symbols, some of which are 22 23 winners. Players with winning tickets receive a prize stated on 24 a promotional display or "flare". Pull tabs also means a game 25 in which prizes are won by pulling a tab from a board thereby 26 revealing a number which corresponds to the number for a given 27 prize.

Except in the case of bingo event games, each winning pull tab or slip shall be predetermined. The right to participate in such games shall not cost more than \$2. Except for prizes <u>awarded as part of a progressive game</u>, no single prize shall exceed \$500. There shall be no more than 6,000 tickets in a game.

34

"Pull tabs and jar games", as used in this Act, does not

include the following: numbers, policy, bolita or similar games, dice, slot machines, bookmaking and wagering pools with respect to a sporting event, or that game commonly known as punch boards, or any other game or activity not expressly defined in this Section.

6 "Organization" means a corporation, agency, partnership, 7 association, firm or other entity consisting of 2 or more 8 persons joined by a common interest or purpose.

9 "Non-profit organization" means an organization or 10 institution organized and conducted on a not-for-profit basis 11 with no personal profit inuring to anyone as a result of the 12 operation.

13 "Charitable organization" means an organization or 14 institution organized and operated to benefit an indefinite 15 number of the public.

16 "Educational organization" means an organization or 17 institution organized and operated to provide systematic 18 instruction in useful branches of learning by methods common to 19 schools and institutions of learning which compare favorably in 20 their scope and intensity with the course of study presented in 21 tax-supported schools.

22 "Religious organization" means any church, congregation, 23 society, or organization founded for the purpose of religious 24 worship.

25 "Fraternal organization" means an organization of persons, 26 including but not limited to ethnic organizations, having a 27 common interest, organized and operated exclusively to promote 28 the welfare of its members and to benefit the general public on 29 a continuing and consistent basis.

30 "Veterans' organization" means an organization comprised 31 of members of which substantially all are individuals who are 32 veterans or spouses, widows, or widowers of veterans, the 33 primary purpose of which is to promote the welfare of its 34 members and to provide assistance to the general public in such 35 a way as to confer a public benefit.

36

"Labor organization" means an organization composed of

1 labor unions or workers organized with the objective of 2 betterment of the conditions of those engaged in such pursuit 3 and the development of a higher degree of efficiency in their 4 respective occupations.

5 "Youth athletic organization" means an organization having 6 as its exclusive purpose the promotion and provision of 7 athletic activities for youth aged 18 and under.

8 "Senior citizens organization" means an organization or 9 association comprised of members of which substantially all are 10 individuals who are senior citizens, as defined in the Illinois 11 Act on the Aging, the primary purpose of which is to promote 12 the welfare of its members.

13 <u>"Progressive game" means a pull tab game that has a portion</u>
14 of its predetermined prize payout designated to a progressive
15 jackpot that, if not won, is carried forward and added to the
16 jackpot of subsequent games until won.

17 <u>"Bingo event game" means a pull tab game played with pull</u>
18 <u>tab tickets where the winner has not been designated in advance</u>
19 <u>by the manufacturer, but is determined by chance.</u>

20 (Source: P.A. 90-536, eff. 1-1-98.)

21

(230 ILCS 20/4) (from Ch. 120, par. 1054)

22 Sec. 4. The conducting of pull tabs and jar games is 23 subject to the following restrictions:

(1) The entire net proceeds of any pull tabs or jar games,
except as otherwise approved in this Act, must be exclusively
devoted to the lawful purposes of the organization permitted to
conduct such drawings.

(2) No person except a bona fide member or employee of the
sponsoring organization may participate in the management or
operation of such pull tabs or jar games; however, nothing
herein shall conflict with pull tabs and jar games conducted
under the provisions of the Charitable Games Act.

(3) No person may receive any remuneration or profit for
 participating in the management or operation of such pull tabs
 or jar games; however, nothing herein shall conflict with pull

- 119 - LRB093 15178 LRD 40774 b

HB4600

tabs and jar games conducted under the provisions of the
 Charitable Games Act.

