



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB1600

Introduced 2/22/2007, by Rep. Wyvetter H. Younge

#### SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.675 new

230 ILCS 10/13

230 ILCS 10/13.2 new

230 ILCS 10/23

from Ch. 120, par. 2413

from Ch. 120, par. 2423

Amends the State Finance Act to create the Depressed Municipalities Fund. Amends the Riverboat Gambling Act. Imposes a supplemental tax of 0.5% of adjusted gross receipts on each licensed owner of a riverboat conducting gambling operations from a home dock located in East St. Louis. Provides that the moneys shall be paid into the Depressed Municipalities Fund and paid to Alorton, Centreville, Brooklyn, Washington Park, and Venice for infrastructure improvement projects. Effective immediately.

LRB095 10354 AMC 30569 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

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

4 Section 5. The State Finance Act is amended by adding  
5 Section 5.675 as follows:

6 (30 ILCS 105/5.675 new)

7 Sec. 5.675. The Depressed Municipalities Fund.

8 Section 10. The Riverboat Gambling Act is amended by  
9 changing Sections 13 and 23 and adding Section 13.2 as follows:

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

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

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

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

20 15% of annual adjusted gross receipts up to and  
21 including \$25,000,000;

1           20% of annual adjusted gross receipts in excess of  
2           \$25,000,000 but not exceeding \$50,000,000;

3           25% of annual adjusted gross receipts in excess of  
4           \$50,000,000 but not exceeding \$75,000,000;

5           30% of annual adjusted gross receipts in excess of  
6           \$75,000,000 but not exceeding \$100,000,000;

7           35% of annual adjusted gross receipts in excess of  
8           \$100,000,000.

9           (a-2) From July 1, 2002 until July 1, 2003, a privilege tax  
10          is imposed on persons engaged in the business of conducting  
11          riverboat gambling operations, other than licensed managers  
12          conducting riverboat gambling operations on behalf of the  
13          State, based on the adjusted gross receipts received by a  
14          licensed owner from gambling games authorized under this Act at  
15          the following rates:

16               15% of annual adjusted gross receipts up to and  
17               including \$25,000,000;

18               22.5% of annual adjusted gross receipts in excess of  
19               \$25,000,000 but not exceeding \$50,000,000;

20               27.5% of annual adjusted gross receipts in excess of  
21               \$50,000,000 but not exceeding \$75,000,000;

22               32.5% of annual adjusted gross receipts in excess of  
23               \$75,000,000 but not exceeding \$100,000,000;

24               37.5% of annual adjusted gross receipts in excess of  
25               \$100,000,000 but not exceeding \$150,000,000;

26               45% of annual adjusted gross receipts in excess of

1           \$150,000,000 but not exceeding \$200,000,000;  
2           50% of annual adjusted gross receipts in excess of  
3           \$200,000,000.

4           (a-3) Beginning July 1, 2003, a privilege tax is imposed on  
5 persons engaged in the business of conducting riverboat  
6 gambling operations, other than licensed managers conducting  
7 riverboat gambling operations on behalf of the State, based on  
8 the adjusted gross receipts received by a licensed owner from  
9 gambling games authorized under this Act at the following  
10 rates:

11           15% of annual adjusted gross receipts up to and  
12 including \$25,000,000;

13           27.5% of annual adjusted gross receipts in excess of  
14 \$25,000,000 but not exceeding \$37,500,000;

15           32.5% of annual adjusted gross receipts in excess of  
16 \$37,500,000 but not exceeding \$50,000,000;

17           37.5% of annual adjusted gross receipts in excess of  
18 \$50,000,000 but not exceeding \$75,000,000;

19           45% of annual adjusted gross receipts in excess of  
20 \$75,000,000 but not exceeding \$100,000,000;

21           50% of annual adjusted gross receipts in excess of  
22 \$100,000,000 but not exceeding \$250,000,000;

23           70% of annual adjusted gross receipts in excess of  
24 \$250,000,000.

