



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB2368

Introduced 2/16/2005, by Rep. Robert S. Molaro

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.640 new
230 ILCS 5/27

from Ch. 8, par. 37-27

Amends the Horse Racing Act of 1975. Increases the daily pari-mutuel handle tax and provides that the amount of the increase shall be deposited into the Insurance for Jockeys Fund to be used exclusively by the Illinois Racing Board to assist in providing health and accident insurance for jockeys who race at Illinois race tracks for coverage of catastrophic injuries that occur while competing in Illinois. Amends the State Finance Act to create the Insurance for Jockeys Fund as a special fund in the State treasury. Effective immediately.

LRB094 09726 AMC 39982 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning gaming.

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

4 Section 5. The State Finance Act is amended by adding
5 Section 5.640 as follows:

6 (30 ILCS 105/5.640 new)

7 Sec. 5.640. The Insurance for Jockeys Fund.

8 Section 10. The Illinois Horse Racing Act of 1975 is
9 amended by changing Section 27 as follows:

10 (230 ILCS 5/27) (from Ch. 8, par. 37-27)

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

28 In addition, every organization licensee, except as
29 provided in Section 27.1 of this Act, which conducts multiple
30 wagering shall pay, until January 1, 2000, as a privilege tax

1 on multiple wagers an amount equal to 1.25% of all moneys
2 wagered each day on such multiple wagers, plus an additional
3 amount equal to 3.5% of the amount wagered each day on any
4 other multiple wager which involves a single betting interest
5 on 3 or more horses. The licensee shall remit the amount of
6 such taxes to the Department of Revenue within 48 hours after
7 the close of the racing day on which it is assessed or within
8 such other time as the Board prescribes.

9 This subsection (a) shall be inoperative and of no force
10 and effect on and after January 1, 2000.

11 (a-5) Beginning on January 1, 2000 and until January 1,
12 2006, a flat pari-mutuel tax at the rate of 1.5% of the daily
13 pari-mutuel handle is imposed at all pari-mutuel wagering
14 facilities, which shall be remitted to the Department of
15 Revenue within 48 hours after the close of the racing day upon
16 which it is assessed or within such other time as the Board
17 prescribes.

18 (a-10) Beginning on January 1, 2006, a flat pari-mutuel tax
19 at the rate of 1.7% of the daily pari-mutuel handle is imposed
20 at all pari-mutuel wagering facilities. This tax shall be
21 remitted to the Department of Revenue within 48 hours after the
22 close of the racing day upon which it is assessed or within
23 such other time as the Board prescribes. Of the amount remitted
24 to the Department, an amount equal to 0.2% of the daily handle
25 shall be deposited into the Insurance for Jockeys Fund, a
26 special fund created in the State treasury. The moneys in the
27 fund shall be used exclusively by the Illinois Racing Board,
28 pursuant to appropriation, to assist in providing health and
29 accident insurance for jockeys who race at Illinois race tracks
30 for coverage of catastrophic injuries that occur while
31 competing in Illinois. The Illinois Racing Board may adopt any
32 rules necessary to administer this fund.

33
34 (b) On or before December 31, 1999, in the event that any
35 organization licensee conducts 2 separate programs of races on
36 any day, each such program shall be considered a separate

1 racing day for purposes of determining the daily handle and
2 computing the privilege tax on such daily handle as provided in
3 subsection (a) of this Section.

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

16 (d) Any licensee failing or refusing to pay the amount of
17 any tax due under this Section shall be guilty of a business
18 offense and upon conviction shall be fined not more than \$5,000
19 in addition to the amount found due as tax under this Section.
20 Each day's violation shall constitute a separate offense. All
21 fines paid into Court by a licensee hereunder shall be
22 transmitted and paid over by the Clerk of the Court to the
23 Board.

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

27 (f) No other license fee, privilege tax, excise tax or
28 racing fee shall be assessed or collected from any such
29 licensee by units of local government except as provided in
30 paragraph 10.1 of subsection (h) and subsection (f) of Section
31 26 of this Act. However, any municipality that has a Board
32 licensed horse race meeting at a race track wholly within its
33 corporate boundaries or a township that has a Board licensed
34 horse race meeting at a race track wholly within the
35 unincorporated area of the township may charge a local
36 amusement tax not to exceed 10¢ per admission to such horse

1 race meeting by the enactment of an ordinance. However, any
2 municipality or county that has a Board licensed inter-track
3 wagering location facility wholly within its corporate
4 boundaries may each impose an admission fee not to exceed \$1.00
5 per admission to such inter-track wagering location facility,
6 so that a total of not more than \$2.00 per admission may be
7 imposed. Except as provided in subparagraph (g) of Section 27
8 of this Act, the inter-track wagering location licensee shall
9 collect any and all such fees and within 48 hours remit the
10 fees to the Board, which shall, pursuant to rule, cause the
11 fees to be distributed to the county or municipality.

12 (g) Notwithstanding any provision in this Act to the
13 contrary, if in any calendar year the total taxes and fees
14 required to be collected from licensees and distributed under
15 this Act to all State and local governmental authorities
16 exceeds the amount of such taxes and fees distributed to each
17 State and local governmental authority to which each State and
18 local governmental authority was entitled under this Act for
19 calendar year 1994, then the first \$11 million of that excess
20 amount shall be allocated at the earliest possible date for
21 distribution as purse money for the succeeding calendar year.
22 Upon reaching the 1994 level, and until the excess amount of
23 taxes and fees exceeds \$11 million, the Board shall direct all
24 licensees to cease paying the subject taxes and fees and the
25 Board shall direct all licensees to allocate any such excess
26 amount for purses as follows:

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

31 (ii) each thoroughbred and standardbred organization
32 licensee issued an organization licensee in that
33 succeeding allocation year shall be allocated an amount
34 equal to the product of its percentage of total Illinois
35 live thoroughbred or standardbred wagering in calendar
36 year 1994 (the total to be determined based on the sum of

1 1994 on-track wagering for all organization licensees
2 issued organization licenses in both the allocation year
3 and the preceding year) multiplied by the total amount
4 allocated for standardbred or thoroughbred purses,
5 provided that the first \$1,500,000 of the amount allocated
6 to standardbred purses under item (i) shall be allocated to
7 the Department of Agriculture to be expended with the
8 assistance and advice of the Illinois Standardbred
9 Breeders Funds Advisory Board for the purposes listed in
10 subsection (g) of Section 31 of this Act, before the amount
11 allocated to standardbred purses under item (i) is
12 allocated to standardbred organization licensees in the
13 succeeding allocation year.

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

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

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.