3 (4) The price paid for a single chance or right to participate in a game licensed under this Act shall not exceed 4 5 \$2. The aggregate value of all prizes or merchandise awarded in 6 any single day of pull tabs and jar games shall not exceed 7 \$5,000, except that in adjoining counties having 200,000 to 275,000 inhabitants each, and in counties which are adjacent to 8 9 either of such adjoining counties and are adjacent to total of not more than 2 counties in this State, the value of all prizes 10 or merchandise awarded may not exceed \$5,000 in a single day. 11

12 (5) No person under the age of 18 years shall play or 13 participate in games under this Act. A person under the age of 14 18 years may be within the area where pull tabs and jar games 15 are being conducted only when accompanied by his parent or 16 guardian.

(6) Pull tabs and jar games shall be conducted only on premises owned or occupied by licensed organizations and used by its members for general activities, or on premises owned or rented for conducting the game of bingo, or as permitted in subsection (4) of Section 3.

22 (Source: P.A. 90-536, eff. 1-1-98; 90-808, eff. 12-1-98.)

23

### (230 ILCS 20/5) (from Ch. 120, par. 1055)

24 Sec. 5. There shall be paid to the Department of Revenue 5% 25 of the gross proceeds of any pull tabs and jar games conducted 26 under this Act. Such payments shall be made 4 times per year, 27 between the first and the 20th day of April, July, October and 28 January. Payment must be made by money order or certified 29 check. Accompanying each payment shall be a report, on forms 30 provided by the Department of Revenue, listing the number of 31 drawings conducted, the gross income derived therefrom and such other information as the Department of Revenue may require. 32 33 Failure to submit either the payment or the report within the specified time shall result in automatic revocation of the 34 35 license. All payments made to the Department of Revenue under - 120 - LRB093 15178 LRD 40774 b

HB4600

1 this Act shall be deposited as follows:

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(a) 50% shall be deposited in the Common School Fund; and

3 (b) 50% shall be deposited in the Illinois Gaming Law 4 Enforcement Fund. Of the monies deposited in the Illinois 5 Gaming Law Enforcement Fund under this Section, the General Assembly shall appropriate two-thirds to the Department of 6 7 Revenue, Department of State Police and the Office of the 8 Attorney General for State law enforcement purposes, and one-third shall be appropriated to the Department of Revenue 9 10 for the purpose of distribution in the form of grants to 11 counties or municipalities for law enforcement purposes. The 12 amounts of grants to counties or municipalities shall bear the 13 same ratio as the number of licenses issued in counties or municipalities bears to the total number of licenses issued in 14 15 the State. In computing the number of licenses issued in a county, licenses issued for locations within a municipality's 16 17 boundaries shall be excluded.

The Department of Revenue shall license suppliers and 18 19 manufacturers of pull tabs and jar games at an annual fee of 20 \$5,000. Suppliers and manufacturers shall meet the requirements and qualifications established by rule by the 21 22 Department. Licensed manufacturers shall sell pull tabs and jar 23 games only to licensed suppliers. Licensed suppliers shall buy 24 pull tabs and jar games only from licensed manufacturers and 25 shall sell pull tabs and jar games only to licensed 26 organizations. Licensed organizations shall buy pull tabs and 27 jar games only from licensed suppliers.

The Department of Revenue shall adopt by rule minimum 28 29 quality production standards for pull tabs and jar games. In 30 determining such standards, the Department shall consider the standards adopted by the National Association of Gambling 31 32 Regulatory Agencies and the National Association of 33 Fundraising Ticket Manufacturers. Such standards shall include the name of the supplier which shall appear in plain view to 34 the casual observer on the face side of each pull tab ticket 35 and on each jar game ticket. The pull tab ticket shall contain 36

the name of the game, the selling price of the ticket, the amount of the prize and the serial number of the ticket. The back side of a pull tab ticket shall contain a series of perforated tabs marked "open here". The logo of the manufacturer shall be clearly visible on each jar game ticket.

6 The Department of Revenue shall adopt rules necessary to 7 provide for the proper accounting and control of activities 8 under this Act, to ensure that the proper taxes are paid, that 9 the proceeds from the activities under this Act are used 10 lawfully, and to prevent illegal activity associated with the 11 use of pull tabs and jar games.