25           An amount equal to the amount of wagering taxes collected  
26 under this subsection (a-3) that are in addition to the amount

1 of wagering taxes that would have been collected if the  
2 wagering tax rates under subsection (a-2) were in effect shall  
3 be paid into the Common School Fund.

4 The privilege tax imposed under this subsection (a-3) shall  
5 no longer be imposed beginning on the earlier of (i) July 1,  
6 2005; (ii) the first date after June 20, 2003 that riverboat  
7 gambling operations are conducted pursuant to a dormant  
8 license; or (iii) the first day that riverboat gambling  
9 operations are conducted under the authority of an owners  
10 license that is in addition to the 10 owners licenses initially  
11 authorized under this Act. For the purposes of this subsection  
12 (a-3), the term "dormant license" means an owners license that  
13 is authorized by this Act under which no riverboat gambling  
14 operations are being conducted on June 20, 2003.

15 (a-4) Beginning on the first day on which the tax imposed  
16 under subsection (a-3) is no longer imposed, a privilege tax is  
17 imposed on persons engaged in the business of conducting  
18 riverboat gambling operations, other than licensed managers  
19 conducting riverboat gambling operations on behalf of the  
20 State, based on the adjusted gross receipts received by a  
21 licensed owner from gambling games authorized under this Act at  
22 the following rates:

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

25 22.5% of annual adjusted gross receipts in excess of  
26 \$25,000,000 but not exceeding \$50,000,000;

1           27.5% of annual adjusted gross receipts in excess of  
2           \$50,000,000 but not exceeding \$75,000,000;

3           32.5% of annual adjusted gross receipts in excess of  
4           \$75,000,000 but not exceeding \$100,000,000;

5           37.5% of annual adjusted gross receipts in excess of  
6           \$100,000,000 but not exceeding \$150,000,000;

7           45% of annual adjusted gross receipts in excess of  
8           \$150,000,000 but not exceeding \$200,000,000;

9           50% of annual adjusted gross receipts in excess of  
10          \$200,000,000.

11          (a-8) Riverboat gambling operations conducted by a  
12          licensed manager on behalf of the State are not subject to the  
13          tax imposed under this Section.

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

17          (a-15) If the privilege tax imposed under subsection (a-3)  
18          is no longer imposed pursuant to item (i) of the last paragraph  
19          of subsection (a-3), then by June 15 of each year, each owners  
20          licensee, other than an owners licensee that admitted 1,000,000  
21          persons or fewer in calendar year 2004, must, in addition to  
22          the payment of all amounts otherwise due under this Section,  
23          pay to the Board a reconciliation payment in the amount, if  
24          any, by which the licensed owner's base amount exceeds the  
25          amount of net privilege tax paid by the licensed owner to the  
26          Board in the then current State fiscal year. A licensed owner's

1 net privilege tax obligation due for the balance of the State  
2 fiscal year shall be reduced up to the total of the amount paid  
3 by the licensed owner in its June 15 reconciliation payment.  
4 The obligation imposed by this subsection (a-15) is binding on  
5 any person, firm, corporation, or other entity that acquires an  
6 ownership interest in any such owners license. The obligation  
7 imposed under this subsection (a-15) terminates on the earliest  
8 of: (i) July 1, 2007, (ii) the first day after the effective  
9 date of this amendatory Act of the 94th General Assembly that  
10 riverboat gambling operations are conducted pursuant to a  
11 dormant license, (iii) the first day that riverboat gambling  
12 operations are conducted under the authority of an owners  
13 license that is in addition to the 10 owners licenses initially  
14 authorized under this Act, or (iv) the first day that a  
15 licensee under the Illinois Horse Racing Act of 1975 conducts  
16 gaming operations with slot machines or other electronic gaming  
17 devices. The Board must reduce the obligation imposed under  
18 this subsection (a-15) by an amount the Board deems reasonable  
19 for any of the following reasons: (A) an act or acts of God,  
20 (B) an act of bioterrorism or terrorism or a bioterrorism or  
21 terrorism threat that was investigated by a law enforcement  
22 agency, or (C) a condition beyond the control of the owners  
23 licensee that does not result from any act or omission by the  
24 owners licensee or any of its agents and that poses a hazardous  
25 threat to the health and safety of patrons. If an owners  
26 licensee pays an amount in excess of its liability under this

1 Section, the Board shall apply the overpayment to future  
2 payments required under this Section.

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

4 "Act of God" means an incident caused by the operation of  
5 an extraordinary force that cannot be foreseen, that cannot be  
6 avoided by the exercise of due care, and for which no person  
7 can be held liable.