12 The provisions of Section 2a of the Retailers' Occupation 13 Tax Act pertaining to the furnishing of a bond or other security are incorporated by reference into this Act and are 14 15 applicable to licensees under this Act as a precondition of 16 obtaining a license under this Act. The provisions of Sections 17 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, 10, 11 and 12 of the Retailers' Occupation Tax Act, and 18 19 Section 3-7 of the Uniform Penalty and Interest Act, which are 20 not inconsistent with this Act shall apply, as far as practicable, to the subject matter of this Act to the same 21 extent as if such provisions were included in this Act. For the 22 23 purposes of this Act, references in such incorporated Sections of the Retailers' Occupation Tax Act to retailers, sellers or 24 persons engaged in the business of selling tangible personal 25 26 property means persons engaged in conducting pull tabs and jar 27 games and references in such incorporated Sections of the 28 Retailers' Occupation Tax Act to sales of tangible personal 29 property mean the conducting of pull tabs and jar games and the 30 making of charges for participating in such drawings.

31 (Source: P.A. 87-205; 87-895.)

32 Section 90. The Criminal Code of 1961 is amended by 33 changing Sections 28-1, 28-5, and 28-7 as follows:

34 (720 ILCS 5/28-1) (from Ch. 38, par. 28-1)

Sec. 28-1. Gambling.

(a) A person commits gambling when he:

3 (1) Plays a game of chance or skill for money or other
4 thing of value, unless excepted in subsection (b) of this
5 Section; or

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(2) Makes a wager upon the result of any game, contest,or any political nomination, appointment or election; or

(3) Operates, keeps, owns, uses, purchases, exhibits, rents, sells, bargains for the sale or lease of, manufactures or distributes any gambling device; or

11 (4) Contracts to have or give himself or another the 12 option to buy or sell, or contracts to buy or sell, at a future time, any grain or other commodity whatsoever, or 13 any stock or security of any company, where it is at the 14 time of making such contract intended by both parties 15 16 thereto that the contract to buy or sell, or the option, 17 whenever exercised, or the contract resulting therefrom, shall be settled, not by the receipt or delivery of such 18 property, but by the payment only of differences in prices 19 20 thereof; however, the issuance, purchase, sale, exercise, endorsement or guarantee, by or through a person registered 21 with the Secretary of State pursuant to Section 8 of the 22 23 Illinois Securities Law of 1953, or by or through a person exempt from such registration under said Section 8, of a 24 25 put, call, or other option to buy or sell securities which have been registered with the Secretary of State or which 26 27 are exempt from such registration under Section 3 of the Illinois Securities Law of 1953 is not gambling within the 28 meaning of this paragraph (4); or 29

30 (5) Knowingly owns or possesses any book, instrument or 31 apparatus by means of which bets or wagers have been, or 32 are, recorded or registered, or knowingly possesses any 33 money which he has received in the course of a bet or 34 wager; or

35 (6) Sells pools upon the result of any game or contest
 36 of skill or chance, political nomination, appointment or

- 123 - LRB093 15178 LRD 40774 b

HB4600

1 election; or

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(7) Sets up or promotes any lottery or sells, offers to sell or transfers any ticket or share for any lottery; or

4 (8) Sets up or promotes any policy game or sells,
5 offers to sell or knowingly possesses or transfers any
6 policy ticket, slip, record, document or other similar
7 device; or

8 (9) Knowingly drafts, prints or publishes any lottery 9 ticket or share, or any policy ticket, slip, record, 10 document or similar device, except for such activity 11 related to lotteries, bingo games and raffles authorized by 12 and conducted in accordance with the laws of Illinois or 13 any other state or foreign government; or

(10) Knowingly advertises any lottery or policy game,
except for such activity related to lotteries, bingo games
and raffles authorized by and conducted in accordance with
the laws of Illinois or any other state; or

(11) Knowingly transmits information as to wagers, 18 betting odds, or changes in betting odds by telephone, 19 20 telegraph, radio, semaphore or similar means; or knowingly installs or maintains equipment for the transmission or 21 receipt of such information; except that nothing in this 22 23 subdivision (11) prohibits transmission or receipt of such information for use in news reporting of sporting events or 24 25 contests; or

(12) Knowingly establishes, maintains, or operates an
Internet site that permits a person to play a game of
chance or skill for money or other thing of value by means
of the Internet or to make a wager upon the result of any
game, contest, political nomination, appointment, or
election by means of the Internet.

32 (b) Participants in any of the following activities shall33 not be convicted of gambling therefor:

34 (1) Agreements to compensate for loss caused by the
 35 happening of chance including without limitation contracts
 36 of indemnity or guaranty and life or health or accident

1 insurance;

(2) Offers of prizes, award or compensation to the actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the owners of animals or vehicles entered in such contest;

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(3) Pari-mutuel betting as authorized by the law of this State;

(4) Manufacture of gambling devices, including the acquisition of essential parts therefor and the assembly thereof, for transportation in interstate or foreign commerce to any place outside this State when such transportation is not prohibited by any applicable Federal law;

14 (5) The game commonly known as "bingo", when conducted
 15 in accordance with the Bingo License and Tax Act;

16 (6) Lotteries when conducted by the State of Illinois
17 in accordance with the Illinois Lottery Law;

(7) Possession of an antique slot machine that is
neither used nor intended to be used in the operation or
promotion of any unlawful gambling activity or enterprise.
For the purpose of this subparagraph (b)(7), an antique
slot machine is one manufactured 25 years ago or earlier;

23 (8) Raffles when conducted in accordance with the
 24 Raffles Act;

(9) Charitable games when conducted in accordance withthe Charitable Games Act;

(10) Pull tabs and jar games when conducted under the
Illinois Pull Tabs and Jar Games Act; or

(11) Gambling games conducted on riverboats when
 authorized by the Riverboat Gambling Act.

31 (c) Sentence.

Gambling under subsection (a)(1) or (a)(2) of this Section is a Class A misdemeanor. Gambling under any of subsections (a)(3) through (a)(11) of this Section is a Class A misdemeanor. A second or subsequent conviction under any of subsections (a)(3) through (a)(11), is a Class 4 felony. - 125 - LRB093 15178 LRD 40774 b

HB4600

Gambling under subsection (a) (12) of this Section is a Class A
 misdemeanor. A second or subsequent conviction under
 subsection (a) (12) is a Class 4 felony.

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(d) Circumstantial evidence.

5 In prosecutions under subsection (a)(1) through (a)(12) of 6 this Section circumstantial evidence shall have the same 7 validity and weight as in any criminal prosecution.

8 (Source: P.A. 91-257, eff. 1-1-00.)

9

(720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

10 Sec. 28-5. Seizure of gambling devices and gambling funds. 11 (a) Every device designed for gambling which is incapable of lawful use or every device used unlawfully for gambling 12 shall be considered a "gambling device", and shall be subject 13 to seizure, confiscation and destruction by the Department of 14 15 State Police or by any municipal, or other local authority, 16 within whose jurisdiction the same may be found. As used in this Section, a "gambling device" includes any slot machine, 17 18 and includes any machine or device constructed for the 19 reception of money or other thing of value and so constructed 20 as to return, or to cause someone to return, on chance to the player thereof money, property or a right to receive money or 21 22 property. With the exception of any device designed for 23 gambling which is incapable of lawful use, no gambling device shall be forfeited or destroyed unless an individual with a 24 25 property interest in said device knows of the unlawful use of 26 the device.

(b) Every gambling device shall be seized and forfeited to the county wherein such seizure occurs. Any money or other thing of value integrally related to acts of gambling shall be seized and forfeited to the county wherein such seizure occurs.

31 (c) If, within 60 days after any seizure pursuant to 32 subparagraph (b) of this Section, a person having any property 33 interest in the seized property is charged with an offense, the 34 court which renders judgment upon such charge shall, within 30 35 days after such judgment, conduct a forfeiture hearing to