8 "Base amount" means the following:

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

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

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

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

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

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

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

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

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

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

23 The changes made to this subsection (a-15) by Public Act  
24 94-839 ~~this amendatory Act of the 94th General Assembly~~ are  
25 intended to restate and clarify the intent of Public Act 94-673  
26 with respect to the amount of the payments required to be made

1 under this subsection by an owners licensee to the Board.

2 (b) Until January 1, 1998, 25% of the tax revenue deposited  
3 in the State Gaming Fund under this Section shall be paid,  
4 subject to appropriation by the General Assembly, to the unit  
5 of local government which is designated as the home dock of the  
6 riverboat. Beginning January 1, 1998, from the tax revenue  
7 deposited in the State Gaming Fund under this Section, an  
8 amount equal to 5% of adjusted gross receipts generated by a  
9 riverboat shall be paid monthly, subject to appropriation by  
10 the General Assembly, to the unit of local government that is  
11 designated as the home dock of the riverboat. From the tax  
12 revenue deposited in the State Gaming Fund pursuant to  
13 riverboat gambling operations conducted by a licensed manager  
14 on behalf of the State, an amount equal to 5% of adjusted gross  
15 receipts generated pursuant to those riverboat gambling  
16 operations shall be paid monthly, subject to appropriation by  
17 the General Assembly, to the unit of local government that is  
18 designated as the home dock of the riverboat upon which those  
19 riverboat gambling operations are conducted.

20 (c) Appropriations, as approved by the General Assembly,  
21 may be made from the State Gaming Fund to the Department of  
22 Revenue and the Department of State Police for the  
23 administration and enforcement of this Act, or to the  
24 Department of Human Services for the administration of programs  
25 to treat problem gambling.

26 (c-5) Before May 26, 2006 (the effective date of Public Act

1 ~~94-804) this amendatory Act of the 94th General Assembly~~ and  
2 beginning 2 years after May 26, 2006 (the effective date of  
3 Public Act 94-804) ~~this amendatory Act of the 94th General~~  
4 ~~Assembly~~, after the payments required under subsections (b) and  
5 (c) have been made, an amount equal to 15% of the adjusted  
6 gross receipts of (1) an owners licensee that relocates  
7 pursuant to Section 11.2, (2) an owners licensee conducting  
8 riverboat gambling operations pursuant to an owners license  
9 that is initially issued after June 25, 1999, or (3) the first  
10 riverboat gambling operations conducted by a licensed manager  
11 on behalf of the State under Section 7.3, whichever comes  
12 first, shall be paid from the State Gaming Fund into the Horse  
13 Racing Equity Fund.

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

18 (c-15) After the payments required under subsections (b),  
19 (c), and (c-5) have been made, an amount equal to 2% of the  
20 adjusted gross receipts of (1) an owners licensee that  
21 relocates pursuant to Section 11.2, (2) an owners licensee  
22 conducting riverboat gambling operations pursuant to an owners  
23 license that is initially issued after June 25, 1999, or (3)  
24 the first riverboat gambling operations conducted by a licensed  
25 manager on behalf of the State under Section 7.3, whichever  
26 comes first, shall be paid, subject to appropriation from the

1 General Assembly, from the State Gaming Fund to each home rule  
2 county with a population of over 3,000,000 inhabitants for the  
3 purpose of enhancing the county's criminal justice system.