1 determine whether such property was a gambling device at the 2 time of seizure. Such hearing shall be commenced by a written petition by the State, including material allegations of fact, 3 the name and address of every person determined by the State to 4 5 have any property interest in the seized property, a 6 representation that written notice of the date, time and place of such hearing has been mailed to every such person by 7 certified mail at least 10 days before such date, and a request 8 9 for forfeiture. Every such person may appear as a party and 10 present evidence at such hearing. The quantum of proof required 11 shall be a preponderance of the evidence, and the burden of 12 proof shall be on the State. If the court determines that the seized property was a gambling device at the time of seizure, 13 an order of forfeiture and disposition of the seized property 14 15 shall be entered: a gambling device shall be received by the 16 State's Attorney, who shall effect its destruction, except that 17 valuable parts thereof may be liquidated and the resultant money shall be deposited in the general fund of the county 18 19 wherein such seizure occurred; money and other things of value and, 20 shall be received by the State's Attorney upon liquidation, shall be deposited in the general fund of the 21 county wherein such seizure occurred. However, in the event 22 23 that a defendant raises the defense that the seized slot machine is an antique slot machine described in subparagraph 24 (b) (7) of Section 28-1 of this Code and therefore he is exempt 25 26 from the charge of a gambling activity participant, the seized 27 antique slot machine shall not be destroyed or otherwise 28 altered until a final determination is made by the Court as to 29 whether it is such an antique slot machine. Upon a final 30 determination by the Court of this question in favor of the 31 defendant, such slot machine shall be immediately returned to 32 the defendant. Such order of forfeiture and disposition shall, for the purposes of appeal, be a final order and judgment in a 33 34 civil proceeding.

35 (d) If a seizure pursuant to subparagraph (b) of this36 Section is not followed by a charge pursuant to subparagraph

1 (c) of this Section, or if the prosecution of such charge is 2 permanently terminated or indefinitely discontinued without 3 any judgment of conviction or acquittal (1) the State's Attorney shall commence an in rem proceeding for the forfeiture 4 5 and destruction of a gambling device, or for the forfeiture and 6 deposit in the general fund of the county of any seized money or other things of value, or both, in the circuit court and (2) 7 8 any person having any property interest in such seized gambling 9 device, money or other thing of value may commence separate 10 civil proceedings in the manner provided by law.

(e) Any gambling device displayed for sale to a riverboat gambling operation or used to train occupational licensees of a riverboat gambling operation as authorized under the Riverboat Gambling Act is exempt from seizure under this Section.

(f) Any gambling equipment, devices and supplies provided by a licensed supplier in accordance with the Riverboat Gambling Act which are removed from <u>a</u> the riverboat <u>or</u> <u>electronic gaming facility</u> for repair are exempt from seizure under this Section.

20 (Source: P.A. 87-826.)

21

(720 ILCS 5/28-7) (from Ch. 38, par. 28-7)

22 Sec. 28-7. Gambling contracts void.

23 (a) All promises, notes, bills, bonds, covenants, agreements, 24 contracts, judgments, mortgages, other or 25 securities or conveyances made, given, granted, drawn, or 26 entered into, or executed by any person whatsoever, where the 27 whole or any part of the consideration thereof is for any money or thing of value, won or obtained in violation of any Section 28 29 of this Article are null and void.

30 (b) Any obligation void under this Section may be set aside 31 and vacated by any court of competent jurisdiction, upon a 32 complaint filed for that purpose, by the person so granting, 33 giving, entering into, or executing the same, or by his 34 executors or administrators, or by any creditor, heir, legatee, 35 purchaser or other person interested therein; or if a judgment, - 128 - LRB093 15178 LRD 40774 b

HB4600

the same may be set aside on motion of any person stated above,
 on due notice thereof given.

3 (c) No assignment of any obligation void under this Section 4 may in any manner affect the defense of the person giving, 5 granting, drawing, entering into or executing such obligation, 6 or the remedies of any person interested therein.

(d) This Section shall not prevent a licensed owner of a
riverboat gambling operation or an electronic gaming licensee
<u>under the Riverboat Gambling Act and the Illinois Horse Racing</u>
<u>Act of 1975</u> from instituting a cause of action to collect any
amount due and owing under an extension of credit to a
<del>riverboat</del> gambling patron as authorized under <u>Section 11.1 of</u>
the Riverboat Gambling Act.

14 (Source: P.A. 87-826.)

15 (230 ILCS 5/32.1 rep.)

16 (230 ILCS 5/54 rep.)