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

9 (c-25) After the payments required under subsections (b),  
10 (c), (c-5) and (c-15) have been made, an amount equal to 2% of  
11 the adjusted gross receipts of (1) an owners licensee that  
12 relocates pursuant to Section 11.2, (2) an owners licensee  
13 conducting riverboat gambling operations pursuant to an owners  
14 license that is initially issued after June 25, 1999, or (3)  
15 the first riverboat gambling operations conducted by a licensed  
16 manager on behalf of the State under Section 7.3, whichever  
17 comes first, shall be paid from the State Gaming Fund to  
18 Chicago State University.

19 (d) From time to time, the Board shall transfer the  
20 remainder of the funds generated by this Act, except the tax  
21 revenue generated pursuant to Section 13.2, into the Education  
22 Assistance Fund, created by Public Act 86-0018, of the State of  
23 Illinois.

24 (e) Nothing in this Act shall prohibit the unit of local  
25 government designated as the home dock of the riverboat from  
26 entering into agreements with other units of local government

1 in this State or in other states to share its portion of the  
2 tax revenue.

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

9 (Source: P.A. 93-27, eff. 6-20-03; 93-28, eff. 6-20-03; 94-673,  
10 eff. 8-23-05; 94-804, eff. 5-26-06; 94-839, eff. 6-6-06;  
11 revised 8-3-06.)

12 (230 ILCS 10/13.2 new)

13 Sec. 13.2. Supplemental tax.

14 (a) Beginning January 1, 2008, there is imposed a  
15 supplemental tax on the adjusted gross receipts of each  
16 licensed owner of a riverboat conducting gambling operations  
17 from a home dock located in East St. Louis at the rate of 0.5%  
18 of adjusted gross receipts. The tax imposed under this Section  
19 shall be due and payable on the last day of April next  
20 following the end of the calendar year. The State Treasurer  
21 shall have a lien against the property constituting the  
22 riverboats and on-shore facilities owned by a licensee for the  
23 amount of any tax not paid when due.

24 (b) The licensee shall pay to the State Treasurer on or  
25 before the 15th day of the first, fourth, seventh, and tenth

1 months of each year as partial payments of the supplemental tax  
2 imposed under subsection (a) an amount equal to 0.25% of the  
3 estimated gross receipts for the 3-month period immediately  
4 preceding the first day of those months. The moneys received  
5 from a licensee shall be placed in the Depressed Municipalities  
6 Fund, which is hereby created as a Special Fund in the State  
7 Treasury. Moneys in the Fund shall be paid to the following  
8 municipalities: Alorton, Centreville, Brooklyn, Washington  
9 Park, and Venice. Moneys paid to a municipality pursuant to  
10 this subsection (b) shall be used for infrastructure  
11 improvement projects within that municipality.

12 (c) If a licensee fails to pay the amount due or underpays  
13 by an unjustifiable amount, the Gaming Board shall impose a  
14 fine of 5% of the amount due or of the underpayment, as the  
15 case may be, for each month or portion of a month the licensee  
16 is in default of payment, up to 25% of the amount in default.  
17 Any fine imposed upon a licensee shall be paid into the  
18 Depressed Municipalities Fund.

19 (230 ILCS 10/23) (from Ch. 120, par. 2423)

20 Sec. 23. The State Gaming Fund. On or after the effective  
21 date of this Act, except as provided for payments into the  
22 Horse Racing Equity Trust Fund under subsection (a) of Section  
23 7, all of the fees and taxes collected pursuant to this Act,  
24 except tax revenue collected pursuant to Section 13.2, shall be  
25 deposited into the State Gaming Fund, a special fund in the

1 State Treasury, which is hereby created. The adjusted gross  
2 receipts of any riverboat gambling operations conducted by a  
3 licensed manager on behalf of the State remaining after the  
4 payment of the fees and expenses of the licensed manager shall  
5 be deposited into the State Gaming Fund. Fines and penalties  
6 collected pursuant to this Act shall be deposited into the  
7 Education Assistance Fund, created by Public Act 86-0018, of  
8 the State of Illinois.

9 (Source: P.A. 93-28, eff. 6-20-03; 94-804, eff. 5-26-06.)

10 Section 99. Effective date. This Act takes effect upon  
11 becoming law.