Section 93. The Illinois Horse Racing Act of 1975 isamended by repealing Sections 32.1 and 54.

Section 100. "An Act in relation to gambling, amending named Acts", approved June 25, 1999, Public Act 91-40, is amended by changing Section 30 as follows:

22

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

23 Sec. 30. Severability. If any provision of this Act (Public 24 Act 91-40) or the application thereof to any person or circumstance is held invalid, that invalidity does not affect 25 the other provisions or applications of the Act which can be 26 given effect without the invalid application or provision, and 27 28 to this end the provisions of this Act are severable. This severability applies without regard to whether the action 29 challenging the validity was brought before the effective date 30 of this amendatory Act of the 93rd General Assembly. 31

32 Inseverability. The provisions of this Act are mutually
 33 dependent and inseverable. If any provision is held invalid

1 other than as applied to a particular person or circumstance,
2 then this entire Act is invalid.

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

Section 105. The State Finance Act is amended by adding
Section 5.625 as follows:

6 (30 ILCS 105/5.625 new)

## 7 <u>Sec. 5.625. The Intercity Development Fund.</u>

8 Section 999. Effective date. This Act takes effect upon 9 becoming law.

	HB4600	- 130 - LRB093 15178 LRD 40774 b
1		INDEX
2	Statutes amende	ed in order of appearance
3	New Act	
4	230 ILCS 5/1.2	
5	230 ILCS 5/3.11	from Ch. 8, par. 37-3.11
6	230 ILCS 5/3.24 new	
7	230 ILCS 5/3.25 new	
8	230 ILCS 5/3.26 new	
9	230 ILCS 5/3.27 new	
10	230 ILCS 5/9	from Ch. 8, par. 37-9
11	230 ILCS 5/20	from Ch. 8, par. 37-20
12	230 ILCS 5/25	from Ch. 8, par. 37-25
13	230 ILCS 5/26	from Ch. 8, par. 37-26
14	230 ILCS 5/26.1	from Ch. 8, par. 37-26.1
15	230 ILCS 5/27	from Ch. 8, par. 37-27
16	230 ILCS 5/28.1	
17	230 ILCS 5/30	from Ch. 8, par. 37-30
18	230 ILCS 5/31	from Ch. 8, par. 37-31
19	230 ILCS 5/34.2 new	
20	230 ILCS 5/36	from Ch. 8, par. 37-36
21	230 ILCS 5/42	from Ch. 8, par. 37-42
22	230 ILCS 5/56 new	
23	230 ILCS 10/3	from Ch. 120, par. 2403
24	230 ILCS 10/4	from Ch. 120, par. 2404
25	230 ILCS 10/5	from Ch. 120, par. 2405
26	230 ILCS 10/7	from Ch. 120, par. 2407
27	230 ILCS 10/7.6 new	
28	230 ILCS 10/8	from Ch. 120, par. 2408
29	230 ILCS 10/9	from Ch. 120, par. 2409
30	230 ILCS 10/11	from Ch. 120, par. 2411
31	230 ILCS 10/11.1	from Ch. 120, par. 2411.1
32	230 ILCS 10/12	from Ch. 120, par. 2412
33	230 ILCS 10/13	from Ch. 120, par. 2413
34	230 ILCS 10/13.2 new	
35	230 ILCS 10/14	from Ch. 120, par. 2414

1	230 ILCS 10/18	from Ch. 120, par. 2418
2	230 ILCS 10/19	from Ch. 120, par. 2419
3	230 ILCS 10/20	from Ch. 120, par. 2420
4	230 ILCS 20/1.1	from Ch. 120, par. 1051.1
5	230 ILCS 20/4	from Ch. 120, par. 1054
6	230 ILCS 20/5	from Ch. 120, par. 1055
7	720 ILCS 5/28-1	from Ch. 38, par. 28-1
8	720 ILCS 5/28-5	from Ch. 38, par. 28-5
9	720 ILCS 5/28-7	from Ch. 38, par. 28-7
10	230 ILCS 5/32.1 rep.	
11	230 ILCS 5/54 rep.	
12	P.A. 91-40, Sec. 30	

13 30 ILCS 105/5.625 new